Stock Code:1476

ECLAT TEXTILE CO., LTD.

Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of Eclat Textile Co., Ltd.:

Opinion

We have audited the accompanying financial statements of Eclat Textile Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were significant in our audit of the financial statements of the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters individually. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

Revenue Recognition and Cut-off

Please refer to note 4(p) for details of the accounting policies of the recognition of revenue and note 6(p) revenue from contracts with customers.

How the matter was addressed in our audit

Revenue recognition of the Company is the main concern of the financial report users. Therefore, the assessment of revenue recognition is the key audit matter in our audit.

Our principal audit procedures included:

Testing the design and implementation of internal control over revenue recognition, inspecting the accuracy of revenue recognition, reconciling between sales systems and general ledger, implementing cut off test of revenues and further inspecting related transaction documents to ensure that the revenue is recorded in the appropriate period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors’ report are Hui-Chih Kou and Hsin-Yi Kuo.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2025

Notes to Readers

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

For the convenience of readers, the independent auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese language independent auditors’ report and financial statements shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 2,345,771	7	2,068,812	7
1150	Notes receivable (note 6(b))	17,451	-	19,459	-
1170	Accounts receivable, net (including related parties) (notes 6(b) and 7)	6,532,032	20	4,678,411	16
1200	Other receivables	15,060	-	21,538	-
1210	Other receivables due from related parties (note 7)	395,323	1	994,286	3
1310	Inventories, net (note 6(c))	4,629,889	14	3,658,599	12
1460	Non-current assets held for sale, net (note 6(d))	-	-	25,863	-
1470	Other current assets (note 6(i))	5,143,481	15	4,666,418	15
	Total current assets	19,079,007	57	16,133,386	53
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(e))	5,870,964	17	5,213,184	17
1600	Property, plant and equipment (notes 6(f) and 7)	7,625,430	23	7,761,959	27
1755	Right-of-use assets (note 6(g))	23,884	-	24,641	-
1760	Investment property, net (note 6(h))	752,694	2	737,780	3
1780	Intangible assets	12,789	-	13,094	-
1840	Deferred tax assets (note 6(m))	13,222	-	47,370	-
1975	Net defined benefit asset, non-current (note 6(l))	163,930	1	117,066	-
1990	Other non-current assets, others (note 6(i))	12,067	-	111,722	-
	Total non-current assets	14,474,980	43	14,026,816	47
	Total assets	**$ 33,553,987**	**100**	**30,160,202**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2150	Notes payable (note 6(s))	100,093	-	90,303	-
2170	Accounts payable (note 6(s))	1,900,560	6	1,425,749	5
2180	Accounts payable to related parties (notes 6(s) and 7)	354,429	1	286,597	1
2200	Other payables (note 6(l))	1,006,448	3	912,399	3
2230	Current tax liabilities	831,705	2	1,539,484	5
2280	Current lease liabilities (notes 6(j)(s))	11,886	-	12,497	-
2399	Other current liabilities, others	309,554	1	194,857	1
	Total current liabilities	4,514,675	13	4,461,886	15
	Non-current liabilities:				
2570	Deferred tax liabilities (note 6(m))	100,443	1	10,822	-
2580	Non-current lease liabilities (notes 6(j)(s))	10,739	-	10,467	-
2645	Guarantee deposits received	6,469	-	6,446	-
	Total non-current liabilities	117,651	1	27,735	-
	Total liabilities	4,632,326	14	4,489,621	15
	Equity (notes 6(n)(u)):				
3110	Ordinary share	2,743,671	8	2,743,671	9
3200	Capital surplus	3,769,803	11	3,769,547	13
	Retained earnings:				
3310	Legal reserve	5,326,981	16	4,809,262	16
3350	Unappropriated retained earnings	16,753,936	50	14,308,572	47
	Total retained earnings	22,080,917	66	19,117,834	63
3490	Other equity, others	327,270	1	39,529	-
	Total equity	28,921,661	86	25,670,581	85
	Total liabilities and equity	**$ 33,553,987**	**100**	**30,160,202**	**100**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD.

Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

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

		For the years ended December 31			
		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(p) and 7)**	$ 36,606,183	100	30,685,904	100
5000	**Operating costs (notes 6(c)(f)(g)(j)(l)(q), 7 and 12)**	26,521,555	72	21,858,745	71
	Gross profit from operations	10,084,628	28	8,827,159	29
	Operating expenses (notes 6(f)(g)(h)(j)(l)(q), 7 and 12):				
6100	Selling expenses	1,614,908	4	1,392,792	4
6200	Administrative expenses	1,032,272	3	917,320	3
6300	Research and development expenses	164,550	1	148,141	1
	Total operating expenses	2,811,730	8	2,458,253	8
	Net operating income	7,272,898	20	6,368,906	21
	Non-operating income and expenses (notes 6(f)(j)(k)(r), 7 and 12):				
7010	Other income	31,297	-	24,523	-
7020	Other gains and losses, net	512,618	1	95,892	-
7050	Finance costs	(468)	-	(387)	-
7060	Share of profit of associates accounted for using equity method, net	296,277	1	4,171	-
7100	Interest income	153,362	1	118,402	1
	Total non-operating income and expenses	993,086	3	242,601	1
7900	**Income before income tax**	8,265,984	23	6,611,507	22
7950	**Less: Tax expenses (note 6(m))**	1,625,132	5	1,435,040	5
8200	**Profit (note 6(u))**	6,640,852	18	5,176,467	17
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurements from defined benefit plans (note 6(l))	24,361	-	1,021	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	1,826	-	(298)	-
8349	Less:Income tax related to components that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	26,187	-	723	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	359,677	1	19,581	-
8399	Less:Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(m))	71,936	-	3,916	-
	Total components of other comprehensive income that will be reclassified to profit or loss	287,741	1	15,665	-
8300	**Other comprehensive income, net of income tax**	313,928	1	16,388	-
8500	**Total comprehensive income**	**$ 6,954,780**	**19**	**5,192,855**	**17**
	Earnings per share (note 6(o))				
9750	**Basic earnings per share (in dollars)**	**$**	**24.20**		**18.87**
9850	**Diluted earnings per share (in dollars)**	**$**	**24.20**		**18.87**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD.

Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings				Other Equity	
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2023	$ 2,743,671	3,769,547	4,126,099	429,446	14,049,340	18,604,885	23,864	25,141,967
Profit	-	-	-	-	5,176,467	5,176,467	-	5,176,467
Other comprehensive income (loss)	-	-	-	-	723	723	15,665	16,388
Total comprehensive income (loss)	-	-	-	-	5,177,190	5,177,190	15,665	5,192,855
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	683,163	-	(683,163)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,664,241)	(4,664,241)	-	(4,664,241)
Reversal of special reserve	-	-	-	(429,446)	429,446	-	-	-
Balance at December 31, 2023	2,743,671	3,769,547	4,809,262	-	14,308,572	19,117,834	39,529	25,670,581
Profit	-	-	-	-	6,640,852	6,640,852	-	6,640,852
Other comprehensive income (loss)	-	-	-	-	26,187	26,187	287,741	313,928
Total comprehensive income (loss)	-	-	-	-	6,667,039	6,667,039	287,741	6,954,780
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	517,719	-	(517,719)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,703,956)	(3,703,956)	-	(3,703,956)
Other changes in capital surplus:								
Other changes in capital surplus	-	256	-	-	-	-	-	256
Balance at December 31, 2024	**$ 2,743,671**	**3,769,803**	**5,326,981**	**-**	**16,753,936**	**22,080,917**	**327,270**	**28,921,661**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD.

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		2024	2023
Cash flows from (used in) operating activities:			
Profit before tax	$	8,265,984	6,611,507
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		364,919	348,896
Amortization expense		10,350	7,281
Interest expense		468	387
Interest income		(153,362)	(118,402)
Share of loss(gain) of associates accounted for using equity method		(296,277)	(4,171)
Loss (gain) on disposal of property, plant and equipment		(1,726)	(629)
Property, plant and equipment transferred to expenses		746	-
Loss (gain) on disposal of non-current assets held for sale		(56,697)	(9,532)
Gain on lease modification		(334)	(6)
Total adjustments to reconcile profit		(131,913)	223,824
Changes in operating assets and liabilities:			
Decrease (increase) in notes receivable		2,008	(16,413)
Decrease (increase) in accounts receivable		(1,853,621)	(885,314)
Decrease (increase) in inventories		(971,290)	(2,997)
Decrease (increase) in other current assets		13,981	16,428
Increase (decrease) in notes payables		9,790	9,788
Increase (decrease) in accounts payables		474,811	15,707
Increase (decrease) in accounts payable to related parties		67,832	(24,503)
Increase (decrease) in other payables		97,931	(332,087)
Increase (decrease) in other current liabilities		114,697	(100,028)
Increase (decrease) in net defined benefit asset		(22,503)	(3,976)
Total changes in operating assets and liabilities		(2,066,364)	(1,323,395)
Total adjustments		(2,198,277)	(1,099,571)
Cash inflow generated from operations		6,067,707	5,511,936
Interest received		168,797	85,153
Interest paid		(94)	(61)
Income taxes paid		(2,281,078)	(1,680,286)
Net cash flows from operating activities		3,955,332	3,916,742
Cash flows from (used in) investing activities:			
Proceeds from disposal of non-current assets held for sale		82,560	44,516
Acquisition of property, plant and equipment		(235,960)	(151,745)
Proceeds from disposal of property, plant and equipment		10,641	1,086
Decrease in refundable deposits		737	1,642
Increase in other receivables due from related parties		-	(982,560)
Decrease in other receivables due from related parties		598,963	-
Acquisition of intangible assets		(10,045)	(12,239)
Increase in other financial assets		(500,000)	(1,500,000)
Increase in other non-current assets		-	(40,744)
Decrease in other non-current assets		98,918	-
Dividends received		-	542,555
Net cash flows from (used in) investing activities		45,814	(2,097,489)
Cash flows from (used in) financing activities:			
Increase in current borrowings		10,000	10,000
Decrease in current borrowings		(10,000)	(10,000)
Increase in guarantee deposits received		23	2,240
Payment of lease liabilities		(20,510)	(23,852)
Cash dividends paid		(3,703,956)	(4,664,241)
Other financing activities		256	-
Net cash flows from (used in) financing activities		(3,724,187)	(4,685,853)
Net increase (decrease) in cash and cash equivalents		276,959	(2,866,600)
Cash and cash equivalents at beginning of period		2,068,812	4,935,412
Cash and cash equivalents at end of period	**$**	**2,345,771**	**2,068,812**

See accompanying notes to the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Eclat Textile Co., Ltd.. (the "Company") was incorporated on November 28, 1977. The Company has established the Hsi-chou Plant in Miao-li, Ta-shan Plant, and Da-yuan Plant in Taoyuan. The Company has mainly been involved in the manufacturing and marketing of knitwear.

(2) Approval date and procedures of the financial statements

The financial statements were approved by the Board of Directors and issued on February 27, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective.

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC.

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

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Standards or Interpretations	Content of amendment	Effective date issued by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between and Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

The material accounting policies presented in the financial statements are summarized as follows. Except for note 3, the following accounting policies were applied consistently through all reporting periods presented in the financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the net defined benefit assets are measured at the fair value of the plan assets, less the present value of the defined benefit obligation, limited as explained in note 4 (q).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entities operate. The financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Foreign currencies

(i)Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of transaction.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(ii)Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the functional currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

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

(iv)The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i)It is expected to be settled in the normal operating cycle;

(ii)It is held primarily for the purpose of trading;

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

(iv)The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Term deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

(i)Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- bank deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable is always measured at an amount equal to lifetime ECL.

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 120 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or delay of payments;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

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(ii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost.

Other financial liabilities subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are necessary expenditures and charges for bringing the inventory to a salable and useable condition and location. In the case of manufactured overhead, cost includes an appropriate share of production overheads based on normal operating capacity of labor hours or machine hours and is allocated to finish goods and work in progress. Inventories are measured at the lower of cost and net realizable value subsequently and the cost of inventories is calculated using the monthly weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h)Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are remeasured in accordance with the Company's accounting policies. Thereafter, the assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses measured both at the time of classification as held for sale and subsequently could be recognized in profit or loss. A gain from any subsequent increase in the above measurement can be recognized in profit or loss to the extent that it is not in excess of the cumulative impairment loss.

The property, plant and equipment no longer amortized or depreciated when classified as held for sale.

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(i) Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases.

Gains and losses resulting from the transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Investment in subsidiaries

In preparing the financial statements, the Company appraises its investees by using equity method. Under equity method, current income and other comprehensive income from financial statement is the same as the consolidated income and other comprehensive income attributable to parent. Shareholders' equity is the same as the consolidated shareholders' equity.
The Company treated the changes of subsidiaries' equity as transactions among owners.

(k) Investment property

Investment property is initially measured at cost and then subsequently measured at cost subtracting by accumulated depreciation. The depreciation methods, life duration and residual values of investment property are same as the practice of the property, plant, and equipment.

The gain or loss on disposal of investment property (calculated based on the difference between the net disposal proceeds and the book value) is recognized in profit and loss.

The rent income arising from investment property is recognized as other income in accordance with the straight-line method over the lease period. Also, the given lease incentives is recognized as part of the overall rent income over the lease period.

(l) Property, plant, and equipment

(i)Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii)Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii)Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1)	Buildings	3 to 60 years
2)	Machinery	2 to 15 years
3)	Transportation equipment	3 to 5 years
4)	Office equipment	5 to 9 years
5)	Miscellaneous equipment	3 to 15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv)Reclassified to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(m) Leases

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

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

– fixed payments; including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when:

– there is a change in future lease payments arising from the change in an index or rate; or

– there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

– there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying assets, or

– there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

– there is any lease modifications

When the lease liability is re-measured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is re-measured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the re-measurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Rental revenue'.

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(n) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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

Software：2 to 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(o) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

(i) Sale of goods

The Company manufactures and sells elastic fabrics and clothing. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(q) Employee benefits

(i)Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii)Defined benefit plans

The Company’s net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii)Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i)temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction that affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;

(ii)temporary differences related to investments in subsidiaries and associates that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii)taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i)the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

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

1) the same taxable entity; or

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

(s) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary equity holders of the Company. Basic earnings per share is calculated on profit attributable to the ordinary stockholders of the Company divided by weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated on profit attributable to ordinary stockholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(t) Operating segments

The Company has already disclosed the segment information in the consolidated financial statement; therefore, the Company need not disclose the segment information again in the financial statement.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

(6) Explanation to significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash	$ 2,450	2,430
Bank deposits	2,343,321	2,066,382
Cash and cash equivalents	**$ 2,345,771**	**2,068,812**

Please refer to note 6(s) for the exchange risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Notes receivable and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable-operating activities	$ 17,451	19,459
Accounts receivable (including related parties)	6,556,118	4,702,497
Less: allowance for doubtful accounts	(24,086)	(24,086)
Total	**$ 6,549,483**	**4,697,870**

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The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the macroeconomic and related industrial information.

The loss allowance provisions for the notes and accounts receivable of the Company were determined as follows:

	December 31, 2024		
	Gross carrying amount	**Weighted-average credit loss rate**	**Expected credit loss**
Current	$ 5,702,903	0%~1.8%	17,356
Within 30 days past due	863,246	0.4%~1.8%	5,505
31 to 120 days past due	6,973	0.4%~100%	778
Over 121 days past due	447	100%	447
	$ 6,573,569		**24,086**

	December 31, 2023		
	Gross carrying amount	**Weighted-average credit loss rate**	**Expected credit loss**
Current	$ 4,208,261	0%~4.2%	20,220
Within 30 days past due	512,672	0.3%~4.2%	3,246
31 to 120 days past due	590	0.3%~100%	187
Over 121 days past due	433	100%	433
	$ 4,721,956		**24,086**

None of notes receivable and accounts receivable held by the Company needed to increase provision for losses due to an increase in overdue credit risk for the years ended December 31, 2024 and 2023.

None of notes receivable and accounts receivable held by the Company were pledged or collateralized as of December 31, 2024 and 2023.

Accounts receivable of the Company had been insured accounts receivable credit risk. The insured amounts were $2,971,477 thousand, and $2,313,553 thousand as of December 31, 2024 and 2023, respectively. Guaranteed fraction was 90% of reviewed credit of policyholder, the recoverable amount of the insurance was considered when deciding impairment amount of accounts receivable.

The Company has signed accounts receivable factoring contracts without recourse with financial institutions. As stated in the contract, the Company does not have to bear the risks of uncollectable accounts receivables but the loss incurred due to commercial arguments, and hence meets the criteria of derecognition of financial assets. Factored accounts receivables which were not due as of the report date were as follows:

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December 31, 2024

Counterparty	Factored amount	Acceptable advances	Amount collected in advance	Interest rate	Pledged items
E-Sun Bank	$ -	4,957,092	-	-	None
CTBC Bank	$ -	4,042,391	-	-	None

December 31, 2023

Counterparty	Factored amount	Acceptable advances	Amount collected in advance	Interest rate	Pledged items
E-Sun Bank	$ -	2,462,234	-	-	None
CTBC Bank	$ -	3,084,010	-	-	None

(c) Inventories

	December 31, 2024	December 31, 2023
Raw materials (including raw materials in transit)	$ 2,727,096	2,282,712
Supplies	724,541	528,788
Work in progress	911,645	644,509
Finished goods	266,607	202,590
	$ 4,629,889	3,658,599

For the years ended December 31, 2024 and 2023, the Company recognized inventory costs as part of cost of goods sold and expenses amounting to $26,521,555 thousand and $21,858,745 thousand, respectively. There were no recognized loss of inventory price due to write downs from inventories to net realizable value for 2024 and 2023.

None of inventories held by the Company were pledged as of December 31, 2024 and 2023.

(d) Non-current assets held for sale

The Company's Board of Directors approved a resolution to sell the part of property, plant and equipment on September 7, 2023, then the related assets were reported as held for sale. As of December 31, 2024, all of the assets reported as held for sale have been sold.

As of December 31, 2024 and 2023, the details were as follows:

	December 31, 2024	December 31, 2023
Land	$ -	21,162
Buildings	-	4,701
	$ -	25,863

As of December 31, 2023, the Company had measured the fair value of non-current assets held for sale based on the lower of the carrying amount and fair value less costs of sale, there were no need to recognize impairment losses.

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(e) Investment under equity method

The Company's financial information for equity accounted investees at the reporting date were as follows:

	December 31, 2024	December 31, 2023
Subsidiaries	$ 5,870,964	5,213,184

1.Subsidiaries

Please refer to 2024 consolidated financial statements.

2.Pledged: None of investment under equity method held by the Company were pledged as of December 31, 2024 and 2023.

(f) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Company were as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Construction in progress	Total
Cost:								
Balance at January 1, 2024	$ 4,141,770	4,143,102	2,011,951	50,073	113,246	231,339	248	10,691,729
Additions	-	64,450	47,531	12,250	104,972	6,757	-	235,960
Disposals	-	-	(24,742)	(22,165)	(4,730)	(6,127)	-	(57,764)
Reclassification	(9,444)	(26,479)	-	-	248	-	(248)	(35,923)
Balance at December 31, 2024	$ 4,132,326	4,181,073	2,034,740	40,158	213,736	231,969	-	10,834,002
Balance at January 1, 2023	$ 4,790,091	4,366,993	1,947,764	50,073	109,542	226,057	3,674	11,494,194
Additions	-	50,413	85,287	-	5,875	10,165	5	151,745
Disposals	-	(476)	(21,100)	-	(2,171)	(4,883)	-	(28,630)
Reclassification	(648,321)	(273,828)	-	-	-	-	(3,431)	(925,580)
Balance at December 31, 2023	$ 4,141,770	4,143,102	2,011,951	50,073	113,246	231,339	248	10,691,729
Depreciation:								
Balance at January 1, 2024	$ -	894,884	1,718,116	32,739	105,079	178,952	-	2,929,770
Depreciation	-	198,810	105,181	5,131	15,693	14,461	-	339,276
Disposals	-	-	(23,694)	(13,683)	(4,730)	(5,996)	-	(48,103)
Reclassification	-	(12,371)	-	-	-	-	-	(12,371)
Balance at December 31, 2024	$ -	1,081,323	1,799,603	24,187	116,042	187,417	-	3,208,572
Balance at January 1, 2023	$ -	822,819	1,635,769	26,704	105,202	169,199	-	2,759,693
Depreciation	-	195,824	103,172	6,035	2,049	14,453	-	321,533
Disposals	-	(476)	(20,825)	-	(2,172)	(4,700)	-	(28,173)
Reclassification	-	(123,283)	-	-	-	-	-	(123,283)
Balance at December 31, 2023	$ -	894,884	1,718,116	32,739	105,079	178,952	-	2,929,770
Carrying amounts:								
Balance at December 31, 2024	$ 4,132,326	3,099,750	235,137	15,971	97,694	44,552	-	7,625,430
Balance at December 31, 2023	$ 4,141,770	3,248,218	293,835	17,334	8,167	52,387	248	7,761,959

The property, plant and equipment of the Company were not pledged or mortgaged as collateral for loans as of December 31, 2024 and 2023.

When the properties held by the Company are leased out to third parties under operating leases, such properties are reclassified as investment properties at their carrying amounts at the date of change in use, please refer to note 6(h) for further details.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(g) Right-of-use assets

The Company leases assets including buildings, transportation equipment, office equipment and miscellaneous equipment. Information about leases for which the Company as a lessee is presented below:

		Buildings	Transportation equipment	Office equipment	Miscellaneous equipment	Total
Cost:						
Balance at January 1, 2024	$	25,366	44,138	4,864	1,250	75,618
Additions		-	19,411	488	-	19,899
Disposal		(23,638)	(19,681)	-	(1,250)	(44,569)
Balance at December 31, 2024	$	**1,728**	**43,868**	**5,352**	**-**	**50,948**
Balance at January 1, 2023	$	32,951	46,011	7,747	1,250	87,959
Additions		1,629	7,494	-	-	9,123
Disposal		(9,214)	(9,367)	(2,883)	-	(21,464)
Balance at December 31, 2023	$	**25,366**	**44,138**	**4,864**	**1,250**	**75,618**
Accumulated depreciation:						
Balance at January 1, 2024	$	19,956	28,060	1,825	1,136	50,977
Depreciation		1,016	14,077	1,798	114	17,005
Disposal		(20,050)	(19,618)	-	(1,250)	(40,918)
Balance at December 31, 2024	$	**922**	**22,519**	**3,623**	**-**	**27,064**
Balance at January 1, 2023	$	22,538	22,765	2,464	909	48,676
Depreciation		6,631	14,662	2,174	227	23,694
Disposal		(9,213)	(9,367)	(2,813)	-	(21,393)
Balance at December 31, 2023	$	**19,956**	**28,060**	**1,825**	**1,136**	**50,977**
Carrying amount:						
Balance at December 31, 2024	$	**806**	**21,349**	**1,729**	**-**	**23,884**
Balance at December 31, 2023	$	**5,410**	**16,078**	**3,039**	**114**	**24,641**

(h) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases which owned by the Company. The details of the changes were as follows:

		Land	Buildings	Total
Cost:				
Balance at January 1, 2024	$	627,050	211,042	838,092
Reclassification from property, plant and equipment		9,444	26,479	35,923
Balance at December 31, 2024	$	**636,494**	**237,521**	**874,015**
Balance at January 1, 2023	$	-	-	-
Reclassification from property, plant and equipment		627,050	211,042	838,092
Balance at December 31, 2023	$	**627,050**	**211,042**	**838,092**
Depreciation:				
Balance at January 1, 2024	$	-	100,312	100,312
Depreciation		-	8,638	8,638
Reclassification from property, plant and equipment		-	12,371	12,371
Balance at December 31, 2024	$	**-**	**121,321**	**121,321**
Balance as of January 1, 2023	$	-	-	-
Depreciation		-	3,669	3,669
Reclassification from property, plant and equipment		-	96,643	96,643
Balance at December 31, 2023	$	**-**	**100,312**	**100,312**

Eclat Textile Co., Ltd.
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		Land	Buildings	Total
Carrying amounts:				
December 31, 2024	$	636,494	116,200	752,694
December 31, 2023	$	627,050	110,730	737,780
Fair value:				
December 31, 2024			$	1,494,131
December 31, 2023			$	1,361,108

The fair value of investment properties was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The valuation was primarily based on the market comparison approach, taking into account recent transaction prices of similar properties in nearby areas and publicly available information, such as the Ministry of the Interior's actual transaction price registration. The inputs used in the fair value hierarchy in determining the fair value are classified as Level 3: The input parameters used to measure fair value are not information available from active markets.

None of the investment property of the Company were pledged or mortgaged as collateral for loans as of December 31, 2024 and 2023.

(i) Other current or non-current assets

Current:

	December 31, 2024	December 31, 2023
Tax refund receivables	$ 46,639	40,402
Payment in advance	22,756	49,176
Prepaid expense	10,127	24,167
Other prepaid	5,788	5,365
Temporary payments	8,127	4,215
Office supplies	2,715	2,442
Other financial assets-term deposits	5,000,000	4,500,000
Prepaid value-added tax	47,329	40,651
	$ 5,143,481	4,666,418

Non-current:

	December 31, 2024	December 31, 2023
Prepayments for business facilities	$ 11,507	110,425
Refundable deposits	560	1,297
	$ 12,067	111,722

(j) Lease liabilities

The Company's lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 11,886	12,497
Non-current	$ 10,739	10,467

Eclat Textile Co., Ltd.
Notes to the Financial Statements

For the maturities analysis, please refer to note 6(s).

The amounts of leases recognized in profit or loss were as follows:

	For the years ended December 31	
	2024	2023
Interest on lease liabilities	$ 272	349
Expenses relating to short-term leases	$ 5,635	5,270

The amounts of leases recognized in the statement of cash flows were as follows:

	For the years ended December 31	
	2024	2023
Total cash outflow for leases	$ 26,417	29,471

1. Real estate leases

   The Company leases buildings for its office space and dormitory for 2 to 5 years.

2. Other leases

   The Company leases transportation, office and miscellaneous equipment with contract terms for 1 to 10 years.

   The Company also leases other equipment for 1 to 10 years, these leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Operating Leases

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(h) that sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

	December 31, 2024	December 31, 2023
Less than one year	$ 30,850	27,000
Between one and two years	30,013	27,000
Between two and three years	24,559	26,473
Between three and four years	9,920	21,679
Between four and five years	1,200	7,040
Total undiscounted lease payments	$ 96,542	109,192

For the years ended December 31, 2024 and 2023, rental income from investment properties were $29,535 thousand and $19,960 thousand, respectively.

Eclat Textile Co., Ltd.
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(1) Employee benefits

(i) Defined benefit plans

Reconciliation for the Company's present value of defined benefit obligation and fair value of plan assets were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 181,437	206,984
Fair value of plan assets	(345,367)	(324,050)
Net defined benefit (assets) liabilities	**$ (163,930)**	**(117,066)**

The Company's employee benefit liabilities were as follows:

	December 31, 2024	December 31, 2023
Compensated absences liability	**$ 47,525**	**44,429**

Under the Company's employee benefit retirement plan, contributions are made to an independent fund that is deposited with Bank of Taiwan. Employees are eligible for retirement and payments of retirement benefits are based on years of service and the average salary for the last six months before the employee's retirement according to the Labor Standards Law.

1) Composition of plan assets

The retirement funds deposited by the Company according to the Labor Standards Law are managed by the Bureau of Labor Funds, Ministry of Labor (the "BLF"). According to Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the usage of funds and their minimum amount of return distributed by the final accounts shall not be less than the income calculated by the two year deposit interest rate of local bank.

As of December 31, 2024, the Company's pension fund with Bank of Taiwan amounted to $345,367 thousand. Please refer to the related information published on the website of the Labor Pension Supervisory Committee concerning the utilization of the labor pension fund, related yield rate and its allocation.

2) Movements in present value of the defined benefit obligations

Movements in present value of the defined benefit obligations were as follows:

	For the years ended December 31	
	2024	2023
Defined benefit obligation at January 1	$ 206,984	209,355
Current service costs and interest	3,572	4,211
Remeasurement of the net defined benefit liability (asset)		
-Actuarial losses (gains) of experience adjustments	9,205	(1,867)
-Actuarial loss (gain) arising from changes in financial assumptions	(5,888)	2,166
Benefits paid	(32,436)	(6,881)
Defined benefit obligation at December 31	**$ 181,437**	**206,984**

Eclat Textile Co., Ltd.
Notes to the Financial Statements

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets were as follows:

	For the years ended December 31	
	2024	**2023**
Fair value of plan assets at January 1	$ 324,050	321,424
Expected return on plan assets	5,100	5,479
Remeasurement of the net defined benefit assets		
－Actuarial gain arising from experience adjustments	27,678	1,320
Appropriated amount to the plan	2,652	2,708
Benefits paid	(14,113)	(6,881)
Fair value of plan assets at December 31	**$ 345,367**	**324,050**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

	For the years ended December 31	
	2024	**2023**
Current service costs	$ 396	718
Net interest of net defined benefit obligations	(1,924)	(1,986)
	$ (1,528)	**(1,268)**

	For the years ended December 31	
	2024	**2023**
Operating cost	$ (408)	(321)
Selling expense	(536)	(452)
Administration expense	(584)	(495)
	$ (1,528)	**(1,268)**

5) Re-measurements of the net defined benefit liabilities (assets) recognized in other comprehensive income

The Company's re-measurements of net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	For the years ended December 31	
	2024	**2023**
Accumulative amount at January 1	$ (3,078)	(2,057)
Recognized in current period	(24,361)	(1,021)
Accumulative amount at December 31	**$ (27,439)**	**(3,078)**

6) Actuarial assumptions

Major assumptions used to determine the present value of the defined benefit obligations were as follows:

	December 31, 2024	December 31, 2023
Discount rate	2.000 %	1.625 %
Future salary growth rate	3.000 %	3.000 %

The Company is expected allocation payment of $5,609 thousand to the defined plans for the one-year period after the reporting date of 2024.

The weighted average duration of the defined benefit obligation is 10.16 years.

7) Sensitivity analysis

As of December 31, 2024 and 2023, the effects of the present value of the defined benefit obligation arising from changes in principal actuarial assumptions were as follows:

	Effects on defined benefit obligations	
	Increase 0.25%	Decrease 0.25%
December 31, 2024		
Discount rate (change 0.25%)	$ (3,771)	3,900
Future salary growth rate (change 0.25%)	3,767	(3,667)
December 31, 2023		
Discount rate (change 0.25%)	(4,279)	4,420
Future salary growth rate (change 0.25%)	4,275	(4,153)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The sensitivity analysis adopts the same methods for determining the defined benefit assets at the balance sheet date.

There is no change in the methods and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plans

The Company contributes an amount equal to 6% of the employee's monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act, under which, the Company is not required to bear the regulated or putative obligation subsequent to the payment of fixed rate contribution.

The Company's pension costs under the defined contribution plan amounted to $54,534 thousand and $53,770 thousand in 2024 and 2023, respectively. Payments of contributions to the plan were made to the Bureau of the Labor Insurance.

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Notes to the Financial Statements

(m) Income taxes

(i)Income tax expense

The details of the Company's income tax expense were as follows:

	For the years ended December 31	
	2024	2023
Current tax expense		
Current period	$ 1,574,784	1,370,464
Adjustment for prior periods	(1,485)	89,380
	1,573,299	1,459,844
Deferred tax expense		
The occurrence and reversal of temporary differences	51,833	(24,804)
Income tax expense	**$ 1,625,132**	**1,435,040**

The components of income tax recognized in other comprehensive income were as follows:

	For the years ended December 31	
	2024	2023
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ 71,936**	**3,916**

The reconciliation between income tax expense and the income tax amount calculated based on pretax financial income were as follows:

	For the years ended December 31	
	2024	2023
Profit before income tax	**$ 8,265,984**	**6,611,507**
Income tax using the individual Company's domestic tax rate	$ 1,653,197	1,322,301
Non-deductible expenses	428	342
Current tax benefit from unrecognized deferred tax liabilities	(59,255)	(834)
Tax-exempt income	(11,028)	(789)
Income tax on return earnings from subsidiaries	-	108,511
The difference of tax assessment	-	(44,367)
The difference of estimated in prior periods	(1,485)	(45,013)
Undistributed earnings additional tax	47,776	95,684
Others	(4,501)	(795)
Income tax expense	**$ 1,625,132**	**1,435,040**

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(ii) Deferred tax assets and liabilities

1)Unrecognized deferred tax assets and liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2024 and 2023. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax liabilities. Details were as follows:

	December 31, 2024	December 31, 2023
Aggregate amount of temporary differences related to investments in subsidiaries	$ 291,230	(5,047)
Unrecognized deferred tax assets	$ 108,339	110,096
Unrecognized deferred tax liabilities	$ 166,585	109,087

2) Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 were as follows:

	Unrealized foreign exchange loss	Others	Total
Deferred Tax Assets:			
Balance at January 1, 2024	$ 34,766	12,604	47,370
Recognized in profit (loss)	(34,766)	618	(34,148)
Balance at December 31, 2024	$ -	13,222	13,222
Balance at January 1, 2023	$ -	22,566	22,566
Recognized in profit (loss)	34,766	(9,962)	24,804
Balance at December 31, 2023	$ 34,766	12,604	47,370

	Cumulative translation adjustment	Unrealized foreign exchange gain	Total
Deferred Tax Liabilities:			
Balance at January 1, 2024	$ 10,822	-	10,822
Recognized in loss (profit)	-	17,685	17,685
Recognized in other comprehensive income	71,936	-	71,936
Balance at December 31, 2024	$ 82,758	17,685	100,443
Balance at January 1, 2023	$ 6,906	-	6,906
Recognized in other comprehensive income	3,916	-	3,916
Balance at December 31, 2023	$ 10,822	-	10,822

(iii) The Company's income tax returns through 2022 had been examined by the R.O.C. tax authority.

(iv) Global minimum top-up tax

The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. Please refer to note 4 (r) for details of the accounting policies.

(n) Capital and other equity

(i) Common stock

As of December 31, 2024 and 2023, the Company's authorized share capital both amounted to $3,000,000 thousand dollars, divided into 300,000 thousand shares of stock with $10 par value per share. The total number of issued shares were 274,367 thousand shares.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Paid-in capital in excess of par value	$ 3,550,000	3,550,000
Treasury stock transactions	396	396
Unpaid compensation to directors and supervisors	1,377	1,377
Net assets from merger with Everbright Garment	15,866	15,866
Unpaid dividend payables	369	113
Employee stock options	201,795	201,795
	$ 3,769,803	**3,769,547**

According to Company Law, realized capital surplus can be transferred to common stock or distributed as cash dividends after deducting the accumulated deficit, if any. Realized capital surplus includes the additional paid-in capital from issuance of common stock in excess of the common stock's par value and donation from others. Paid-in capital in excess of par value is transferable to common stock annually but shall not exceed 10% of total issued and outstanding common stock according to Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

(iii) Retained earnings

According to the Company's articles of incorporation, 10% of annual net earnings (net of income taxes), after deducting accumulated deficits, must be set aside as legal reserve. The remaining portion is to be distributed upon a proposal by the Board of Directors.

In accordance with the Article 240, paragraph 5 of the Company Act and the Company's articles 37-1, the Company authorizes the Board of Directors, with the presence of more than two-thirds of the directors and the approval of a majority of the directors, to distribute all or part of the dividends and bonuses payable by way of cash, and to report to the shareholders' meeting. For the issuance of new shares, the proposal should be resolved during the shareholders' meeting.

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The Company is now in the growth stage and has a plan to expand the product line. Due to the need for capital to fulfill the plan, the policy for dividend distribution should reflect factors such as investment planning, financial structure, future fund requirements, and status of earnings. In a normal consideration, the percentage of earnings distribution shall not be less than 50% of the net earnings of the current year after compensating for accumulated deficits, if any. The ratio for distributing cash dividends shall not be lower than 20% of the total distribution.

1) Legal reserve

If the Company incurs no loss for the year, the legal reserve in whole or in part may be distributed in the form of new shares or cash; when the form of cash is adopted, distribution shall be made based on the resolution of a Board of Directors' meeting attended by more than two-thirds of directors with a majority of voting rights of the attending directors, which shall also be reported to the shareholders' meeting; when the distribution is made by issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution. The distribution amount is limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distributions for 2023 and 2022 were resolved by the Board of Directors held on February 29, 2024 and March 2, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2023		2022	
	per share (in dollars)	amount	per share (in dollars)	amount
Dividends distributed to ordinary shareholders:				
Cash dividends	$ 13.50	3,703,956	17.00	4,664,241

The actual earnings distribution is consistent with the amount resolved by the Board of Directors. Relevant information can be obtained through the Market Observation Post System or other public information channels.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(iv) Other equity (net of income tax)

		Financial statements translation differences from foreign operations
Balance at January 1, 2024	$	39,529
Exchange differences on translation of foreign financial statements		287,741
Balance at December 31, 2024	**$**	**327,270**
Balance at January 1, 2023	$	23,864
Exchange differences on translation of foreign financial statements		15,665
Balance at December 31, 2023	**$**	**39,529**

(o) Earnings per share

The basic and diluted earnings per share were calculated as follows:

	For the years ended December 31	
	2024	**2023**
Basic earnings per share		
Profit attributable to ordinary shareholders	**$ 6,640,852**	**5,176,467**
Weighted average number of ordinary shares outstanding (in thousands)	**274,367**	**274,367**
Basic earnings per share(in dollars)	**$ 24.20**	**18.87**
Diluted earnings per share		
Profit attributable to ordinary shareholders	**$ 6,640,852**	**5,176,467**
Weighted average number of ordinary shares outstanding (basic)(in thousands)	274,367	274,367
Effect on employee's profit-sharing bonus (in thousands)	20	16
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	**274,387**	**274,383**
Diluted earnings per share (in dollars)	**$ 24.20**	**18.87**

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(p) Revenue from contracts with customers

	For the years ended December 31, 2024		For the years ended December 31, 2023	
	Knitted fabrics	**Garments**	**Knitted fabrics**	**Garments**
Main market：				
Americas	$ 755,019	17,739,196	985,414	13,453,117
Asia	10,751,414	2,058,454	9,061,918	1,801,261
Europe	30,517	3,515,788	45,043	3,522,006
the Middle East	1,039,799	107,910	1,179,276	95,241
ANZ	208	276,170	189	262,034
Africa	289,691	42,017	240,435	39,970
	$ 12,866,648	**23,739,535**	**11,512,275**	**19,173,629**

	For the years ended December 31, 2024	For the years ended December 31, 2023
Main product：		
Knitted fabrics	$ 12,866,648	11,512,275
Garments	23,739,535	19,173,629
	$ 36,606,183	**30,685,904**

(q) Employees' profit sharing bonus

The Company's articles of incorporation require where the Company has a profit in current year, if there is surplus after covering the accumulated loss, no less than 0.1% shall be appropriated for the employee's compensation for the distribution according to the resolution of the Board of Directors' meeting, and be reported to the shareholders' meeting. The distribution of employee's compensation may be made in the form of shares or cash.

For the years ended December 31, 2024 and 2023, the estimated employee's profit sharing bonuses amounted to $9,000 thousand and $7,000 thousand, respectively, which were calculated based on the Company's profit excluding tax as well as employee profit sharing bonus and earnings allocation a minimum of 0.1% as stated under the Company's articles of incorporation. These employees' bonuses were reported under cost of goods sold and operating expenses for the years ended December 31, 2024 and 2023. If there is the change after released financial reporting date in the following year, the difference is treated as a change in accounting estimate, and is charged to profit or loss for the following year.

There were no differences between the estimated and the distributed employee's profit sharing bonuses approved by the Board of Directors for the year ended December 31, 2023. The related information can be obtained from the Market Observation Post System website of the Taiwan Stock Exchange.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(r) Non-operating income and expenses

(i) Interest income

The Company’s interest income were as follows:

	For the years ended December 31	
	2024	2023
Interest income from bank deposits	$ 98,105	85,642
Interest income from loans	55,257	32,760
	$ 153,362	**118,402**

(ii) Other income

The Company’s other income were as follows:

	For the years ended December 31	
	2024	2023
Rental income	**$ 31,297**	**24,523**

(iii) Other gains and losses, net

The Company’s other gains and losses were as follows:

	For the years ended December 31	
	2024	2023
Gain on disposal of property, plant and equipment	$ 1,726	629
Gain on disposal of non-current assets held for sale	56,697	9,532
Foreign exchange gain (loss)	437,381	52,423
Others	16,814	33,308
	$ 512,618	**95,892**

(iv) Finance costs

The Company’s finance costs were as follows:

	For the years ended December 31	
	2024	2023
Interest expense		
Bank borrowings	$ 196	38
Lease liabilities	272	349
	$ 468	**387**

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(s) Financial instruments

(i) Credit risks

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum exposed amount to credit risk.

2) Concentration of credit risk

The Company does not make concentrated transactions with any single client and scatters the sales region, there is no concentration of credit risk for accounts receivable.

3) Credit risk of receivables

For details on credit risk of notes and accounts receivable, please refer to note 6(b).

Other financial assets at amortized cost includes other receivables and term deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses.

As of December 31, 2024 and 2023, there were no other financial assets at amortized cost that required provision for impairment.

(ii) Liquidity risks

The following were the contractual maturities of financial liabilities, including the impact of estimated interest.

	Carrying amount	Contractual cash flows	Less than 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2024						
Non-derivative financial liabilities						
Accounts and notes payable (related parties included)	$ 2,355,082	2,355,082	2,355,082	-	-	-
Lease liabilities	22,625	22,871	12,050	8,180	2,641	-
	$ 2,377,707	**2,377,953**	**2,367,132**	**8,180**	**2,641**	**-**
December 31, 2023						
Non-derivative financial liabilities						
Accounts and notes payable (related parties included)	$ 1,802,649	1,802,649	1,802,649	-	-	-
Lease liabilities	22,964	23,224	12,660	7,401	3,163	-
	$ 1,825,613	**1,825,873**	**1,815,309**	**7,401**	**3,163**	**-**

The Company doesn't expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(iii) Exchange rate risks

1) Exchange rate risks

The Company's significant exposure to foreign currency risks were as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency (thousands)	Exchange rate	NTD	Foreign currency (thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 242,072	32.785	7,936,331	217,644	30.705	6,682,759
Financial liabilities						
Monetary items						
USD	59,028	32.785	1,935,233	43,234	30.705	1,327,500

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and accounts payable. A 1% depreciation or appreciation of the NTD against the USD as of December 31, 2024 and 2023 would have increased or decreased the net income after tax by $48,009 thousand and $42,842 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis was based on the same basis.

3) Foreign currency gain or loss on monetary items

The amounts of conversion gains and losses (including realized and unrealized) of monetary items of the Company which was converted into functional currency (that is the Company's expression currency), and the exchange rate information converted to the Company's functional currency, NTD, were as follows:

	For the years ended December 31			
	2024		2023	
	Exchange (loss) gain	Average rate	Exchange (loss) gain	Average rate
USD	$ 437,381	32.112	52,423	31.155

(iv) Interest rate risk

The Company's exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk part of this note.

The following sensitivity analysis is determined through the exposure to interest rate risk of derivative and non-derivative instruments on the reporting date. For floating rate liabilities, the analysis assumes that the balances of outstanding liabilities on the reporting date have been outstanding for the whole period, and their rational change intervals are being estimated. If the interest rate increases/decreases by 1%, representing the reasonable interest rates changes made by management.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(v) Fair value

The Company’s management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value.

(t) Financial risk management

i.Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note expresses the information of risk exposure and goals, policies and procedures for the Company to measure and manage risks. Please refer to notes in financial statements for further quantitative disclosures.

ii.Risk management framework

The Board of Directors is responsible for the supervision of the Company's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and overseeing the Company’s risk management policies, and reporting its operations to the Board of Directors on a regular basis.

The risk management policies are established to identify and analyze the Company's exposure to risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aim to develop a disciplines and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee of the Company oversees how the management complies in monitoring the Company’ s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The internal audit sector of the Company reviews the risk management controls and procedure on scheduled and non-scheduled basis, and reports the results to the Audit Committee.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

iii.Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

1) Accounts receivable and other receivables

The Company's credit risk exposure is primarily affected by the individual circumstances of each customer. However, management also considers statistical information regarding the customer base, including the industries to which customers belong and the default risk of the countries in which they operate, as these factors may also affect credit risk.

To maintain the quality of accounts receivable, the Company has established a risk management procedure relating to the financial condition of the client, credit risk rating, historical transactions inside the Company, and the current economic situation that may affect the clients' ability to pay up the bills. The Company also uses some credit improvement tools such as prepayments and credit insurance in order to reduce specific clients credit risk.

2) Financial investments

The credit risk exposure in the bank deposits, fix income investments and other financial instruments are measured and monitored by the Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, the management believes that the Company does not have any compliance issues, and therefore, there is no significant credit risk.

3) Guarantee

The Company's policy is only to provide financial guarantees to wholly owned subsidiaries. As of December 31, 2024 and 2023, no other guarantees were outstanding.

iv.Liquidity risk

Liquidity risk is the risk that the Company is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company estimates the cost of products and services based on accounting policy in order to assist in monitoring its cash flow requirements and optimizing its cash return on investments. Generally, the Company ensures that there is sufficient cash to cover expected operating expenditure demand, but excluding potential influence under unexpected extremely condition (i.e. nature disaster). In addition, the total amount of unused current and long term quota as of December 31, 2024 and 2023 amounted to $1,189,550 thousand and $1,560,645 thousand, respectively.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

v.Market risk

Market risk is the risk that comes from changes in market prices such as changes of foreign exchange rates, interest rates and equity prices, impacting the Company's income or the value of financial instruments held by the Company. The objective of market risk management is to manage and control market risk exposures within acceptable range and optimize the return on investments.
The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors.

1) Exchange rate risk

The Company' s exposure to currency risk is on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the NTD. The currencies used in these transactions are denominated in NTD and USD.
At any point of time, the Company' s principle is to regularly hedge using the net value after offsetting assets and liabilities. The choice of hedging exchange rate risk instruments is based on the cost and the period of hedging. The Company mainly hedges its currency risk using the foreign exchange contracts.

2) Interest rate risk

All of the Company's assets and liabilities bear floating interest rates, and thus suffer from cash flow interest rate risk exposure. The detail of floating interest rates of the Company's assets and liabilities are described in note of liquidity risk management.

(u) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain the future development of the business. The capital includes common stock, capital surplus, retained earnings and other equities. Therefore, the capital management of the Company focuses on ensuring necessary financial resources and increase stockholders' value, examining the capital return periodically. The Company's return on capital as of December 31, 2024 and 2023 were as follows:

	2024	2023
Net income	$ 6,640,852	5,176,467
Total capital	$ 28,921,661	25,670,581
Return on capital	22.96 %	20.16 %

The Company does not have any plan of purchasing treasury stock.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(7) Related-party transactions

(a) Names and relationship of related parties

The Company had transactions with related parties during the periods covered in the financial statements, as follows:

Name of related parties	Relationship with the Company
Grand Elite Holdings Inc. (Grand Elite)	Subsidiaries
Eclat Cayman Islands Holdings (Eclat Cayman)	Subsidiaries
PT Eclat Textile International (Eclat Textile (ID))	Subsidiaries
Eclat Textile (Cambodia) Co., Ltd. (Eclat Textile (Cambodia))	Subsidiaries
Eclat Textile Co., Ltd. (Vietnam) (Eclat Textile (VN))	Subsidiaries
Eclat Fabrics (Vietnam) Co., Ltd. (Fabrics)	Subsidiaries
E-TOP (Vietnam) Co., Ltd. (E-TOP(VN))	Subsidiaries
Colltex Garment Mfy Co., Ltd. (Colltex)	Subsidiaries
Eclat Enterprise Ltd. (Eclat Enterprise)	Subsidiaries
Tai-Yuan Garments Co., Ltd. (Tai-Yuan(VN))	Subsidiaries
Yih Yuan Investment Corp.	The entity's chairman was related to the former chairman of the Company within the second degree of kinship, after the board re-election on June 12, 2024, they are no longer considered related parties.
Eclat Education Foundation (Eclat Foundation)	Founded by donation of the Company

(b) Material transactions among related parties

(i) Operating revenue

The Company's sales to related party were as follows:

	For the years ended December 31	
	2024	**2023**
Subsidiaries	$ -	2,188

Selling price and sales term to subsidiaries is the same as to general sales. The terms for receivables from subsidiaries were O/A 30 days.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(ii) Purchases and processing

The Company's purchases and processes from related party were as follows:

	For the years ended December 31	
	2024	2023
Subsidiaries－Eclat Textile (VN)	$ 1,652,847	1,256,114
Subsidiaries－Fabrics	2,352,603	2,469,481
Subsidiaries－Colltex	749,759	572,663
Subsidiaries－E-TOP (VN)	951,986	713,528
Subsidiaries－Eclat Textile (ID)	986,552	547,460
Subsidiaries－Others	759,593	771,166
	$ 7,453,340	**6,330,412**

Purchasing and processing price and payment term to subsidiaries and associates were the same as to general purchases and processes. The payment term to subsidiaries and associates were O/A 30 to 60 days.

(iii) Receivables from related parties

The Company's receivables from related parties were as follows:

Account	Types of related parties	December 31, 2024	December 31, 2023
Accounts receivables	Subsidiaries	$ -	777

(iv) Payables to related parties

The Company's payables to related parties were as follows:

Account	Type of related parties	December 31, 2024	December 31, 2023
Accounts payable - related parties	Subsidiaries-Eclat Textile (VN)	$ 81,443	92,719
Accounts payable - related parties	Subsidiaries-Fabrics	66,379	49,142
Accounts payable - related parties	Subsidiaries-Colltex	55,894	32,088
Accounts payable - related parties	Subsidiaries-E-TOP (VN)	53,870	41,570
Accounts payable - related parties	Subsidiaries-Eclat Textile (ID)	59,707	29,057
Accounts payable - related parties	Subsidiaries-others	37,136	42,021
		$ 354,429	**286,597**

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(v)Loans to Related Parties

The loans to related parties were as follows:

Account	Type of related parties	December 31, 2024	December 31, 2023
Other receivables due from related partie	Subsidiaries-Eclat Textile (ID)	$ 393,420	736,920
Other receivables due from related partie	Subsidiaries-Fabrics	-	245,640
		$ 393,420	982,560

The interest receivable due from loans to related parties were as follows:

	2024	2023
Subsidiaries-Eclat Textile (ID)	$ 49,564	22,297
Subsidiaries-Others	5,693	10,463
	$ 55,257	32,760

The interest receivable due from loans to related parties were as follows:

Account	Type of related parties	December 31, 2024	December 31, 2023
Other receivables due from related partie	Subsidiaries	$ 1,903	11,726

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties are unsecured. There are no expected credit loss required after the management's assessment.

(vi) Leases

Types of related parties	For the years ended December 31	
	2024	2023
Other related parties	$ 150	300

The Company charged their rentals based on the local market prices which were paid monthly.

(vii)Others

Name of related parties	Donations For the years ended December 31	
	2024	2023
Eclat Foundation	$ 2,000	2,153

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the years ended December 31	
	2024	2023
Short-term employee benefits	$ 181,079	146,961

Eclat Textile Co., Ltd.
Notes to the Financial Statements

Cars provided to key management personnel were as follows:

	December 31, 2024	December 31, 2023
Cost	$ 20,227	30,894
Quantities	7	9
Book value	$ 10,958	13,496

(8) Pledged assets: None.

(9) Commitments and contingencies

(i)The balances of unused letters of credit of the Company were as follows:

	December 31, 2024	December 31, 2023
Unused letters of credit	$ 10,450	7,815

(ii)Significant unrecognized commitments of the Company were as follows:

	December 31, 2024	December 31, 2023
Contract for building construction and machinery	$ 16,683	65,232

(iii)The balances of issued promissory notes of the Company were as follows:

	December 31, 2024	December 31, 2023
Issued promissory notes	$ 20,000	20,000

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other:

(a) The Company's employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

By function	For the year ended December 31, 2024				For the year ended December 31, 2023			
By nature	Operating costs	Operating expenses	Non-Operating expenses	Total	Operating costs	Operating expenses	Non-Operating expenses	Total
Employee benefits								
Salary	544,489	1,538,879	-	2,083,368	476,931	1,345,134	-	1,822,065
Labor and health insurance	44,229	104,378	-	148,607	40,388	103,249	-	143,637
Pension	11,793	41,213	-	53,006	11,739	40,763	-	52,502
Director's remuneration	-	10,143	-	10,143	-	7,551	-	7,551
Others	13,703	54,309	-	68,012	12,157	45,215	-	57,372
Depreciation	168,883	194,712	1,324	364,919	154,625	192,947	1,324	348,896
Amortization	403	9,947	-	10,350	36	7,245	-	7,281

Eclat Textile Co., Ltd.
Notes to the Financial Statements

The numbers of employees and employee benefits of the Company were as follows:

	For the years ended December 31	
	2024	2023
Number of employees	1,830	1,805
Number of directors who were not employees	10	9
The average employee benefit	$ 1,293	1,156
The average salaries and wages	$ 1,145	1,015
Percentage of average employee salary adjustment	12.81 %	(5.58)%
Remuneration of supervisor	$ -	-

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) were as follows:
According to Article 25 of Incorporation, When the directors are performing duties, regardless of the operating loss or profit of the Company, the Company may pay remuneration for the performance of duties, and the remuneration is authorized to the Board of Directors make determination based on their participation level and value of contribution to the operation of the Company along with the consideration of the standard adopted in the same industry.
The Company has established the "Rules for Performance Evaluation of the Board of Directors and Functional Committee," which forms basis for the evaluation of independent directors and inside directors. In addition to the consideration of the overall business performance, future operational risk and industry development trend, the individual performance achievement rate and contribution to the Company' s operational benefits etc. are also considered comprehensively, in order to provide reasonable remuneration. Furthermore, the remuneration evaluation system is also timely reviewed according to the actual operation status and relevant laws.
The president and vice presidents of the Company are responsible for the execution of the Company' s operation and management, and the salary structure refers to the base salary, allowance and business cars. The remuneration is determined according to the overall operational performance along with the consideration of the target achievement rate, profitability, operational benefits and level of contribution of each individual managerial officer along with the consideration of the standard adopted in the same industry, in order to provide reasonable remuneration. Furthermore, the remuneration evaluation system is also timely reviewed according to the actual operation status and relevant laws.

Eclat Textile Co., Ltd.
Notes to the Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The followings were the information on significant transactions required by the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” of the Company for the years ended December 31, 2024:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 4)	Ending balance (Note 1) (Note 3)	Actual usage amount during the period (Note 3)	Range of interest ratesd during the period rate	Purpose of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reason for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note)	Maximum limit of fund financing (Note)
													Item	Value		
0	The Company	Fabrics	Other receivables	Yes	876,120	655,700	-	-	2	-	Operating capital	-	-	-	2,892,166	5,784,332
0	The Company	Eclat Textile(ID)	Other receivables	Yes	2,159,010	1,475,325	393,420	4.97%~4.98%	2	-	Operating capital	-	-	-	2,892,166	5,784,332

Note 1: The total amount available for financing purposes shall not exceed 40% of the Company’s net worth. For entities that the Company has business with, the total amount available for financing shall not exceed 20% of the Company’s net worth; and for each entity that the Company has business with, the amount available for financing shall not exceed the transaction amount within 12 months and 10% of the Company’s net worth. The total amount for short-term financing shall not exceed 20% of the Company’s net worth; and for each entity the amount available for short-term financing shall not exceed 10% of the Company’s net worth.

Note 2: Approved by Board of Directors.

Note 3: Nature of financing: 1. Business transaction purpose. 2. Short-term financing purpose.

(ii) Guarantees and endorsements for other parties: None.

(iii) The securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the Company's paid-in capital: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the Company's paid in capital : None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the Company's paid in capital: None.

(vii) Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the Company's paid in capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)	
			Purchases/ (sales)	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)
The Company	Eclat Textile (VN)	Indirectly held subsidiaries	processing	1,652,847	16.99 % (Note)	30 days	(Note 1)	(Note 1)	Accounts payable (81,443)	(3.46)%
Eclat Textile (VN)	The Company	Parent company	(sales)	(1,652,847)	(100.00)%	30 days	(Note 1)	(Note 1)	Accounts receivable 81,443	100.00 %
The Company	Fabrics	Indirectly held subsidiaries	purchasing	2,352,603	14.44 %	30 days	(Note 1)	(Note 1)	Accounts payable (66,379)	(2.82)%
Fabrics	The Company	Parent company	(sales)	(2,352,603)	(92.05)%	30 days	(Note 1)	(Note 1)	Accounts receivable 66,379	73.71 %
The Company	E-TOP (VN)	Indirectly held subsidiaries	processing	951,986	9.78 % (Note)	30 days	(Note 1)	(Note 1)	Accounts payable (53,870)	(2.29)%
E-TOP (VN)	The Company	Parent company	(sales)	(951,986)	(97.50)%	30 days	(Note 1)	(Note 1)	Accounts receivable 53,870	97.61 %

Eclat Textile Co., Ltd.
Notes to the Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)	
			Purchases/ (sales)	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)
The Company	Colltex	Indirectly held subsidiaries	processing	749,759	7.71 % (Note)	30 days	(Note 1)	(Note 1)	Accounts payable (55,894)	(2.37)%
Colltex	The Company	Parent company	(sales)	(749,759)	(98.55)%	30 days	(Note 1)	(Note 1)	Accounts receivable 55,894	99.83 %
The Company	Eclat Textile (Cambodia)	Indirectly held subsidiaries	processing	466,869	4.80 % (Note)	30 days	(Note 1)	(Note 1)	Accounts payable (21,298)	(0.90)%
Eclat Textile (Cambodia)	The Company	Parent company	(sales)	(466,869)	(100.00)%	30 days	(Note 1)	(Note 1)	Accounts receivable 21,298	100.00 %
The Company	Tai-Yuan (VN)	Indirectly held subsidiaries	processing	292,724	3.01 % (Note)	30 days	(Note 1)	(Note 1)	Accounts payable (15,838)	(0.67)%
Tai-Yuan (VN)	The Company	Parent company	(sales)	(292,724)	(93.62)%	30 days	(Note 1)	(Note 1)	Accounts receivable 15,838	64.84 %
The Company	Eclat Textile (ID)	Subsidiaries	processing	986,552	10.14 % (Note)	30 days	(Note 1)	(Note 1)	Accounts payable (59,707)	(2.54)%
Eclat Textile (ID)	The Company	Parent company	(sales)	(986,552)	(100.00)%	30 days	(Note 1)	(Note 1)	Accounts receivable 59,707	100.00 %

Note: Percentage on processing expense
Note1: The same as general processing/purchasing/sales

(viii)Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the Company's paid in capital:

(In thousands of NTD/USD)

Name of Company	Name of counterparty	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	Eclat Textile (ID)	Subsidiaries	395,323 (USD 12,058)	(Note)	-	-	395,323 (USD 12,058)	-

Note: :It is the amount due from loan to other receivable parties, so there is no need to calculate turnover rate.
Note 1: The rate as of December 31, 2024 was USD 1 to NTD 32.785.

(ix) Trading in derivative financial instruments: None.

(b) Information on investees:

The following were the information on investment for the years ended December 31, 2024 (excluding these in Mainland China):

(In thousands of NTD/USD)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2024 (Note 1)	December 31, 2023 (Note 1)	Shares (thousands)	Percentage of ownership	Carrying value (Note)			
The Company	Grand Elite	British Virgin Islands	Investments in securities, real estate, and manufacturing industry	279,328 (USD 8,520)	279,328 (USD 8,520)	21	100.00 %	188,263	569	569	
The Company	Eclat Cayman	Cayman Islands	Investments in securities, real estate, and manufacturing industry	4,111,436 (USD 125,406)	4,111,436 (USD 125,406)	121,080	100.00 %	4,509,086	287,496	287,496	

Eclat Textile Co., Ltd.
Notes to the Financial Statements

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2024 (Note 1)	December 31, 2023 (Note 1)	Shares (thousands)	Percentage of ownership	Carrying value (Note)			
The Company	Eclat Textile (ID)	Indonesia	Design, manufacture, processing, sale of clothing, knit fabric mills, printing, dyeing and finishing mill	1,639,250 (USD 50,000)	1,639,250 (USD 50,000)	5,000	100.00 %	1,173,615	8,212	8,212	(Note 2)
Grand Elite	Eclat Textile (Cambodia)	Cambodia	Design, manufacture, processing and sale of clothing	262,280 (USD 8,000)	262,280 (USD 8,000)	8,000	100.00 %	169,348	430	430	
Eclat Cayman	Colltex	Vietnam	Design, manufacture, processing and sale of clothing	523,085 (USD 15,955)	523,085 (USD 15,955)	16,800	100.00 %	600,563	31,983	30,456	
Eclat Cayman	E-TOP(VN)	Vietnam	Design, manufacture, processing and sale of clothing	1,180,260 (USD 36,000)	1,180,260 (USD 36,000)	36,000	100.00 %	1,305,561	69,651	69,651	
Eclat Cayman	Eclat Enterprise	Cambodia	Investments in securities, real estate, and manufacturing industry	33 (USD 1)	33 (USD 1)	1	100.00 %	(1,867)	417	417	
Eclat Cayman	Eclat Textile (VN)	Vietnam	Design, manufacture, processing and sale of clothing	694,091 (USD 21,171)	694,091 (USD 21,171)	22,000	100.00 %	761,614	29,656	29,656	
Eclat Cayman	Fabrics	Vietnam	Knit fabric mills, printing, dyeing and finishing mill	1,311,400 (USD 40,000)	1,311,400 (USD 40,000)	40,000	100.00 %	1,845,368	113,868	110,609	
Eclat Cayman	Tai-Yuan(VN)	Vietnam	Design, manufacture, processing and sale of clothing	226,708 (USD 6,915)	226,708 (USD 6,915)	6,800	100.00 %	(7,592)	46,452	46,154	
Eclat Cayman	E&I Printing	Vietnam	Design, printing, dyeing and finishing mill	32,785 (USD 1,000)	32,785 (USD 1,000)	1,000	40.00 %	-	-	-	
Eclat Cayman	Eclat Textile (ID)	Indonesia	Design, manufacture, processing, sale of clothing, knit fabric mills, printing, dyeing and finishing mill	7 (USD 0.20)	7 (USD 0.20)	0.02	- %	5	8,212	-	(Note 2)

Note: Accumulated translation is included.
Note 1: The rate as of December 31, 2024 was USD 1 to NTD 32.785.
Note 2: Eclat Textile (ID) was mutually set up by the Company and Eclat Cayman. The shareholding ratios are 99.9996% and 0.0004%, respectively.

(c) Information on investment in Mainland China: None.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Yih-Yuan Investment Corp.	25,790,335	9.39 %

Note: (i) The main shareholder information in this table was calculated by the insurance company Taiwan Depository & Clearing Corporation (TDCC) on the last business day at the end of each quarter, the total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the company without physical registration has reached more than 5%. As for the share capital recorded in the company's financial report and the number of shares actually delivered by the company without physical registration, there may be differences due to the different calculation basis.

(ii) The information on the opening of the shareholder's shareholding and delivery of the trust to the trust was disclosed by the individual trustee who opened the trust account. As for shareholders who handle the declaration of insider shareholdings that hold more than 10% of their shares in accordance with the Securities Exchange Act, their shareholdings include their shareholdings plus their delivery to the trust and the use of decision making shares in the trust property, please refer to the Market Observation Post System for information on insider equity declaration.

(14) Segment information:

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

Eclat Textile Co., Ltd.

Statements of cash and cash equivalents

December 31,2024

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Exchange Rate	Amount
Cash			$ 2,450
Bank deposits			1,128,001
Checking deposits			211,329
Dividend bank account			17,455
Foreign currency deposits	USD 29,887 thousand	32.785	979,854
	RMB 1,492 thousand	4.478	6,682
Subtotal			2,343,321
Total			**$ 2,345,771**

Eclat Textile Co., Ltd.

Statements of notes receivable

December 31,2024

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount
Non-related parties:		
A Customer	Operating	$ 7,416
B Customer	〃	7,392
C Customer	〃	1,260
Others (Note)	〃	1,383
Total		**$ 17,451**

Note: Consisting of individual accounts with less than 5% of the total amount.

Statements of accounts receivable

Client name	Description	Amount
Non-related parties:		
D Customer	Operating	$ 1,437,206
E Customer	〃	1,165,090
F Customer	〃	697,055
G Customer	〃	426,254
Others (Note)	〃	2,830,513
		6,556,118
Less: allowance for doubtful accounts		(24,086)
Total		**$ 6,532,032**

Note: Consisting of individual accounts with less than 5% of the total amount.

Eclat Textile Co., Ltd.

Statements of inventories

December 31,2024

(Expressed in thousands of New Taiwan Dollars)

Items	Amount: Carrying value (Note)	Amount: Net realizable value
Finished goods	$ 266,607	378,713
Work-in-progress	911,645	1,366,664
Raw materials	2,727,096	4,361,107
Supplies	724,541	724,541
Total	**$ 4,629,889**	**6,831,025**

Note: Inventory value has been deducted to net realizable amount.

Eclat Textile Co., Ltd.

Statements of changes in investments accounted for using the equity method

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of company	Balance as of January 1,2024		Increase		Decrease		Recognized subsidiaries other comprehensive income/(loss) under equity method, net	Recognized investment income/(loss) under equity method, net	Change in translation adjustment	Balance as of December 31,2024			Net value of equity	Pledge or collateralization
	Shares (thousands)	Amount	Shares (thousands)	Amount	Shares (thousands)	Amount				Shares (thousands)	Holding percentage	Amount		
Under equity method:														
Eclat Cayman	121,080	$ 3,947,851	-	-	-	-	-	287,496	273,739	121,080	100.00 %	4,509,086	4,513,238	None
Grand Elite	21	175,775	-	-	-	-	-	569	11,919	21	100.00 %	188,263	188,263	None
Eclat Textile (ID)	5,000	1,089,558	-	-	-	-	1,826	8,212	74,019	5,000	100.00 %	1,173,615	1,173,620	None
		$ 5,213,184		**-**		**-**	**1,826**	**296,277**	**359,677**			**5,870,964**	**5,875,121**	

Eclat Textile Co., Ltd.

Statements of notes payable

December 31,2024

(Expressed in thousands of New Taiwan Dollars)

Supplier name	Description	Amount
Non-related parties:		
A Supplier	Operating	$ 12,651
B Supplier	〃	11,487
C Supplier	〃	9,620
D Supplier	〃	9,412
E Supplier	〃	7,868
Others (Note)	〃	49,055
Total		**$ 100,093**

Note: Consisting of individual accounts with less than 5% of the total amount.

Statements of accounts payable

Supplier name	Description	Amount
Non-related parties:		
F Supplier	Operating	$ 105,360
Others (Note)	〃	1,795,200
Total		**$ 1,900,560**

Note: Consisting of individual accounts with less than 5% of the total amount.

Eclat Textile Co., Ltd.

Statements of operating revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount
Knitted fabrics	20,051,826 kg	$ 12,863,101
Yarn	163,552 kg	3,546
Garments	102,588,895 pieces	23,739,536
		$ 36,606,183

Eclat Textile Co., Ltd.

Statements of operating costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items		Amount
Inventory balance, beginning of year		$ -
Add: Purchases(net)		2,352,340
Sales of material and work in progress		295,766
Less: Inventory balance (goods), end of year		-
Merchandising cost of goods sold		2,648,106
Raw materials & supplies		
Raw materials, beginning of year	$ 2,290,703	
Supplies, beginning of year	528,788	
Add: Purchases	13,665,714	
Less: Raw materials, end of year	(2,744,374)	
Supplies, end of year	(724,541)	
Sales of raw materials	(34,900)	
Others(Transferred to R&D expenses)	(28,945)	
Materials consumed		12,952,445
Direct labor		404,387
Manufacturing overhead		10,829,275
Manufacturing costs		24,186,107
Work in progress, beginning of year		652,492
Add: Purchase of work in progress		279,156
Less: Work in progress, end of year		(912,779)
Sales of work in progress		(260,866)
Others		(16,998)
Cost of finished goods		23,927,111
Add : Finished goods, beginning of year		202,590
Less : Finished goods, end of year		(266,783)
Cost of goods sold		23,862,918
Others		10,530
Total operating costs		**$ 26,521,555**

Eclat Textile Co., Ltd.

Statements of operating expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Selling expenses	Administrative expenses	R&D expenses
Salaries expense	$ 871,449	609,910	67,663
Depreciation	74,555	117,642	2,515
Labor and health insurance expenses	45,152	57,575	1,651
Exporting expense	248,758	-	-
Raw materials	-	-	30,753
Processing expense	-	-	38,914
Testing expense	83,982	857	-
Project research expense	-	-	10,250
Others(Note)	291,012	246,288	12,804
	$ 1,614,908	**1,032,272**	**164,550**

Note: Consisting of individual accounts of less than 5% of the total amount.