Stock Code: 2916

MUNSIN GARMENT CORPORATION

Financial Statements and Independent Auditor's Report

2024 and 2023

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Table of Contents

Independent Auditor's Audit Report

To the Board of Directors and Shareholders of Munsin Garment Corp.

Opinion

We have audited the accompanying balance sheets of Munsin Garment Corp. as at December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the individual financial statements, including a summary of material accounting policies.

In our opinion, the accompanying individual 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 then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 individual financial statements. These matters were addressed in the context of our audit of the individual financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our judgment, should be communicated in an audit report are set out below:

I. Revenue recognition

Please refer to Note 4(14), Revenue Recognition, and Note 6(18), Revenue Disclosure, in the Notes to the Financial Statements for the accounting policies related to revenue recognition.

Key audit matters description:

As an TPEx listed company, Munsin Garment Corp. is under pressure from investors who are concerned about revenue achievement, and sales revenue is the main indicator for management to evaluate financial or performance. Due to the significant impact of revenue recognition on the financial statements, revenue recognition is one of the key areas of evaluation in the audit of financial reporting conducted us.

Responsive audit procedures

Our main audit procedures for the aforementioned key audit matter include understanding and testing the effectiveness of the internal controls related to the sales and collection cycle; understanding the revenue recognition accounting treatment of the Company and assess whether it complies with the relevant accounting standards; understanding the sales patterns and transaction models of the top ten customers, and evaluating the reasonableness of the sales revenue and accounts receivable turnover days; performing detailed testing of selected sales transactions to assess the existence of sales revenue; and selecting a sample of sales transactions from the period before and after the financial reporting date to verify related forms, documentation, transaction details, and trade terms, in order to assess the accuracy of the revenue recognition period. Furthermore, we also understand whether there are any significant returns after the reporting period.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 individual 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 individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
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 controls.
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 auditors' 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 auditors' 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 audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 of 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 CHEN YICHUN and CHEN YING JU.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2025

<u>Notice to Readers</u>

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

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.

Munsin Garment Corp.

Balance Sheet

December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current Assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 267,667	13	70,428	4
1170	Notes and accounts receivable, net (Note 6(2) and (18))	383,500	18	356,987	22
130X	Inventories (Note 6(3))	824,049	39	622,234	39
1470	Other current assets	14,451	1	11,073	1
		1,489,667	71	1,060,722	66
	Non-current assets:				
1550	Investments accounted for using equity method (Note 6(4))	146,413	7	123,707	8
1600	Property, plant and equipment (Note 6(6) and 8)	363,996	17	351,739	22
1755	Right-of-use assets (Note 6(7))	2,443	-	1,343	-
1760	Investment property, net (Note 6(8) and 8)	21,255	1	21,536	1
1780	Intangible assets (Note 6(9))	30,081	2	5,858	1
1840	Deferred income tax assets (Note 6(14))	31,750	2	34,113	2
1900	Other non-current assets (Note 8)	2,624	-	2,904	-
		598,562	29	541,200	34
	Total assets	**$ 2,088,229**	**100**	**1,601,922**	**100**

Code	Liabilities and equity	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current liabilities:				
2100	Short-term loans (Note 6(10))	$ 191,809	9	164,659	10
2170	Accounts payable	27,700	1	27,862	2
2180	Accounts payable - Related parties (Note 7)	3,549	-	2,570	-
2200	Other payables (Note 7)	144,960	7	136,661	9
2230	Current income tax liabilities	28,458	2	58,648	4
2280	Lease liabilities - current (Note 6(12))	2,462	-	1,285	-
2300	Other current liabilities (Note 6(11))	20,325	1	16,779	1
		419,263	20	408,464	26
	Non-current liabilities:				
2580	Lease liabilities - non-current (Note 6(12))	-	-	177	-
2570	Deferred income tax assets (Note 6(14))	24,130	1	22,664	1
2600	Other non-current liabilities	36,212	2	32,613	2
		60,342	3	55,454	3
	Total liabilities	479,605	23	463,918	29
	Equity: (Note 6(15))				
	Share capital:				
3110	Ordinary shares	646,269	31	546,269	34
	Capital surplus:				
3200	Capital surplus	463,666	22	127,250	8
	Retained earnings:				
3310	Legal reserve	215,618	10	190,652	12
3320	Special reserves	11,979	1	9,250	1
3350	Undistributed earnings	279,195	13	276,562	17
	Other equity:				
3410	Exchange differences on translation of foreign financial statements	(8,103)	-	(11,979)	(1)
	Total equity	1,608,624	77	1,138,004	71
	Total liabilities and equity	**$ 2,088,229**	**100**	**1,601,922**	**100**

(Please refer to the attached Notes to the Financial Statements)

Chairman: LI CHIUN LIANG **Managerial Officer: GOTO KENJI** **Accounting supervisor: LI HSIANG FANG**

Munsin Garment Corp.

Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024		2023	
		Amount	**%**	**Amount**	**%**
4110	**Sales revenue (Note 6(18))**	$ 1,920,166	100	1,838,257	100
5110	**Cost of goods sold (Note 6(3))**	878,683	46	864,424	47
	Operating gross profit	1,041,483	54	973,833	53
	Operating expenses:				
6100	Selling expenses	680,836	36	617,504	34
6200	Administrative expenses	83,219	4	76,273	4
		764,055	40	693,777	38
	Operating profit	277,428	14	280,056	15
	Non-operating income and expenses: (Note 6(20))				
7100	Interest income	1,265	-	1,150	-
7010	Other income	5,527	-	6,447	-
7020	Other gains and losses	1,315	-	4,396	-
7050	Financial costs	(5,129)	-	(2,257)	-
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method (Note 6(4))	29,869	2	25,078	2
		32,847	2	34,814	2
	Pre-tax net profit from continuing operations	310,275	16	314,870	17
7950	**Less: Income tax expense (Note6(14))**	62,201	3	62,834	3
	Net profit for the period	248,074	13	252,036	14
	Other comprehensive income:				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	951	-	(2,966)	-
8349	Income tax related to items that will not be reclassified	(190)	-	593	-
	Total of items not reclassified to profit or loss	761	-	(2,373)	-
8360	**Items that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	4,845	-	(3,411)	-
8399	Income tax related to items that may be reclassified	(969)	-	682	-
	Total items that may be reclassified to profit or loss	3,876	-	(2,729)	-
	Other comprehensive income (net of tax) for the period	4,637	-	(5,102)	-
	Total comprehensive income for the period	$ 252,711	13	246,934	14
	Earnings per share (Note6(17))				
	Basic earnings per share (Unit: NT$)	$	4.19		4.61
	Diluted earnings per share (Unit: NT$)	$	4.18		4.59

(Please refer to the attached Notes to the Financial Statements)

Chairman: LI CHIUN LIANG Managerial Officer: GOTO KENJI Accounting supervisor: LEE HSIANG FANG

Munsin Garment Corp.

Statement of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Share capital		Retained earnings			Other equity item	
	Ordinary shares	Capital surplus	Legal reserve	Special reserves	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance as of January 1, 2023	$ 546,269	127,250	172,559	11,113	207,010	(9,250)	1,054,951
Net profit for the period	-	-	-	-	252,036	-	252,036
Other comprehensive income for the period	-	-	-	-	(2,373)	(2,729)	(5,102)
Total comprehensive income for the period	-	-	-	-	249,663	(2,729)	246,934
Appropriation and distribution of earnings:							
Allocation to legal reserve	-	-	18,093	-	(18,093)	-	-
Reversed special reserve for earnings	-	-	-	(1,863)	1,863	-	-
Cash dividends on common stock	-	-	-	-	(163,881)	-	(163,881)
Balance as of December 31, 2023	546,269	127,250	190,652	9,250	276,562	(11,979)	1,138,004
Net profit for the period	-	-	-	-	248,074	-	248,074
Other comprehensive income for the period	-	-	-	-	761	3,876	4,637
Total comprehensive income for the period	-	-	-	-	248,835	3,876	252,711
Appropriation and distribution of earnings:							
Allocation to legal reserve	-	-	24,966	-	(24,966)	-	-
Allocation to special reserve	-	-	-	2,729	(2,729)	-	-
Cash dividends on common stock	-	-	-	-	(218,507)	-	(218,507)
Issue of shares for cash	100,000	318,950	-	-	-	-	418,950
Share-based payment transaction	-	17,466	-	-	-	-	17,466
Balance as of December 31, 2024	**$ 646,269**	**463,666**	**215,618**	**11,979**	**279,195**	**(8,103)**	**1,608,624**

(Please refer to the attached Notes to the Financial Statements)

Chairman: LI CHIUN LIANG **Managerial Officer: GOTO KENJI** **Accounting supervisor: LEE HSIANG FANG**

Munsin Garment Corp.

Cash Flow Statement

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	2024	2023
Cash flows from operating activities:		
Pre-tax net income for the period	$ 310,275	314,870
Adjustments:		
Income and expense items		
Depreciation expense	52,872	49,957
Amortization expense	4,808	2,846
Interest expense	5,129	2,257
Interest income	(1,265)	(1,150)
Share-based payment cost	17,466	-
Share of profit or loss of associates and joint ventures accounted for using the equity method	(29,869)	(25,078)
Loss on disposal and scrapping of property, plant, and equipment	701	-
Total income and expense item	49,842	28,832
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	(26,513)	(33,020)
Inventories	(201,815)	(47,671)
Other current assets	(3,378)	2,981
Total net changes in assets related to operating activities	(231,706)	(77,710)
Net changes in liabilities related to operating activities		
Accounts payable	817	(14)
Other payables	10,734	15,142
Other current liabilities	2,546	4,016
Net defined benefit liability	(2,450)	(2,274)
Total net changes in liabilities related to operating activities	11,647	16,870
Total net changes in assets and liabilities related to operating activities	(220,059)	(60,840)
Total adjustments	(170,217)	(32,008)
Cash inflows from operating activities	140,058	282,862
Interest received	1,265	1,150
Dividends received	12,008	7,940
Interest paid	(5,246)	(1,681)
Payment of income tax	(89,721)	(43,444)
Net cash flows generated from operating activities	58,364	246,827
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(64,527)	(215,153)
Refundable deposits	280	(91)
Acquisition of intangible assets	(29,031)	(3,600)
Net cash flows used from investing activities	(93,278)	(218,844)
Cash flows from financing activities:		
Short-term loans	27,150	65,576
Guarantee deposits received	8,000	23,500
Repayments of lease principal	(3,440)	(1,801)
Cash dividends paid	(218,507)	(163,881)
Issue of shares for cash	418,950	-
Net cash flows generated (used) from financing activities	232,153	(76,606)
Net increase (decrease) in cash and cash equivalents for the period	197,239	(48,623)
Cash and cash equivalents at beginning of period	70,428	119,051
Cash and cash equivalents at end of period	$ 267,667	70,428

(Please refer to the attached Notes to the Financial Statements)

Chairman: LI CHIUN LIANG   Managerial Officer: GOTO KENJI   Accounting supervisor: LEE HSIANG FANG

(Unless otherwise stated, all amounts are in NTD thousand)

1. Company history

MUNSIN GARMENT CORPORATION ("the Company") was established on June 16, 1984 with the approval of the Ministry of Economic Affairs. The registered address is No. 18, Wuchuan 6th Rd., Wugu Dist., New Taipei City. The Company mainly engages in the manufacturing and trading of various ready-to-wear and knitwear products, acting as the agent for domestic and foreign manufacturers for distribution, bidding and quotation for related products, and related import and export trading.

2. Approval of Dates and Procedures of Financial Statements

This financial statements have been approved by the Board of Directors for publication on March 12, 2025.

3. Application of New, Amended and Revised Standards and Interpretations

(1) Effect of adopting the new and amended standards and interpretations endorsed by Financial Supervisory Commission ("FSC")

The Company became subject to the newly amended international financial reporting standards listed below since January 1, 2024, and the adoption of which had no material impact on the financial statements.

- Amendments to IAS 1 regarding "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current liabilities with contractual clauses"
- Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(2) Impact of not adopting FSC-endorsed IFRS

Based on the Company's evaluation, adopting the newly revised international financial reporting standards listed below that take effect from January 1, 2025 onwards do not have material impact on the financial statements.

- Amendment to IAS 21 "Lack of Convertibility"

(3) Newly published/revised standards and interpretations that are not yet approved by FSC

The standards and interpretations that have been issued and revised by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC and may be relevant to the Entity are as follows:

New and amended standards	Major details	Effective date announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two subtotals of income statement, and one single note about the management performance measurement. These three amendments and enhancements provide a guide for how to disaggregate information in financial statements, and lay a foundation to provide users with better and more consistent information, and will affect all companies.	January 1, 2027

New and amended standards	Major details	Effective date announced by IASB
	·The more structured income statement: pursuant to the current standard, a company uses different formats to present its operating results, so that investors cannot easily compare the financial performance of different companies. The new standard uses a more structured income statement, and introduces the subtotal "operating profits" newly defined, while specifying all incomes and expenses are classified into three new categories based on the Company's main business activities. · Management Performance Measurement (MPM): The new standard introduces the definition of management performance measurement, and requires companies to provide the information on each measurement indicator in a single note to the financial statements, explaining why the indicator provides useful information, how to calculate, and how to reconcile between the MPM and the amount recognized by the IFRS accounting standards. · More disaggregated information: the new standard include the guides to enhance the information grouping in the financial statement. This includes whether information shall be included in the main financial statements or further disaggregated in the notes.	

The Company is currently evaluating the impact of the above standards and interpretations on its financial position and operating performance and will disclose relevant impacts when completing the evaluation.

The Company does not expect that other new and revised standards that have not yet been endorsed will have a material impact on the financial statements.

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

4. Summary of Material Accounting Policies

Below is a summary of material accounting policies adopted for the preparation of financial statements. Unless otherwise specified, the following accounting policies have been applied consistently across all periods presented in this financial statement.

(1) Declaration of compliance

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

(2) Basis of preparation

(A) Basis for measurement

This financial statement is prepared on the basis of historical cost, except for the key balance sheet items listed below:

(a) Net defined benefit liabilities or assets, which is measured by deducting the present value of defined benefit plan obligations and the effect of the limits described in Note 4(15) from the fair value of pension fund assets.

(B) Functional currency and presentation currency

The Company has designated its functional currency as the main currency used in the economic environment where operations take place. The financial statements are presented in the Company's functional currency, NTD. All financial information expressed in NTD is with the unit of NTD thousand.

(3) Foreign currency

(A) Foreign currency transactions

Foreign currency transactions are converted into the functional currency using exchange rates as of the date of transaction. Foreign currency monetary items outstanding at the end of each reporting period (referred to as reporting date below) are subsequently converted into the functional currency using exchange rate applicable on that day. Foreign currency-denominated non-monetary items carried at fair value are converted into the functional currency using exchange rate as of the valuation date. Foreign currency-denominated non-monetary items carried at historical cost are converted using exchange rate as of the initial transaction date.

Differences from foreign currency conversion are generally recognized through profit or loss.

(B) Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising at the time of acquisition, are converted into NTD using exchange rates as at the reporting date. Income, expenses, and losses are converted into NTD using average exchange rate for the current period. Any differences on exchange are recognized through other comprehensive income.

If a disposal of foreign operation results in a loss of control, joint control, or significant influence, all conversion differences previously accumulated on the foreign operation are reclassified into profit or loss. In a partial disposal of subsidiary that contains foreign operations, conversion differences previously accumulated on the subsidiary are re-allocated proportionally to profit or loss on a pro rata basis.

For monetary receivables or payables of foreign operations that do not have defined settlement plans and are impossible to be settled in the foreseeable future, any gains/losses arising from foreign currency exchange are treated as a part of net investments in the foreign operation and recognized through other comprehensive income.

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

The Company treats assets that meet one of the following conditions are classified as current assets; assets that do not meet the criteria for current asset are classified as non-current assets:

(A) Assets that are expected to be realized, or intended to be sold or consumed, over the normal operating cycle;

(B) Assets that are held mainly for the purpose of trading;

(C) Assets that are expected to be realized within 12 months after the end of the reporting period; or

(D) Cash or cash equivalents (defined as IAS 7), except those that will be swapped or used to repay liabilities at least 12 months from the reporting period, and those with restricted uses.

The Company treats liabilities that match any of the following criteria are classified as current liabilities; liabilities that do not meet the criteria for current liability are classified as non-current liabilities:

(A) Liabilities that are expected to be repaid within the normal operating cycle;

(B) Liabilities that are held mainly for the purpose of trading;

(C) Liabilities that are expected to be settled within 12 months after the end of the reporting period; or

(D) The liability has no right to defer the liability settlement to at least 12 months after the reporting period on the end date of the reporting period.

(5) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalent refers to short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Time deposit that meets the abovementioned definition and is intended to meet short-term cash commitment instead of investment or other purposes is stated as cash equivalent.

Bank overdrafts are immediately repayable and an integral part of the Company's overall cash management, and recognized in the Statement of Cash Flow as a component of cash and cash equivalents.

(6) Financial instruments

Accounts receivable and debt securities issued are recognized at the time occurred. All other financial assets and financial liabilities are only recognized when the Company becomes a party to a financial instrument contract. Financial assets or liabilities that are not carried at fair value through profit or loss (excluding accounts receivable without major financial component) are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable without major financial component are initially measured at transaction price.

(A) Financial assets

Purchase and sale of financial asset that conforms with customary practices is accounted using trade day accounting, and the same approach is applied consistently to financial assets of the same classification.

Financial assets are classified at initiation into: financial assets carried at amortized cost, or financial assets at fair value through profit or loss. Only when the Company changes the operating model of financial asset, the affected financial assets are reclassified starting from the next reporting period.

(a) Financial assets carried at amortized cost

Financial assets that meet all of the following conditions and are not designated to be carried at fair value through profit or loss are carried at amortized cost:

- Financial assets that are held for the purpose of collecting contractual cash flow.
- Contractual terms of the financial asset give rise to cash flows on specific dates, and the cash flows are intended solely to pay principals and interests accruing on outstanding principals.

These assets are subsequently carried at initial cost plus/less accumulated amortization calculated using the effective interest rate method and after adjusting for loss provisions. Interest income, gain/loss on foreign currency exchange, and impairment loss are recognized through profit or loss. When derecognition, gains or losses are recognize through profit or loss.

(b) Financial assets at fair value through profit or loss

Financial assets that are not measured at amortized cost, are measured at fair value through profit or loss; this includes derivative financial assets. At initial recognition, the Company may make an irrevocable decision to designate financial assets that satisfy the criteria of being measured at amortized cost to be measured at fair value through profit or loss, for the purpose of eliminating or reducing accounting mismatch.

Such assets are subsequently measured at fair value, and the net gain or loss (including any dividend and interest income) is recognized in profit or loss.

(c) Impairment on financial assets

The Company recognizes loss provisions on financial assets carried at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposits paid, and other financial assets) based on expected credit loss.

Loss allowance for the following financial assets are measured based on 12-month expected credit loss; for all other financial assets, loss allowances are measured based on expected credit loss for the duration:

- Debt securities that are deemed to be of low risk as of the reporting date; and
- Other debt securities and bank deposits that exhibit no significant increase in credit risk (i.e. risk of default over the financial instrument's expected duration) since initial recognition.

Loss provisions for accounts receivable are measured based on expected credit loss over the remaining lifetime.

Expected credit loss for the remaining lifetime refers to the amount of credit losses that the financial instrument is likely to incur due to any possible default event in the remaining lifetime.

12-month expected credit loss refers to the amount of credit loss that a financial instrument may incur due to default event in the next 12 months (or shorter, if the financial instrument's expected remaining lifetime is less than 12 months).

The longest duration by which expected credit loss is measured is the maximum contract duration in which the Company is exposed to credit risk.

Expected credit loss is estimated by weighing credit losses for the remaining lifetime of a financial instrument against probability of occurrence. Credit losses are measured as the shortfall of cash collected, which is the difference between the amount of contractual cash flow collectible and the amount of cash flow the Company expects to collect. Expected credit losses are discounted at effective interest rate applicable to the financial asset.

The Company assesses financial assets carried at amortized cost for credit impairment on every reporting date. A financial asset is deemed to have credit-impaired if estimated future cash flow exhibits one or several adverse events. Evidence of credit impairment includes any observable data that can be used to establish the following with respect to a financial asset:

- The borrower or issuer encounters significant financial distress;
- Event of default, such as delinquency or more than 90-day overdue;
- The Company grants compromise to the borrower for reasons relating to financial distress or contractual obligation that the Company would not have done so otherwise;
- The borrower is very likely to file for bankruptcy or undergo financial restructuring; or
- Occurrence of financial distress that may cause the financial asset to be removed from active market.

Loss provisions on financial assets carried at amortized cost are deducted from book value.

When the Company has reason to believe that it may not recover part or all of a financial asset, the total book value of financial asset is reduced directly to reflect the expectation. If the counterparty is a corporate entity, the Company would analyze the timing and amount of charge-off based on rational expectations about recoverability. The Company expects no major reversal of amounts that it has charged off. However, the written-off financial assets may be enforced to comply with the Company’s procedures to recover amounts overdue. Based on their experience, they will not be able to collect the overdue amount from their corporate accounts after 120 days.

(d) Derecognition of financial assets

Financial assets can be derecognized only if all contractual cash flow entitlements have ended, or if the asset has been transferred with virtually all risks and returns of ownership assumed by another party, or in situations where the Company neither transfers nor retains virtually all risks and returns associated with ownership and retains no control over such financial asset.

For the transactions to which the Company enters to transfer financial assets, if all or most risks and rewards of the transferred asset ownership are retained, these are recognized on the balance sheet constantly.

(B) Financial liabilities and equity instruments

(a) Classification of liabilities or equity

Debt and equity instruments issued by the Company are classified into financial liabilities or equity depending on the terms of the underlying contract and the definitions of financial liability and equity used.

(b) Financial liabilities

Financial liabilities are classified into those that are measured at amortized cost and those at fair value through profit or loss. Financial liabilities are carried at fair value through profit or loss if they are held for trading, characterized as derivative instrument, or designated to be so at initial recognition. Financial liabilities at fair value through profit or loss are carried at fair value with net gains and losses, including any interest expense, recognized through profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses and gains/losses on currency exchange are recognized through profit or loss. When derecognizing, any gains or losses incurred are also recognized through profit or loss.

(c) Derecognition of financial liabilities

Financial liabilities are derecognized upon fulfillment, cancellation, or expiry of contractual obligation. If the terms of a financial liability are modified, and cash flow of the liability deviates significantly after the modification, the previous financial liability is derecognized and a new financial liability will be recognized based on the modified terms.

When a financial liability is derecognized, the difference between book value and the consideration paid or payable (including any non-cash assets transferred or any additional liabilities borne) is recognized through profit or loss.

(d) Offset of financial assets and liabilities

Financial assets and financial liabilities may be offset against each other and reported on the balance sheet in net amount only when the Company is legally entitled to do so, and has the intention to settle assets and liabilities in net amount or realize them both at the same time.

(7) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost includes all costs incurred to acquire, produce, process, and bring inventory to its usable state and location, and is calculated using the weighted average method.

Net realizable value refers to the estimated selling price less all additional costs required for completion and all associated marketing expenses under normal circumstances.

(8) Investment in associates

An associate is an entity in which the Company has significant influence over financial and operating decisions, but no single or joint control.

The Company accounts for associated companies using the equity method. Under the equity method, investments are accounted at acquisition cost at initiation; acquisition cost includes transaction cost. The book value of associates includes goodwill recognized at initiation less any cumulative impairment losses.

The financial statements include profit or loss and other comprehensive income from associated companies, recognized based on percentage of equity ownership and adjusted for consistency of accounting policy, from the day the Company gains significant influence until the day it no longer exercises significant influence. If an associated company undergoes a change of equity that is not attributed to profit, loss, or other comprehensive income and has no impact on the Company's shareholding percentage, the Company will recognize the change of equity proportionally in Capital surplus.

Unrealized gains and losses arising from transactions between the Company and associated companies are recognized in corporate financial statements only for the percentage of ownership that is controlled by non-related investors. The Company will stop recognizing losses on associated companies when its share of the loss equals or exceeds the value of equity held. The Company will recognize extra losses and liabilities only for legal obligations and constructive obligations occurred, or payments made on behalf of investees.

(9) Investment property

Investment property refers to a property that is held for earning rent or for asset appreciation or both, rather than for sales under normal business, for production, for supply of goods or services, or for administrative purposes. Investment property is initially recognized at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment. The depreciation method, useful life and residual value are treated in accordance with the provisions of the property, plant and equipment.

When the intended use of the investment property for leasing is changed to self-use, the property is reclassified as property, plant, and equipment at the carrying amount at the time of change.

Rental income from investment property is recognized in other income using the straight-line method over the lease period.

(10) Property, plant, and equipment

(A) Recognition and measurement

Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

Where the useful lives of the material components of any property, plant, or equipment are different, they are treated as a separate item (major components) under the property, plant, or equipment.

Gain or loss on disposal of property, plant, and equipment is recognized through profit or loss.

(B) Subsequent costs

Subsequent expenditures are capitalized only when the future economic benefits are very likely flow into the Company.

(C) Depreciation

Depreciation is calculated using the straight-line approach, in which the cost of asset net of residual value is divided by the useful life of each component, and recognized through profit or loss.

No depreciation is provided on land.

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

(a) Houses	2 to 55 years
(b) Office equipment	3 to 15 years
(c) Transportation equipment	5 years
(d) Other equipment	1.5 to 5 years

The Company reviews its depreciation method, useful life, and residual value estimates yearly on each reporting date. Changes are made as deemed necessary and appropriate.

(D) Reclassification to investment property

When the intended use of the own-use property is changed to investment property, the property is reclassified as investment property based on the book value at the time of changing the intended use.

(11) Leases

The Company evaluates whether a contract meets the criteria of (or contains arrangements characterized as) lease on the day of establishment. A contract is considered as lease or deemed to contain lease elements if it involves a transfer of control over identified assets for a period of time in exchange for consideration.

(A) As a lessee

The Company recognizes right-of-use assets and lease liabilities on the lease start date. Right-of-use assets are measured at cost at initiation; this cost includes the initial amount of lease liability, adjusted for any lease payments paid on or before the lease start date, plus any initial direct costs incurred and any estimated costs to dismantle/remove the asset and restore the location or the asset to its original state, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the lease start date until the end of useful life of right-of-use asset or until expiry of the lease tenor, whichever the earlier. Furthermore, the Company regularly assesses right-of-use assets for impairment and accounts for impairment losses as they occur. Right-of-use assets are also adjusted in circumstances where lease liabilities are subject to remeasurement.

Lease liabilities are initially measured as the present value of unpaid lease payments as at the lease start date. Interest rate implicit in a lease is used as the discount rate if it can be easily determined; if the rate can not be easily determined, the Company's incremental borrowing rate will be used as the discount rate instead. In general, the Company uses incremental borrowing rate as the discount rate.

The types of lease payments included in the calculation of lease liabilities include:

(a) Fixed payments, including in-kind fixed payments;

(b) Variable lease payments that are determined by certain index or rate, which are initially measured using index or rate as at the lease start date.

(c) The residual guarantee amount expected to be paid;

(d) The exercise price or penalty when it is reasonably certain to exercise the purchase option or lease termination option.

Lease liabilities subsequently accrue interest using the effective interest approach, and are remeasured in the following circumstances:

(a) When there is a change in the index or rate used for determining lease payments, which leads to changes in future lease payments;

(b) There is a change in the residual guarantee amount expected to be paid;

(c) There is a change in the evaluation of the purchase option attached to the underlying asset;

(d) When there is a change in the likelihood of exercising lease extension/termination option, which may alter expectation about the lease tenor; and

(e) When there is a change in leased asset, scope of lease, or other terms.

When lease liability is remeasured due to a change in the index or rate used to determine lease payment or due to a change in the assessment of purchase, extension, or termination option, a corresponding adjustment is also made to the book value of right-of-use asset at the same time. When book value of the right-of-use asset has been reduced to zero, further remeasurements are recognized through profit or loss instead.

Any contract amendment that reduces the scope of lease is accounted by reducing the book value of right-of-use asset by an amount that reflects partial or total termination of lease arrangement. Any difference between right-of-use asset and remeasured lease liability is recognized through profit or loss.

For the short-term leases and low-value underlying asset lease, such as dormitories, parking spaces, photocopiers, and sales venues, the Company chose not to recognize the right-of-use assets and lease liabilities, but recognized the relevant lease payments as expenses on a straight-line basis over the lease term.

(B) As a lessor

For lease arrangements where the Company is a lessor, the terms of the lease contract are evaluated to determine whether virtually all risks and returns associated with ownership of the asset are transferred on the day of lease commencement. If so, the contract would be classified as a financial lease; if not, the asset would be classified as an operating lease. When evaluating leases, the

Company takes into consideration whether the lease tenor covers a major portion of the asset's useful life, among other indicators.

If the agreement includes lease and non-lease components, the Company adopts IFRS 15 to allocate the consideration in the contract.

(12) Intangible assets

(A) Recognition and measurement

Intangible assets with useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment.

(B) Subsequent expenses

Subsequent expenses are capitalized only if they are able to increase future economic benefits of certain assets. All other expenses are recognized through profit or loss when incurred.

(C) Amortization

Exception for goodwill, amortization is calculated using the straight-line approach, in which the cost of asset net of residual value is divided by the estimated useful life and recognized through profit or loss from the time the intangible asset reaches its usable state.

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

(a) Computer software	3 to 5 years
(b) Trademark rights	10 years

The Company reviews its amortization method, useful life, and residual value of intangible assets estimates yearly on each reporting date. Changes are made as deemed necessary and appropriate.

(13) Impairment of non-financial assets

The Company evaluates non-financial assets (excluding inventory, contractual assets, deferred income tax assets, investment properties measured at fair value, and biological assets) for signs of impairment in the book value on each reporting date. Assets that exhibit any of the signs will have recoverable amount estimated.

For the purpose of impairment testing, assets that generate cash inflows that are largely independent of cash inflows from other assets or groups of assets are determined as a smallest identifiable group of assets. Goodwill acquired through business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

Recoverable amount is determined as fair value less disposal cost or the utilization value, whichever the higher. Utilization value is assessed by discounting projected cash flows to the present value using the pre-tax discount rate. This discount rate reflects the time value that the market has currently priced for the given currency, and risks that are specific to the given asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit falls below its book value, the difference is recognized as impairment loss.

Impairment losses are immediately recognized through current profit or loss against a reduction to the book value of goodwill that has been allocated to the cash-generating unit; any remaining amount of impairment will then be taken to reduce book values of other assets within the unit on a pro-rated basis.

(14) Revenue recognition

(A) Revenue from contracts with customers

Income is measured as the amount of consideration expected to receive for the delivery of merchandise or service. The Company recognizes income when control of merchandise or service has been transferred to customers and the contractual obligations fulfilled. A more detailed description by main revenue categories is as follows:

(a) Sales of merchandises - merchandises sold directly to customers

The Company manufactures and trades various types of apparel and knitwear for the sales in the retail market. The revenue is recognized when the product is physically delivered to a customer. The payment is made immediately upon purchase by the customer.

(b) Sale of merchandises - merchandises sold through distributors

The Company manufactures and trades all kinds of ready-to-wear and knitwear, and sells to distributors. The Company recognizes the revenue when the control of the product is transferred. Transferring the control of the product means that the product has been delivered to the customer, and the customer can fully determine the sales channel and price of the product, and there is no outstanding obligation that would affect the customer's acceptance of the product. The delivery occurs when the product is transported to a specific location, and its obsolescence and risk of loss have been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, with the acceptance terms and conditions becoming invalid, or the Company has objective evidence that all acceptance conditions have been met.

The Company gives customers the right to return good at a certain percentage of the sales. Therefore, when recognizing the revenue, the Company adjusts the expected portion of the return, and also recognizes the refund liability and the right of product to be returned. The Company estimates the expected return of goods with the most probable amount based on the experience accumulated in the past at the point of sale. Since the quantity of returns has been stable over the past few years, it is very likely that there will not be a significant reversal in the cumulative revenues. The Company reassesses the estimate of expected returns on each reporting date.

(c) Customer loyalty program

The Company provides a customer loyalty program to its customers. The points earned by the customers by purchasing products, entitle the customers to purchase products from the Company at a discount in the future. The Company believes that such points provide and important right that the customer cannot obtain if the contract has not been signed, so the promise of providing points to the customers is a performance obligation. The Company allocates the transaction price to the product and the points based on the relative individual selling price. The management, with the past experience, estimates the individual selling price of each point based on the discount given when the points are redeemed and the possibility of redemption; the individual selling price of each point is estimated based on the retail price of the product. The Company recognizes contract liabilities on the basis of the above when selling products, and reclassifies the points to revenue when the points are redeemed or expired.

(d) Financial component

The Company expects no more than one year between the time at which merchandise or service is transferred to customers and the time at which payment is received for such merchandise or service for all its customers. As a result, no time value adjustment is made to the transaction price.

(15) Employee benefits

(A) Definite contribution plan

The contribution obligation of the defined contribution plan is recognized as an expense within the service period rendered by the employees.

(B) Defined benefit plan

The Company's net obligation under defined benefit plans are determined as the present value of employees' future benefits earned from current or previous services rendered, and deduct any fair value of plan assets.

Defined benefit obligations are estimated by a qualified actuary using the Projected Unit Credit Method on a yearly basis. Where actuarial results are likely favorable to the Company, the asset recognized is limited to the refunded contribution from the plan, or the present value of economic benefits available in the form of lowering the future contributions to the plan. When calculating present value of economic benefit, the Company takes the minimum contribution requirement of all applicable plans into consideration.

Remeasurement of net defined benefit obligation includes actuarial gains/losses, return on plan assets (excluding interests), and any changes in the effect of the asset ceiling (excluding interests), and such is immediately recognized in other comprehensive income, and accumulated in the retained earnings. When the Company determines the net interest expense (income) of the net defined benefit liability (asset), the net defined benefit liability (asset) and discount rate determined at the beginning of the annual reporting period are adopted. The net interest expenses and gains/losses on defined benefit plan are recognized in profit or loss.

When the plan is amended or reduced, the benefit changes related to the prior service costs or reduced profits or losses are recognized immediately in profit or loss. The Company recognizes gain or loss on the settlement of defined benefit plan at the time it takes place.

(C) Short-term employee benefits

Short-term employee benefit obligation is recognized as expense when relevant services are rendered. If the Company has a statutory or constructive obligation to pay benefits due to services rendered by employee in the past and such obligation can be estimated reliably, the amount is recognized as liability.

(16) Share-based payment transactions

For the share-based payment agreement under equity-settlement, the fair value on the grant date is recognized as an expense and increased in relative equity during the vesting period. The recognized expenses are adjusted according to the quantity of incentives expected to meet the service conditions and non-market value vesting conditions; and the ultimately recognized amount is measured based on the quantity of remuneration meeting service conditions and non-market value vesting conditions.

(17) Income tax

Income tax expense comprises of current income tax and deferred income tax. Current income tax and deferred income tax are recognized through profit or loss, except for amounts that arise in relation to business combination and items that are recognized directly under equity or other comprehensive income.

Current income tax includes all income taxes refundable/payable for the current year, which is calculated based on current year's taxable income (or loss), plus any adjustment to income tax payable/refundable in previous years. This amount represents the best estimate for the amount payable/collectible using statutory or substantively enacted tax rates as of the reporting date.

Deferred income tax represents the tax impact of temporary differences between asset/liability figures presented on reporting date and asset/liability figures used for taxation basis. No deferred income tax is recognized on temporary differences that arise under the following circumstances:

(A) Assets or liabilities that are not originally recognized due to a merger transaction, and at the time of the transaction, affect neither accounting profit nor taxable profit (tax loss);

(B) Temporary differences arising from investment in subsidiaries, associated companies, and joint ventures, where the Company has control over the timing at which temporary difference is reversed and that the temporary difference is unlikely to be reversed in the foreseeable future; and

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

Unused tax losses and tax credits can be carried forward, added to deductible temporary differences, and recognized as deferred income tax assets to the extent that is likely to be offset against taxable income earned in the future. Deferred income tax assets are evaluated on each reporting date. Tax benefits that are not very likely to be realized will be reduced down to the realizable amount, and amounts previously reduced may be reversed up to the point where sufficient taxable income can be generated.

Deferred income tax is calculated using tax rate that is expected to be effective at the time the temporary difference is reversed. In this financial statement, the statutory tax rate or substantively enacted tax rate is used for calculation.

The Company will offset deferred income tax assets against deferred income tax liabilities only when the following conditions are met:

(A) When it is legally entitled to offset current income tax assets against current income tax liabilities; and

(B) The deferred income tax assets and deferred income tax liabilities arise in relation to income taxes imposed by the same tax authority, and the tax-paying entities meet any of the following conditions:

(a) The tax-paying entities are one and the same; or

(b) The tax-paying entities are different, but all entities have the intent to settle current income tax liabilities and assets on a netted basis or realize them at the same time, for every future period in which they expect to recover deferred income tax assets and settle deferred income tax liabilities.

(18) Acquisition of business due to business combination

The Company adopts the acquisition method for each business combination. Goodwill is measured at the fair value of the consideration paid on the acquisition date, including amounts of any non-controlling interests attributable to the acquired company, less any identifiable assets acquired and commitments liabilities (usually at fair value). If the balance is negative, the Company reassesses whether all the assets acquired and liabilities assumed are identified correctly before recognizing the gains of the bargain purchase in profit or loss.

Except for those related to debt issue or equity instruments, the transaction costs related to the business combination shall be recognized as the Company's expense immediately upon occurrence.

In a business combination achieved in stages, the Company re-measures the fair value of the equity in the acquired company acquired earlier based on the fair value on the acquisition date. If there is any profit or loss occurs, it is recognized in profit or loss. The amount of changes in the equity value of the acquired company that have been recognized in other comprehensive income before the acquisition date, shall be treated in the same manner as the direct disposal of the equity previously held by the Company. If the equity is disposed of, it is advisable to reclassify it to profit or loss, the amount is reclassified to profit or loss.

(19) Earnings per share

The Company presents earnings per share attributable to the Company's common shareholders in basic and diluted terms. Basic earnings per share of the Company is calculated by dividing the amount of profits attributable to the Company's common shareholders with the weighted average number of outstanding common shares for the given period. Diluted earnings per share is calculated after adjusting the amount of profits attributable to the Company's common shareholders and weighted average number of common shares for the dilutive effect of potential common shares.

(20) Segment information

An operating segment is a section of the Company that generates income and incurs expenses as part of its activities (including income and expenses from transacting with other sections of the Company). Operating results of all segments are reviewed regularly by the Company's main decision maker for resource allocation and performance evaluation. All operating segments report financial information separately.

5. Major sources of uncertainty in significant accounting judgments, estimates and assumptions

When preparing the financial statements, the management is required to make judgments and estimates for the future (including climate-related risks and opportunities). These judgments, estimates, and assumptions may affect the types of accounting policies adopted and amounts of asset, liability, income, and expense reported. The actual outcome may differ from initial estimates.

The management examines its estimates and basic assumptions on an ongoing basis, whether they are consistent to the Company 's risk management and climate-related commitments. Impacts from changes in accounting estimate are recognized in the year when the changes take place and in future years when impacts materialize.

(1) Inventory valuation

Due to the fact that inventory is measured at the lower of cost and net realizable value, the Company assesses inventory on each reporting date for any decrease in sales value due to normal wear, obsolescence, or absence of market demand, and reduces inventory cost to net realizable value accordingly. This inventory valuation is made by estimating product demand within a specific period of time in the future, which may give rise to significant changes due to rapid development of the industry. Please refer to Note 6(3) for the inventory valuation estimate.

6. Notes to major accounts

(1) Cash and cash equivalents

		2024.12.31	2023.12.31
Cash on hand	$	966	1,067
Check and current deposits		266,701	69,361
Cash and cash equivalents shown in Statement of Cash Flows	$	267,667	70,428

Please refer to Note 6 (21) for the disclosure of the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

The Company's cash and cash equivalents are not pledged as collateral.

(2) Notes and accounts receivable

		2024.12.31	2023.12.31
Notes receivable - from operation	$	4,838	3,630
Accounts receivable - at amortized cost		378,858	353,553
Less: Loss allowance		(196)	(196)
	$	383,500	356,987

The Company adopts the simplified approach to estimate expected credit loss on all notes and accounts receivable, which involves measuring expected credit loss for the duration of its receivables. To facilitate this approach, notes and accounts receivable are divided into several groups of common credit risk characteristics by assessing customers' ability to make contractual payments at maturity. This approach takes into account historical credit loss data as well as forward-looking information such as future economic outlook and rational predictions. Expected credit loss analysis for notes and accounts receivable is explained below:

	2024.12.31		
	Carrying amount of notes and accounts receivable	**Weighted average of expected credit loss rate**	**Allowance for expected credit losses during the duration**
Not past due	$ 383,615	0.01%~0.10%	192
Overdue less than 30 days	81	1.00%~10.00%	4
	$ 383,696		196

	2023.12.31		
	Carrying amount of notes and accounts receivable	**Weighted average of expected credit loss rate**	**Allowance for expected credit losses during the duration**
Not past due	$ 357,106	0.01%~0.10%	195
Overdue 31 - 60 days	77	1.00%~10.00%	1
	$ 357,183		196

The Company’s changes in loss provisions on notes and accounts receivable are as the table below:

	2024	**2023**
Beginning balance (equal to the end balance)	$ 196	196

Please refer to Note 6 (21) for the credit and exchange rate risk of the Company's notes and accounts receivable.

The Company's notes and accounts receivables are not provided as collateral guarantees.

(3) Net inventory

	2024.12.31	**2023.12.31**
Raw materials	$ 2,079	916
Work in process	5,865	4,071
Merchandise	816,105	617,247
	$ 824,049	622,234

The composition of the Company's cost of sales for 2024 and 2023 is detailed as follows:

	2024	**2023**
Cost of goods sold	$ 875,998	863,552
Loss on disposal of inventories	1,035	1,352
Write-down of inventories (reversal of write-downs)	1,650	(480)
	$ 878,683	864,424

As of December 31, 2024 and 2023, the Company's inventories had not been provided as collateral.

(4) Investments accounted for using equity method

The Company's investments accounted for using equity method on the reporting date is as follows:

		2024.12.31	2023.12.31
Associates	$	146,413	123,707

(A) Associates

For the individually insignificant associates under equity method of the Company, and their aggregated financial information is as follows. These financial information are included in the Company's financial statements:

		2024.12.31	2023.12.31
Aggregated carrying amount of equity in individually insignificant associates at the end of period	$	146,413	123,707

		2024	2023
Share attributable to the Company:			
Net income from continuing operations	$	29,869	25,078
Other comprehensive income:			
Exchange differences on translation of foreign financial statements	$	4,845	(3,411)
Income tax related to items that may be reclassified		(969)	682
Other comprehensive income for the period	$	3,876	(2,729)
Total comprehensive income	$	33,745	22,349

(B) Guarantee

As of December 31, 2024 and 2023, the Company's investments under the equity method had not been provided as pledge, guarantee or under restriction.

(5) Business acquisition

The Company acquired the business from Dragon Gate Enterprise Co., Ltd. on May 1, 2024. The company's main business is the retailing of apparel in department stores.

The Company acquired the business of Dragon Gate Enterprise Co., Ltd. and also obtained its own brand and the right to serve as its brand agency. In addition, acquiring the company's inventories, lease improvements and self-owned trademark rights through this transaction, it is expected to make the Company's share in the department store apparel market to increase.

The fair value of the identifiable assets on the acquisition date is detailed as follows:

Inventories	$	103,835
Property, plant and equipment		10,665
Intangible assets		30,000
Fair value of identifiable net assets	$	144,500

The transfer consideration for the acquisition of Dragon Gate Enterprise Co., Ltd. is NT$144,500 thousand, which is in line with the fair value of the identifiable net assets.

(6) Property, plant, and equipment

Changes in the cost and depreciation of the Company's property, plant and equipment are detailed as follows:

		Land	Buildings and structures	Office equipment	Transportation equipment	Other equipment	Unfinished construction and equipment for inspection	Total
Cost or deemed cost:								
Balance on January 1, 2024	$	251,668	168,799	13,204	1,780	62,895	-	498,346
Addition		-	1,139	1,791	1,607	31,558	26,114	62,209
Disposal		-	-	(2,511)	-	(41,121)	-	(43,632)
Balance as of December 31, 2024	$	251,668	169,938	12,484	3,387	53,332	26,114	516,923
Balance on January 1, 2023	$	94,340	168,799	11,691	1,780	51,466	-	328,076
Addition		157,328	-	4,269	-	52,003	-	213,600
Disposal		-	-	(2,756)	-	(40,574)	-	(43,330)
Balance on December 31, 2023	$	251,668	168,799	13,204	1,780	62,895	-	498,346
Depreciation and impairment loss:								
Balance on January 1, 2024	$	-	114,354	4,915	1,261	26,077	-	146,607
Depreciation in the current year		-	2,666	3,522	245	42,818	-	49,251
Disposal		-	-	(2,511)	-	(40,420)	-	(42,931)
Balance as of December 31, 2024	$	-	117,020	5,926	1,506	28,475	-	152,927
Balance on January 1, 2023	$	-	111,739	4,266	964	25,152	-	142,121
Depreciation in the current year		-	2,615	3,405	297	41,499	-	47,816
Disposal		-	-	(2,756)	-	(40,574)	-	(43,330)
Balance on December 31, 2023	$	-	114,354	4,915	1,261	26,077	-	146,607
Book value:								
December 31, 2024	$	251,668	52,918	6,558	1,881	24,857	26,114	363,996
January 1, 2023	$	94,340	57,060	7,425	816	26,314	-	185,955
December 31, 2023	$	251,668	54,445	8,289	519	36,818	-	351,739

The Company purchased land for the warehouse construction in 2023 at a cost of NT$157,328 thousand. The registration of the title transfer was completed in December 2023.

Please refer to Note 8 for details on collaterals for short-term loans and financing facilities as of December 31, 2024 and 2023.

(7) Right-of-use assets

The changes in cost and depreciation of the right-of-use assets recognized by the Company by leasing other assets are as follows:

	Other assets
Cost of right-of-use assets:	
Balance on January 1, 2024	$ 5,930
Addition	4,440
Disposal	(3,782)
Balance as of December 31, 2024	**$ 6,588**
Balance on January 1, 2023	$ 4,861
Addition	1,069
Balance on December 31, 2023	**$ 5,930**
Depreciation and impairment loss of right-of-use assets:	
Balance on January 1, 2024	$ 4,587
Depreciation expense	3,340
Disposal	(3,782)
Balance as of December 31, 2024	**$ 4,145**
Balance on January 1, 2023	$ 2,790
Depreciation expense	1,797
Balance on December 31, 2023	**$ 4,587**
Book value:	
December 31, 2024	**$ 2,443**
January 1, 2023	**$ 2,071**
December 31, 2023	**$ 1,343**

(8) Investment property

	Self-owned assets		
	Land and improvements	Buildings and structures	Total
Cost or deemed cost:			
Balance on January 1, 2024	$ 15,073	16,881	31,954
Balance as of December 31, 2024	**$ 15,073**	**16,881**	**31,954**
Balance on January 1, 2023	$ 15,073	16,881	31,954
Balance on December 31, 2023	**$ 15,073**	**16,881**	**31,954**

	Self-owned assets		
	Land and improvements	**Buildings and structures**	**Total**
Depreciation and impairment loss:			
Balance on January 1, 2024	$ -	10,418	10,418
Depreciation in the current year	-	281	281
Balance as of December 31, 2024	$ -	10,699	10,699
Balance on January 1, 2023	$ -	10,074	10,074
Depreciation in the current year	-	344	344
Balance on December 31, 2023	$ -	10,418	10,418
Carrying amount:			
December 31, 2024	$ 15,073	6,182	21,255
January 1, 2023	$ 15,073	6,807	21,880
December 31, 2023	$ 15,073	6,463	21,536
Fair value:			
December 31, 2024			$ 39,986
December 31, 2023			$ 34,304

The fair value is evaluated using the comparative approach and the direct capitalization approach of the income approach. The sales comparison approach is a method, which based on the value of the comparable properties is through comparison, analysis, adjustment and other means to estimate the value of the subject property comparing. The direct capitalization method of the income approach considers the expected effective net income received if the property is lease, and restore such with reasonable income capitalization rate to determine the value of such property. The income capitalization rates used in 2024 and 2023 are as follows:

Regions	2024	2023
Taichung Area	2.71%	2.20%

Investment property is the Company's own-use property leased to a third party. Each lease contract includes the original irrevocable lease term of one year, and the subsequent lease terms are negotiated with the lessee, and no contingent rent is collected.

Please refer to Note 8 for details on investment properties of the Company as collaterals for short-term loans and financing facilities as of December 31, 2024 and 2023.

(9) Intangible assets

Changes in the cost and amortization of the Company's intangible assets are as follows:

		Computer software	Trademark rights	Total
Cost:				
Balance on January 1, 2024	$	13,338	-	13,338
Acquired separately		460	28,571	29,031
Balance as of December 31, 2024	**$**	**13,798**	**28,571**	**42,369**
Balance on January 1, 2023	$	13,338	-	13,338
Balance on December 31, 2023	**$**	**13,338**	**-**	**13,338**
Depreciation and impairment loss:				
Balance on January 1, 2024	$	7,480	-	7,480
Current amortization		2,904	1,904	4,808
Balance as of December 31, 2024	**$**	**10,384**	**1,904**	**12,288**
Balance on January 1, 2023	$	4,634	-	4,634
Current amortization		2,846	-	2,846
Balance on December 31, 2023	**$**	**7,480**	**-**	**7,480**
Book value:				
December 31, 2024	**$**	**3,414**	**26,667**	**30,081**
January 1, 2023	**$**	**8,704**	**-**	**8,704**
December 31, 2023	**$**	**5,858**	**-**	**5,858**

In 2024, in order to expand the market scale and effectively increase revenues and profits, the Company purchased the trademark rights from Dragon Gate Enterprise Co., Ltd. at a transaction price of NT$28,571 thousand. The relevant registrations were completed on May 6, 2024.

(A) Amortization expenses

The amortization expenses of intangible assets in 2024 and 2023 are reported in the "operating expenses" of the statement of comprehensive income.

(B) Guarantee

As of December 31, 2024 and 2023, the Company's intangible assets had not been provided as pledge, guarantee or under restriction.

(10) Short-term loans

		2024.12.31	2023.12.31
Unsecured bank loans	$	91,809	54,659
Secured bank loans		100,000	110,000
Total	$	191,809	164,659
The facilities are not yet used	$	668,191	635,341
Interest rate range		1.87%~5.83%	1.95%~7.09%

For the information on the exposure of the Company's foreign currency and liquidity risks, please refer to Note 6 (21).

(A) Issuance and repayment of loans

The amounts added in 2024 and 2023 were NT$1,893,316 thousand and NT$615,905 thousand, respectively; the amounts repaid were NT$1,866,166 thousand and NT$550,329 thousand, respectively.

(B) Collaterals for bank loans

Please refer to Note 8 for the Company's assets pledged as collateral for bank loans.

(11) Other current liabilities

The details of the Company's other current liabilities are as follows:

		2024.12.31	2023.12.31
Refund liabilities - current	$	7,303	6,056
Contract liabilities		6,675	4,661
Payments collected on behalf of others		3,642	2,857
Others		2,705	3,205
Total	$	20,325	16,779

(A) Refund liabilities - current

The refund liability is mainly the estimated amount for the products sold to the distributors with the expectation of return of goods.

(12) Lease liabilities

The book value of lease liabilities of the Company is as follows:

		2024.12.31	2023.12.31
Current	$	2,462	1,285
Non-current	$	-	177

Please refer to Note 6 (21) Financial Instruments for maturity analysis.

The amount of lease recognized in profit or loss is as follows:

		2024	2023
Interest expense of lease liabilities	$	59	29
Expenses of short-term leases	$	563	568
Expenses of low-value lease assets (excluding low-value leases of short-term leases)	$	37	37

The amount of lease recognized in statement of cash flows is as follows:

		2024	2023
Total cash outflow of leases	$	4,099	2,435

(A) Lease of land, houses and buildings

On May 15, 2023, and March 4 and September 18, 2024, the Company leased the houses and buildings as the dormitory and warehouse. The lease period for the dormitory is two years and the lease period for the warehouse is one and half years and one year.

(B) Other leases

The lease period for company vehicles leased by the Company is three years.

In addition, the Company leases parking spaces and photocopiers with a lease period from one to five years. These leases are short-term and low-value leases, and the Company chose to apply the exemption from recognition, not to recognize its related right-of-use assets and lease liabilities.

(13) Employee benefits

(A) Defined benefit plan

Reconciliation between present value of defined benefit obligations and fair value of plan assets:

		2024.12.31	2023.12.31
Present value of defined benefit obligations	$	(19,892)	(19,891)
Fair value of identifiable net assets		17,680	14,278
Net defined benefit liabilities	$	(2,212)	(5,613)

Contributions for defined benefit plan are made to a dedicated pension fund account opened with Bank of Taiwan. For retirees who opted for the pension scheme mentioned in the Labor Standards Act, the amount of pension benefit is calculated based on average salary for the six months preceding their retirement and the number of basis points accumulated over the duration of their service.

(a) Composition of plan assets

Pension fund contributions that the Company has made in accordance with the Labor Standards Act are collectively managed by the Bureau of Labor Funds (BLF), Ministry of Labor. Pursuant to "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," plan assets can only be allocated to investments that offer annual yields higher than the 2-year time deposit rate quoted by local banks.

As at the reporting date, balance of the Company 's labor pension reserve account held with Bank of Taiwan totaled NT$17,680 thousand. Please visit the BLF website for more information such as fund yield and allocation of fund assets.

(b) Changes in present value of defined benefit obligations

The Company's changes in present value of defined benefit obligations for 2024 and 2023 are explained below:

		2024	2023
Defined benefit obligations as of January 1	$	19,891	16,565
Service cost and interest in the current period		288	325
Remeasurement of net defined benefit liabilities (assets)			
- Actuarial gains and losses due to changes in financial assumptions		(574)	2,181
- Experience adjustments		792	820
Benefits paid by the plan		(505)	-
Defined benefit obligations as of December 31	**$**	**19,892**	**19,891**

(c) Changes in the fair value of pension plan assets

The Company's changes in the fair value of defined benefit plan assets in 2024 and 2023 are explained below:

		2024	2023
Fair value of identifiable net assets on January 1	$	14,278	11,644
Interest income		189	216
Remeasurement of net defined benefit liabilities (assets)			
- Return on plan assets (excluding interest for the current period)		1,170	35
Amount contributed to the plan		2,548	2,383
Payment of plan benefits		(505)	-
Fair value of plan assets as at December 31	**$**	**17,680**	**14,278**

(d) Expenses recognized in profit or loss

The Company recognized the following expenses in profit or loss in 2024 and 2023:

		2024	2023
Service costs for the current period	$	45	45
Net interest on net defined pension liabilities (assets)		54	64
	$	**99**	**109**
Selling expenses	$	85	92
Administrative expenses		14	17
	$	**99**	**109**

(e) Actuarial assumptions

Key actuarial assumptions that the Company had made to determine the present value of defined benefit obligations as at the reporting date are as follows:

	2024	2023
Discount rate	1.50%	1.22%
Future salary increase	1.00%	1.00%

The Company expects to contribute NT$2,574 thousand to the defined benefit plan within one year from the 2024 reporting date.

The defined benefit plan has a weighted average duration of 11.34 years.

(f) Sensitivity analysis

The following shows impact of changes in actuarial assumption on the present value of defined benefit obligations as at December 31, 2024 and 2023:

	Impact on defined benefit obligations	
	0.50% increase	0.50% decrease
December 31, 2024		
Discount rate (changed by 0.50%)	(1,068)	1,146
Future salary increase (0.50% change)	1,134	(1,067)
December 31, 2023		
Discount rate (changed by 0.50%)	(1,135)	1,223
Future salary increase (0.50% change)	1,207	(1,132)

The above sensitivity analysis assumes changes to one variable at a time while keeping all other variables constant. In reality, however, multiple assumptions may change at the same time and are related to each other. The sensitivity analysis was conducted using the same method as how net pension liabilities are presented in the balance sheet.

Methodology and assumption for current period's sensitivity analysis are consistent with those of the previous period.

(B) Defined contribution plan

The Company's defined contribution plan complies with the Labor Pension Act, in which the Company contributes an amount equal to 6% of employees' salaries each month to employees' pension accounts held with the Bureau of Labor Insurance. Under this plan, the Company is freed of additional pension obligations (whether statutory or constructive) once it has contributed the designated amount to the Bureau of Labor Insurance.

The Company 's pension expenses recognized for the defined contribution plan in 2024 and 2023 were NT$21,117 thousand and NT$18,119 thousand, respectively, which have been contributed to the Bureau of Labor Insurance.

(14) Income tax

(A) Income tax expenses

The Company income tax expenses for 2024 and 2023 are as below:

		2024	2023
Current income tax expense			
Occurred in the current period	$	59,531	59,523
Adjustment of the current income tax of the previous period		-	(227)
		59,531	59,296
Deferred income tax expenses			
Occurrence and reversal of temporary difference		2,670	3,538
Income tax expenses	$	62,201	62,834

Below are details of 2024 and 2023 income tax expenses (income) recognized by the Company under other comprehensive income:

		2024	2023
Items not reclassified into profit or loss:			
Remeasurement of defined benefit plan	$	190	(593)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$	969	(682)

Below are details of reconciliation between the income tax expenses and net income before tax 2024 and 2023:

		2024	2023
Income before tax	$	310,275	314,870
Income tax calculated by applying local tax rate of the country where the Company is located	$	62,055	62,974
Permanent difference		146	87
Adjustments for prior years		-	(227)
Total	$	62,201	62,834

(B) Deferred income tax assets and liabilities

(a) Items not recognized as deferred income tax liability: None.

Changes in deferred income tax assets and liabilities for 2024 and 2023 are as follows:

		Defined benefit plan	Others	Total
Deferred income tax liabilities:				
Balance on January 1, 2024	$	17,154	5,510	22,664
Debit (credit) to income statement		490	976	1,466
Balance as of December 31, 2024	$	17,644	6,486	24,130
Balance on January 1, 2023	$	16,699	4,991	21,690
Debit (credit) to income statement		455	519	974
Balance on December 31, 2023	$	17,154	5,510	22,664
Deferred income tax assets:				
Balance on January 1, 2024	$	18,277	15,836	34,113
(Debit) credit to income statement		-	(1,204)	(1,204)
(Debit) credit to other comprehensive income		(190)	(969)	(1,159)
Balance as of December 31, 2024	$	18,087	13,663	31,750
Balance on January 1, 2023	$	17,684	17,718	35,402
(Debit) credit to income statement		-	(2,564)	(2,564)
(Debit) credit to other comprehensive income		593	682	1,275
Balance on December 31, 2023	$	18,277	15,836	34,113

(C) Status of income tax assessments

The Company's profit-seeking enterprise income tax returns have been assessed by the tax authority up to 2022.

(15) Capital and other equity

The Company's authorized capital amounted to NT$1,000,000 thousand at par value of NT$10 per share, and both the number of shares is 100,000 thousand shares on December 31, 2024 and 2023. The issued shares are 64,627 thousand common shares and 54,627 thousand shares, respectively; the payment for all issued shares has been received.

(A) Issuance of common shares

The Company's board of directors resolved on April 1, 2024 to issue 10,000 thousand new shares as capital increase in cash at a par value of NT$10 per share and an issue price of NT$42 per share for a total price of NT$420,000 thousand. The base date for the capital increase is July 19, 2024. The relevant statutory registration procedures were completed on August 28, 2024 and all payments for the issued shares have been collected.

(B) Capital surplus:

		2024.12.31	2023.12.31
Additional paid-in capital	$	463,159	127,250
Expired warrants		507	-
	$	463,666	127,250

According to The Company Act, balances of realized capital surplus can be distributed in shares or cash back to shareholders at the current shareholding percentage after reimbursing cumulative losses. The term "realized capital surplus" mentioned above includes shares issued at premium and gains from gifts. Pursuant to Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus converted into share capital is capped at 10% of paid-up capital per year.

(C) Retained earnings

According to the Company's Articles of Incorporation, if there is a profit in the final accounting of the year, the Company shall first pay tax, offset up losses from previous years, and then provide 10% as a legal reserve. However, if the legal reserve has reached the amount of the Company's paid-in capital, the requirement is not applicable. In addition, based on the Company's operational needs and laws and regulations, a special reserve may be provided. If there is still earnings, along with the undistributed earnings at the beginning of the same period, the board of directors may prepare an earning distribution proposal and submit it to the shareholders' meeting for resolution.

(a) Legal reserve

When the Company has no loss, the shareholders' meeting may resolve to distribute new shares or cash out of the legal reserve, provided that distribute portion is the portion of the legal reserve exceeding 25% of the paid-in capital.

(b) Special reserves

In accordance with the regulations of the Financial Supervisory Commission, when distributing available surplus, the Company shall make a special reserve from the current year's net profit after tax and the items other than the current year's net profit after tax for the difference between the net deduction from other shareholders' equity for the current year and the special reserve appropriated as stated above. For any subsequent reversal of the deduction from other shareholders' equity, the amount reversed may be distributed from the surplus profit derived from the reversal. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings.

(c) Earning distribution

The Company's amount of cash dividends for the 2023 and 2022 earning distribution were resolved on March 8, 2024 and March 15, 2023, respectively, by the board of directors; and the regular shareholders’ meeting on May 29, 2024 and June 5, 2023 resolved the other earning distribution for 2023 and 2022, the amounts related to dividends distributed to owners are as below:

	2023		2022	
	Share dividend rate (NTD)	**Amount**	**Share dividend rate (NTD)**	**Amount**
Dividends distributed to common share holders:				
Cash	$ 4.00	218,507	3.00	163,881

The 2024 earning distribution proposal was resolved by the Board of Directors on March 12, 2025. The amount of dividends distributed to the owners is as follows:

	2024	
	Share dividend rate (NTD)	**Amount**
Dividends distributed to common share holders:		
Cash	$ 3.60	232,657

There is no difference between the above-mentioned earning distribution and the resolution of the Company's board of directors. The earning distribution of the Company in the past years and related information are available at the Market Observation Post System (MOPS).

(D) Other equity (net amount after tax)

The item recognized in other equity is the accumulated exchange difference (net amount after tax) of the financial statements of the Company's foreign operations.

		Exchange differences on translation of foreign financial statements
Balance on January 1, 2024	$	(11,979)
Exchange differences arising from the translation of net assets of foreign operations		3,876
Balance as of December 31, 2024	$	(8,103)
Balance on January 1, 2023	$	(9,250)
Exchange differences arising from the translation of net assets of foreign operations		(2,729)
Balance on December 31, 2023	$	(11,979)

(16) Share-based payment - cash capital increase reserved for employees' subscription

The Company's board of directors resolved on April 1, 2024 for the capital increase in cash. The relevant information is as follows:

	Equity settled Cash capital increase reserved for employees to subscribe
Grant date	2024.6.8
Quantity granted	931 thousand shares
Recipients	Employees of the Company
Vesting conditions	Immediately vested

(A) Measurement parameters of fair value on the grant date

The fair value of the share-based payment on the grant date is estimated by using the Black-Scholes option valuation model. The inputs to the model are as follows:

	2024 Cash capital increase reserved for employees to subscribe
Fair value on the grant date	18.76
Share price on the grant date	60.70
Exercise price	42
Expected volatility (%)	26.21%
Duration of warrant (year)	0.116
Expected dividends	- %
Risk-free interest rate (%)	1.2850%

(B) Employee expenses and liabilities

The recognized remuneration cost for the employees subscription from the Company's 2024 cash capital increase reservation is NT$ 17,466 thousand, and the same amount was recognized in capital surplus- employee share warrants; such shall be transferred to capital surplus -premium of share issuance once the full payment of share are received. Of which, 27 thousand shares unexercised by employees were transferred from capital surplus - employee share warrants to capital surplus - expired warrants for NT$507 thousand.

(17) Earnings per share

The Company's basic earnings per share and diluted earnings per share are calculated as follows:

	2024	2023
Basic earnings per share		
Net profit attributable to the Company's common share holders	$ 248,074	252,036
Weighted average outstanding common shares	59,163	54,627
Basic earnings per share (NTD)	$ 4.19	4.61
Diluted earnings per share		
Net profit attributable to the Company's common share holders (After adjusting for the dilutive effect of potential common shares)	$ 248,074	252,036
Weighted average outstanding common shares	59,163	54,627
Effect of employee share remuneration	232	247
Weighted average outstanding common shares (After adjusting for the dilutive effect of potential common shares)	59,395	54,874
Diluted earnings per share (NTD)	$ 4.18	4.59

(18) Revenue from contracts with customers

(A) Disaggregation of revenue

	2024	2023
Main regions and markets:		
Taiwan	$ 1,920,166	1,838,257
Main products:		
Men's clothing	$ 1,509,580	1,379,744
Women's clothing	393,683	444,270
Others	16,903	14,243
	$ 1,920,166	1,838,257
Sales channel:		
Merchandises sold directly to customers	$ 1,834,476	1,751,336
Merchandises sold through distributors	68,787	72,678
Others	16,903	14,243
	$ 1,920,166	1,838,257

(B) Contract balance

		2024.12.31	2023.12.31	2023.1.1
Notes and accounts receivable	$	383,696	357,183	324,163
Less: Loss allowance		(196)	(196)	(196)
Total	$	383,500	356,987	323,967
Contract liabilities	$	6,675	4,661	2,979

Please refer to Note 6(2) for the disclosure of accounts receivable and its impairment.

The beginning balance of contract liabilities on January 1, 2024 and 2023 recognized as income for 2024 and 2023 are in the amounts of NT$19 thousand and NT$181 thousand.

(19) Remuneration to employees and directors

According to the Articles of Incorporation, 2~4% and no more than 2% of the annual profits, if any, should be provided as employee remuneration and director remuneration, respectively. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. Employee remuneration, as mentioned above, can be paid in shares or cash to employees of affiliated companies that satisfy certain criteria.

The Company has estimated 2024 and 2023 employees' remuneration at NT$9,798 thousand and NT$9,943thousand, respectively, and directors' remuneration at NT$6,532 thousand and NT$6,629 thousand, respectively. Both figures were estimated by multiplying profit before tax and employee/director remuneration with the respective percentages stated in the Company's Articles of Incorporation, and have been recognized as 2024 and 2023 operating costs or operating expenses, respectively. There is no difference between the amount of employees' and directors' remuneration distributed by the above-mentioned board of directors' meeting and the estimated amount in the 2024 and 2023 financial statements.

(20) Non-operating incomes and expenses

(A) Interest income

The Company’s interest income for 2024 and 2023 are as below:

		2024	2023
Interest on bank deposits	$	1,190	845
Other interest income		75	305
	$	1,265	1,150

(B) Other incomes

The Company’s other income for 2024 and 2023 are as below:

		2024	2023
Royalty income	$	1,238	1,969
Other income		4,289	4,478
	$	5,527	6,447

(C) Other gains and losses

The Company's other gains and losses for 2024 and 2023 are as below:

	2024	2023
Foreign exchange gain	$ 461	5,963
Losses from disposal of property, plant and equipment	(701)	-
Other (losses) gains	1,555	(1,567)
	$ 1,315	4,396

(D) Financial costs

The Company's financial costs for 2024 and 2023 are as below:

	2024	2023
Interest expense	$ 5,129	2,257

(21) Financial instruments

(A) Credit risk

(a) Amount of maximum credit risk exposure

For financial assets, the book value represents the maximum credit risk exposure.

(b) Concentration of credit risk

The concentration of credit risk on the Company's top three customers as of December 31, 2024 and 2023 was 49% and 50% of the total receivables. These accounts receivables are collected well, and the Company does not expect to incur impairment loss.

(c) Credit risk of receivables

For credit risk information on notes receivable and accounts receivable, please refer to Note 6 (2).

Other financial assets measured at amortized cost include other receivables.

The above are all the financial assets with low credit risk, and thus the allowance for losses are measured at the 12-month expected credit loss. (Please refer to Note 4(6) to learn how the Company determines the low credit risks) There is no significant credit impairment of other financial assets measured at amortized cost, so no allowance for loss is provided.

(B) Liquidity risk

The following table shows contract maturity date for financial liabilities, including the effect of estimated interest excluding the effect of netting agreement.

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024							
Non-derivative financial liabilities							
Accounts payable and other payables	$ 176,209	176,209	153,351	22,858	-	-	-
Unsecured bank loans	91,809	93,666	93,666	-	-	-	-
Secured bank loans	100,000	100,231	100,231	-	-	-	-
Deposits received (stated as other current and non-current liabilities)	36,704	36,704	84	2,620	23,500	10,500	-
Lease liabilities	2,462	2,477	1,712	765	-	-	-
	$ 407,184	409,287	349,044	26,243	23,500	10,500	-
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable and other payables	$ 167,093	167,093	144,172	22,921	-	-	-
Unsecured bank loans	54,659	56,425	56,425	-	-	-	-
Secured bank loans	110,000	110,160	110,160	-	-	-	-
Deposits received (stated as other current and non-current liabilities)	28,704	28,704	84	1,620	2,500	24,500	-
Lease liabilities	1,462	1,477	915	380	182	-	-
	$ 361,918	363,859	311,756	24,921	2,682	24,500	-

The Company does not expect the occurrence time of cash flows in the maturity date analysis will be significantly advanced or the actual amount will be significantly different.

(C) Exchange rate risk

(a) Exposure to exchange rate risk

The financial assets and liabilities of the Company exposed to significant foreign exchange rate risk are as follows:

	2024.12.31			2023.12.31		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial assets						
Monetary items						
USD	$ 68	32.790	2,230	251	30.710	7,708
JPY	108,339	0.2099	22,740	48,648	0.2172	10,566
Financial liabilities						
Monetary items						
USD	2,296	32.790	75,286	1,937	30.710	59,485
JPY	6,159	0.2099	1,293	4,378	0.2172	951

(b) Sensitivity analysis

Exchange rate risks associated with the Company's monetary items arise primarily from the conversion of cash, cash equivalents, and other receivables, borrowings, accounts payable, and other payables denominated in foreign currencies. Conversion of foreign currency-denominated amounts gives rise to gains/losses on exchange. If NTD, against USD and JPY weakened/strengthened by 5% as at December 31, 2024 and 2023, with all other factors remained the same, the net profit after tax for 2024 and 2023 will be decreased or increased by NT$2,065 thousand and NT$1,687 thousand. The analysis of two terms is based on the same basis.

(c) Exchange gains and losses on monetary items

The amount of the exchange gain or loss (including realized and unrealized) of the Company's monetary items converted to the functional currency, and the exchange rate to the Company's presentation currency is as follows:

	2024		2023	
	Foreign exchange gain (loss)	**Average exchange rate**	**Foreign exchange gain (loss)**	**Average exchange rate**
NTD	$ 461	-	5,963	-

(D) Interest rate analysis

Interest rate risk exposure concerning the Company's financial assets and financial liabilities has been explained as part of liquidity risk management in this footnote.

The following sensitivity analysis has been prepared based on interest rate risk exposures of derivatives and non-derivatives as at the reporting date. For assets and liabilities that bear floating interests, the analysis is conducted by assuming that the amount of assets and liabilities outstanding as at the reporting date remained outstanding throughout the entire year. Interest rate sensitivity analyses are reported to the management by applying a variance of 100 basic points above and below. This variance conforms with the management's expectation about the possible and reasonable range of interest rate variation.

If the interest rate increased/decreased by 1% (100 bps) while other variables remained unchanged, the Company's profit before tax would have decreased/increased by NT$335 thousand and NT$256 thousand in 2024 and 2023, respectively. This potential change is primarily the result of the Company's floating-interest rate borrowings and demand deposits.

(E) Fair value information

(a) Category and fair value of financial instruments

Book value and fair value of the Company's various financial assets and liabilities are shown below (including the information on level of fair value; however, it is not required to disclose fair value information for lease liabilities and financial instruments that are not subject to fair value assessment and where the book value resembles the fair value) are listed as below:

	2024.12.31
	Carrying amount
Financial assets measured at amortized cost	
Cash and cash equivalents	$ 267,667
Notes and accounts receivable	383,500
Refundable deposits (stated in other non-current assets)	2,624
Total	$ 653,791

		2024.12.31
		Carrying amount
Financial liabilities measured at amortized cost		
Short-term loans	$	191,809
Accounts payable		31,249
Other payables		144,960
Lease liabilities		2,462
Deposits received (stated as other current and non-current liabilities)		36,704
Total	$	407,184

		2023.12.31
		Carrying amount
Financial assets measured at amortized cost		
Cash and cash equivalents	$	70,428
Notes and accounts receivable		356,987
Refundable deposits (stated in other non-current assets)		2,904
Total	$	430,319
Financial liabilities measured at amortized cost		
Short-term loans	$	164,659
Accounts payable		30,432
Other payables		136,661
Lease liabilities		1,462
Deposits received (stated as other current and non-current liabilities)		28,704
Total	$	361,918

(22) Financial risk management

(A) Overview

The Company is exposed to the following risks due to the use of financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

This note discloses exposure, assessment, and the Company's management goals, policies, and procedures for the abovementioned risks. For further quantitative disclosures, please see notes to the financial statements.

(B) Risk management framework

The President's Office is responsible of developing and controlling the risk management policy within the Company, and reports the operations to the board of directors if necessary.

The Company has established its risk management policy to identify and analyze the risks associated with business activities, to set appropriate risk limits and controls, and to monitor risk exposures as well as compliance with various risk limits. The risk management policy and system are regularly examined to reflect changes in market condition and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines, and operating procedures, so that all employees are able to comprehend their roles and duties.

The Company's Board of Directors oversees how the management monitors the compliance of the Company's risk management policies and procedures, and reviews the adequacy of the Company's relevant risk management framework for the risks faced. The Company has internal audit personnel in place to assist the board of directors with supervisory duties. These personnel conduct regular and ad-hoc reviews over existing risk management controls and procedures, and report their findings to the board of directors.

(C) Credit risk

Credit risk refers to the risk of financial loss the Company may incur due to its customers or financial instrument counterparties being unable to fulfill contractual obligations. Credit risk mainly arises from customers' accounts receivable.

(a) Accounts receivable and other receivables

Credit risk exposure of the aforementioned accounts varies from customer to customer. The management also takes into consideration common factors including default risk of customers' industries and countries, as these risks are also likely to affect credit risk. Approximately 38% of the Company’s revenues for 2024 and 2023 are composed by three customers.

The Company has established its own credit policy, which requires every new customer to have credit rating analyzed before being awarded standard payment and delivery terms.

When monitoring the credit risk of customers, the Company categorizes customers based on their credit characteristics, such as whether they are distributors, retailers or end customers; by geographical regions, industries, aging of accounts, maturity and pre-existing financial difficulties. The main counterparties of the Company's accounts receivable are department stores.

(b) Guarantee

According to internal policies, the Company may only offer financial guarantee to companies with business dealings, or subsidiaries in which it holds directly or indirectly more than 50% voting interest. No endorsement or guarantee was offered by the Company as at December 31, 2024 and 2023.

(D) Liquidity risk

Liquidity risk represents risk of the Company being unable to settle financial liabilities with cash or other financial assets, or being unable to fulfill relevant obligations. The Company manages liquidity by ensuring that, under normal and stressed circumstances, the Company has sufficient liquidity to meet its liabilities as they fall due as much as possible, without incurring unacceptable losses or the risk of damaging to the Company's reputation.

The Company uses the procurement budget and operating budget for every two season (spring and summer, and autumn and winter) to help the Company monitor its cash flow requirements. In general, the Company ensures that it has sufficient cash to meet the 90-day expected operating expenditure needs, including the performance of financial obligations, but excluding potential effects that cannot be reasonably expected under extreme circumstances, such as natural disasters. In addition, the unused borrowing facilities of the Company as of December 31, 2024 and 2023 were NT$668,191 thousand and NT$635,341 thousand, respectively.

(E) Market risk

Market risk refers to the risks where the change of market price, including changes in exchange rate, interest rates, equity instrument or otherwise, affect the Company's income or values of financial instruments held. The goal of market risk management is to control exposures to market risks within a tolerable range while optimizing investment returns.

(a) Exchange rate risk

The Company is exposed to exchange rate risk arising from sales, purchases and borrowings that are not denominated in the functional currency of each group entity. These transactions are mainly denominated in NTD, CNY, USD and JPY.

The Company adopts the hedging method taking a moderate amount of foreign currencies, but not operate any derivative; therefore, the risk of exchange rate changes can be controlled within a certain range without causing a significant impact on the Company's operations.

The borrowing interest is denominated in the principal currency. In general, the borrowings are denominated in the same currency as the cash flows generated by the Company's operations, which is mainly NTD, but also includes JPY and USD. In this case, the Company provides economic hedging without the need to enter into derivative instruments; therefore, hedge accounting is not adopted.

Regarding other monetary assets and liabilities denominated in foreign currencies, when a short-term imbalance occurs, the Company ensures that the net exposure is maintained at an acceptable level by buying or selling foreign currencies at the real-time exchange rate.

(23) Capital management

The policy of the Board of Directors is to maintain a sound capital foundation to keep the confidence of investors, creditors and the market, and to support the development of future operation. Capital includes the Company's share capital, capital surplus and retained earnings. The Board of Directors controls the return on capital and the level of common share dividends.

Debt-to-capital ratio as at the reporting date is shown below:

		2024.12.31	2023.12.31
Total liabilities	$	479,605	463,918
Less: cash equivalent		(267,667)	(70,428)
Net liabilities	$	211,938	393,490
Total equity	$	1,608,624	1,138,004
Debt-to-capital ratio		13.18%	34.58%

As of December 31, 2024, the capital management method of the Company has not been changed.

(24) Non-cash investing and financing activities

The non-cash transaction investment and financing activities of the Company in 2024 and 2023 are as follows:

(A) For the right-of-use assets acquired by lease, please refer to Note 6(7).

The reconciliation of liabilities from financing activities is as follows:

	2024.1.1	Cash flow	Non-cash changes: Others	Non-cash changes: Changes in foreign exchange rates	Non-cash changes: Changes in fair value	2024.12.31
Short-term loans	$ 164,659	27,150	-	-	-	191,809
Lease liabilities	1,462	(3,440)	4,440	-	-	2,462
Total liabilities from financing activities	**$ 166,121**	**23,710**	**4,440**	**-**	**-**	**194,271**

	2023.1.1	Cash flow	Non-cash changes: Others	Non-cash changes: Changes in foreign exchange rates	Non-cash changes: Changes in fair value	2023.12.31
Short-term loans	$ 99,083	65,576	-	-	-	164,659
Lease liabilities	2,194	(1,801)	1,069	-	-	1,462
Total liabilities from financing activities	**$ 101,277**	**63,775**	**1,069**	**-**	**-**	**166,121**

7. Related party transactions

(1) Names of related parties and the relationships

Related parties that transacted with the Company during the period covered by the financial statements:

Name of related party	Relationship with the Company
Descente Ltd.	Entities with significant influence over the Company
Descente Japan Ltd.	Other related party

(2) Significant transactions with related parties

(A) Purchase

The amount of the Company's purchases from related parties is as follows:

	2024	2023
Entities with significant influence over the Company		
Descente Ltd.	$ -	(7)
Other related party		
Descente Japan Ltd.	338,977	288,032
	$ 338,977	**288,025**

The Company has no other transactions comparable to the purchase price of the above-mentioned related party. The payment terms are irrevocable letter of credit and cash on delivery, which has no significant difference from the payment terms of general manufacturers.

(B) Other current assets

The Company's other current assets are detailed as follows:

Presentation item	Category of related party	2024.12.31	2023.12.31
Other current assets	Other related party	$ 8	19

Other current assets are mainly receivables from rental of shoe molds and returns.

(C) Payables to related parties and other current liabilities

The Company's payable accounts to related parties are detailed as follows:

Presentation item	Category of related party	2024.12.31	2023.12.31
	Other related party		
Accounts payable	Descente Japan Ltd.	$ 3,549	2,570
	These with significant influence over the Company		
Other payables	Descente Ltd.	18,317	19,499
Other payables	Other related party	3	-
		$ 21,869	22,069

(D) Others

(a) The amounts of refunds due to defect and other revenues collected by the Company from the related parties are as follows:

	2024	2023
Other related party	$ 77	97

(b) The amounts of royalties and other expenses paid by the Company to the related parties are as follows:

	2024	2023
These with significant influence over the Company	$ 38,551	37,689
Other related party	57	-
	$ 38,608	37,689

(3) Transactions involving key management personnel

Compensation to key management personnel includes the following:

	2024	2023
Short-term employee benefits	$ 24,739	26,690
Retirement benefits	270	324
Share-based payment	1,313	-
	$ 26,322	27,014

8. Pledged assets

The book values of the Company's assets pledged as collateral are as follows:

Name of asset	Target of pledge and guarantee	2024.12.31	2023.12.31
Net amount of investment property	Bank borrowings and financing facilities	$ 21,255	21,536
Property, plant and equipment	Bank borrowings and financing facilities	147,258	148,785
Refundable deposits (stated in other non-current assets)	Rental deposit	2,624	2,904
		$ 171,137	173,225

9. Major contingent liabilities and unrecognized contractual commitments

(1) Letters of credit issued but not used by the Company:

	2024.12.31	2023.12.31
USD	$ 2,214	247
JPY	221,870	354,892
CNY	7,641	105

(2) Unrecognized contractual commitments for the acquisition of property, plant and equipment by the Company are as follows:

On January 17, 2024, the Company resolved by the board of directors, to commission Deste Engineering Co., Ltd. to undertake the warehouse construction contract for the medium and long-term development needs. The total contract price is NT$170,000 thousand. As of December 31, 2024, NT$25,500 thousand has been paid pursuant to the contract (accounted for in property, plant and equipment - unfinished construction).

(3) Others

(A) The Company signed a five-year trademark licensing contract with Company A. There was a minimum purchase amount in accordance with the contract specifications. During the contract period, the Company shall pay the royalty based on a certain percentage of the net amount of product sales. There is a minimum royalty to be paid in accordance with the contract specifications for some merchandises.

(B) The Company signed a trademark licensing contract with Company B for a term of 23 years. The Company promised to pay a fixed amount of royalty in accordance with the contract during the future contract period.

(C) The Company signed a five-year trademark licensing contract with Company C. During the contract period, the Company shall pay the royalty based on a certain percentage of the net amount of product sales. There is a minimum royalty to be paid in accordance with the contract specifications.

(D) The Company signed a five-year trademark licensing contract with Company D. During the contract period, the Company shall pay the royalty based on a certain percentage of the net amount of product sales.

10. Losses from major disasters: None.

11. Subsequent events: None.

12. Others

(1) Summary of employee benefit, depreciation, depletion, and amortization expenses by function:

By function / By nature	2024			2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Wage expenses	12,867	377,755	390,622	6,812	339,327	346,139
Labor and national health insurance expenses	1,441	43,647	45,088	772	38,559	39,331
Pension expense	695	20,521	21,216	367	17,861	18,228
Remuneration to directors	-	13,903	13,903	-	14,068	14,068
Other employee benefit expense	-	16,408	16,408	-	15,529	15,529
Depreciation expense	-	52,872	52,872	-	49,957	49,957
Amortization expenses	-	4,808	4,808	-	2,846	2,846

Additional information on the number of employees and employee benefit expenses of the Company in 2024 and 2023 is as follows:

	2024	2023
Number of employees	684	630
Number of Directors who are not concurrent employees	8	8
An employee benefit expense	$ 700	674
An employee wage expense	$ 578	556
Average adjustment to employee wage expenses	3.96%	7.34%
Remuneration to supervisors	$ -	-

The Company's 2024 and 2023 remuneration policy (including directors, supervisors, managerial officers and employees) is as follows:

In addition to considering the supply and demand in the labor market, the salary and remuneration policy for the Company's managerial officers and employees will also be based on their experience and expertise. The salary structure mainly consists of monthly salary and year-end bonus. The amount of year-end bonus is based on the contribution to the Company's operation and annual performance appraisal.

The Board of Directors is authorized to determine the remuneration policy for the Company's directors and supervisors based on the extent of their participation in the Company's operations and the value of their contributions, and with reference to the general standards of the industry in Taiwan.

(2) Seasonality of operation:

The Company has seasonal fluctuations due to department store anniversaries and other promotional activities, so the operating revenue in the first and fourth quarters of each year is higher.

13. Other disclosures

(1) Information relating to significant transactions

Significant transactions in 2024 that require further disclosures under Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

(A) Loans to external parties: None.

(B) Endorsement/guarantee to external parties: None.

(C) End-of-period holding position of marketable securities (excluding investment in subsidiaries, associated companies, and joint ventures): None.

(D) Cumulative purchase or sale of any single marketable security that amounts to NT$300 million or more than 20% of paid-up capital: None.

(E) Acquisition of real estate amounting to NT$300 million or more than 20% of paid-up capital: None.

Unit: NTD thousand

Company acquiring property	Name of property	Date of occurrence	Transaction amount	Status of proceed payment	Counterparty of the transaction	Relationship	If the counterparty is a related party, the information of the previous transfer				References for price determination	Purpose of acquisition and status of use	Other agreement
							Owner(s)	Relationship with the issuer	Date of transfer	Amount			
The Company	Buildings and structures	2024/1/17	170,000	25,500	Deste Engineering Co., Ltd.	None	-	-	-	-	Not applicable (Note)	For operational	None

Note: The construction project is commissioned construction on the self-owned land, and no appraisal report is required.

(F) Disposal of real estate amounting to NT$300 million or more than 20% of paid up capital: None.

(G) Sales and purchases with related parties amounting to NT$100 million or more than 20% of paid-up capital:

Unit: NTD thousand

Name of buyer (seller)	Name of counterparty	Relationship	Transaction summary				Distinctive terms of trade and reasons		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	As a percentage to total purchases (sales)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable)	
The Company	Descente Japan Limited	Other related party	Purchase	338,977	32%	Issuance of irrevocable Letter of Credit and payment upon delivery	-		(3,549)	11%	

(H) Related party receivables amounting to NT$100 million or 20% of paid-up capital or above: None.

(I) Engagement in derivative trading: None.

(2) Information on business investments (investees in China excluded):

Information about the Company's business investments in 2024:

Unit: thousands of NTD/thousand shares

Name of investor	Name of investee	Location	Main business activities	Sum of initial investment		Period-end holding position			Investee's profit or loss for the period	Investment gains/losses recognized in the current period	Remarks
				Current period-end	Previous period-end	Number of shares	Percentage	Carrying amount			
The Company	Bidford Holdings Limited	SAMOA	Investment industry	124,114	124,114	2,900	25.69%	146,413	116,284	29,869	

Note 1: The investment gains and losses recognized in the current period are listed in accordance with the financial statements of the investees audited by CPAs.

(3) Information on Mainland investments:

(A) Name, main business activities, and relevant information of Mainland investments:

Unit: NTD thousand

Name of Mainland investee	Main business activities	Paid-up capital	Method of investment	Opening cumulative balance of investment capital invested from Taiwan	Investment capital contributed or recovered during the current period		Closing cumulative balance of investment capital invested from Taiwan	Investee's profit or loss for the period	The Company's direct or indirect holding percentage	Investment gains/losses recognized in the current period (Note 2.2.2(1))	Closing investment book value	Investment gains repatriated as of the period
					Outward remittance	Recovered						
Munsin (Shanghai) Trading Ltd.	Import, export, trade, and sale of various apparel items	406,268	2	124,114	-	-	124,114	116,257	25.69%	29,862	146,400	30,164

(B) Approved limit on Mainland investments:

Closing cumulative balance of investment capital transferred from Taiwan into the Mainland	**Investment limit authorized by the Investment Commission, Ministry of Economic Affairs**	**Limits authorized by the Investment Commission, Ministry of Economic Affairs, for investing into Mainland China**
124,114	131,160	965,174

Note 1: Investment methods are divided into the following three types. It is sufficient to indicate the type of investment:
1. Direct investment in Mainland China.
2. Reinvest in Mainland China through a company in a third place.
3. Other means.

Note 2: Investment gains/losses recognized in the current period:
1. If it is in preparation and has no investment profit or loss, it shall be specified.
2. The recognition bases for investment gains and losses are divided into the following three types, which shall be specified.
(1) Financial statements audited and attested by an international accounting firm that has a cooperative relationship with an accounting firm of ROC.
(2) Financial statements audited and attested by the CPAs auditing the parent company in Taiwan.
(3) Others.

Note 3: The limit is based on 60% of the net worth or the consolidated or NTD 80 million, whichever is higher.

Note 4: If the relevant figures in this table involve foreign currencies, they are converted to be presented in NTD at the exchange rate on the date of the financial statements.

Note 5: Munsin (Shanghai) Trading Co., Ltd. is a reinvestment of Bidford Holdings Limited, a direct investment of MUNSIN GARMENT CORPORATION.

(C) Significant transactions:

For the Company's significant transactions with investee companies in Mainland China in 2024 and 2023, directly or indirectly, please refer to the description of "Information on Significant Transactions".

(4) Information on major shareholders:

Shares / Name of major shareholder	**Number of shares held**	**Shareholding ratio**
Descente Ltd.	8,325,000	12.88%
Jocksiya Investments Co., Ltd.	6,151,206	9.51%
Mitsui & Co., Ltd.	3,398,714	5.25%

14. Segment information

(1) General information

The Company mainly engages in the manufacturing and trading of various ready-to-wear and knitwear products, acting as the agent for domestic and foreign manufacturers for distribution, bidding and quotation for related products, and related import and export trading. Therefore, the operating decision-makers of the Company believes the Company has only one operating segment.

(2) The Company has only one operating segment. The information on segment income, segment assets and segment liabilities is consistent with the financial statements. Please refer to the balance sheet and income statement.

(3) Information by product and services

The Company's revenue from external customers is as follows:

Name of product and service		2024	2023
Men's clothing	$	1,509,580	1,379,744
Women's clothing		393,683	444,270
Others		16,903	14,243
Total	$	1,920,166	1,838,257

(4) Information by region

The Company's geographical information is as follows. Of which, the revenue is classified based on the geographical location of the customers, and non-current assets are classified based on the geographical location of the assets.

By region		2024	2023
Revenues from external customers:			
Taiwan	$	1,920,166	1,838,257

By region		2024.12.31	2023.12.31
Non-current assets:			
Taiwan	$	417,775	380,476

Non-current assets include property, plant and equipment, investment property, intangible assets and right-of-use assets, but exclude financial instruments, deferred income tax assets and other assets.

(5) Information on major customers

		2024	2023
Customer A	$	284,638	269,644
Customer B		224,903	222,394
Customer C		219,770	206,138
Total	$	729,311	698,176

MUNSIN GARMENT CORPORATION

Cash and cash equivalent statement

December 31, 2024 **Unit: NTD thousand**

Item	Summary	Amount
Cash		$ 966
Bank deposits	Demand deposits	241,670
	Foreign currency deposits for USD 66 thousand	25,001
	CNY27 thousand	
	JPY108,200 thousand	
	Checking deposits	30
	Subtotal	266,701
Total		$ 267,667

Statement of Notes Receivable

Customer name	Summary	Amount	Remarks
Non-related party:			
Yi Zr Sung Trading Co., Ltd.	Payment for purchase	$ 1,011	
Parry Industrial Co., Ltd.	〃	446	
Tung Li Men's Wear and Accessories Store	〃	300	
New York Department Store	〃	250	
Others		2,831	No amount of a single customer exceeding 5%
Total		$ 4,838	

MUNSIN GARMENT CORPORATION

Statement of Accounts Receivable

December 31, 2024 **Unit: NTD thousand**

Customer name	Summary	Amount	Remarks
Non-related party:			
Pacific SOGO Department Stores Co., Ltd.	Payment for purchase	$ 77,115	
Shinkong Mitsukoshi Department Store Co., Ltd.	〃	54,533	
Far Eastern Dept. Store, Ltd.	〃	52,337	
Sanxin Outlet Co. Ltd.	〃	45,810	
Gloria Outlets Enterprise Co., Ltd.	〃	28,911	
Others		120,152	No amount of a single customer exceeding 5%
Subtotal		378,858	
Less: Loss allowance		(196)	
Total		$ 378,662	

Statement of Inventories

Item	Summary	Amount: Cost	Amount: Net realizable value	Remarks
Raw materials		$ 2,309	2,079	
Work in process		5,865	5,865	
Merchandise		848,895	1,405,188	
Subtotal		857,069	1,413,132	
Less: Allowance for inventory devaluation and obsolescence losses		(33,020)		
Net amount		$ 824,049		

MUNSIN GARMENT CORPORATION

Statement of changes in investments accounted for using equity method

January 1 to December 31, 2024 and 2023

Unit: NTD thousand
Number of shares: thousand shares

	Beginning balance		Increase in the current period		Decrease in the current period		End balance			Market price or net value of equity			
Name	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding ratio	Amount	Unit price	Total price	Guarantee or pledge provision	Remarks
Equity method													
Bidford Holdings Limited	2,900	$ 123,707	-	22,706	-	-	2,900	25.69%	146,413	50	146,413	None	

Note: If there is a public market price, it is the public market price; if there is no public market price, the net worth of equity indicated in the financial statements audited by the accountant is listed.

MUNSIN GARMENT CORPORATION

Statement of other current assets

December 31, 2024 **Unit: NTD thousand**

Item	Summary	Amount	Remarks
Prepayment for purchase		$ 5,620	
Prepaid expenses	Counter fees, etc.	4,921	
Down payment		806	
Others		3,104	Amount of a single item is less than 5%
		$ 14,451	

Statement of changes in property, plant, and equipment

Item	Beginning balance	Increase in the current period	Decrease in the current period	End balance	Guarantee or pledge provision	Remarks
Land	$ 251,668	-	-	251,668	Provision of loans Guarantee	Note
Buildings and structures	168,799	1,139	-	169,938	〃	〃
Office equipment	13,204	1,791	2,511	12,484		
Transportation equipment	1,780	1,607	-	3,387		
Other equipment	62,895	31,558	41,121	53,332		
Construction in progress	-	26,114	-	26,114		
Total	$ 498,346	62,209	43,632	516,923		

Note: For the fixed assets provided as collateral for borrowings from banks, please see Note 8 to the financial statements.

MUNSIN GARMENT CORPORATION

Statement of changes in accumulated depreciation of property, plant, and equipment

January 1 to December 31, 2024 and 2023 **Unit: NTD thousand**

Item	Beginning balance	Increase in the current period	Decrease in the current period	End balance	Remarks
Buildings and structures	$ 114,354	2,666	-	117,020	
Office equipment	4,915	3,522	2,511	5,926	
Transportation equipment	1,261	245	-	1,506	
Other equipment	26,077	42,818	40,420	28,475	
Total	**$ 146,607**	**49,251**	**42,931**	**152,927**	

Statement of Changes in Investment Property

Item	Beginning balance	Increase in the current period	Decrease in the current period	End balance	Guarantee or pledge provision	Remarks
Land and improvements	$ 15,073	-	-	15,073	Provision of guarantees for loans	Note
Buildings and structures	16,881	-	-	16,881	〃	〃
Total	**$ 31,954**	**-**	**-**	**31,954**		

Note: For the investment properties provided as collateral for borrowings from banks, please see Note 8 to the financial statements.

MUNSIN GARMENT CORPORATION

Statement of changes in accumulated depreciation of investment properties

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Item	Beginning balance	Increase in the current period	Decrease in the current period	End balance	Remarks
Buildings and structures	$ 10,418	281	-	10,699	

Statement of changes in intangible assets

Item	Beginning balance	Increase in the current period	Decrease in the current period	End balance	Remarks
Computer software	$ 5,858	460	2,904	3,414	
Trademark rights	-	28,571	1,904	26,667	
Total	$ 5,858	29,031	4,808	30,081	

Note: Computer software is amortized using the straight-line method over a service life of three to five years.
Trademark rights are amortized using the straight-line method over their useful life of ten years.

MUNSIN GARMENT CORPORATION

Statement of short-term loans

December 31, 2024

Unit: NTD thousand

Type of loan	Description	End balance	Contract period	Interest rate range	Financing limit	Pledge or guarantee	Remarks
Secured bank loans	Working capital of operation	$ 100,000	By February 17, 2025 at the latest	1.87%	Note	Land, buildings, and investment property	
Unsecured bank loans	Loans for purchase of merchandises	91,809	By June 21, 2025 at the latest	1.92%~5.83%	Note	None	
		$ 191,809					

Note: The total limit of short-term loans from each bank was NT$860,000 thousand.

MUNSIN GARMENT CORPORATION

Statement of Accounts Payable

December 31, 2024

Unit: NTD thousand

Customer name	Summary	Amount	Remarks
Related party:			
Descente Japan Limited	Payment for purchase	$ 3,549	
Subtotal		3,549	
Non-related party:			
Kurabo International Co., Ltd.	〃	3,007	
Abundance Diligent Enterprise Co., Ltd.	〃	2,978	
Gni Co., Ltd.	〃	2,793	
Shanghai Ruisong Garments Import And Export Co., Ltd.	〃	2,148	
Nien Hsing Textile Co., Ltd.	〃	2,012	
Jin Tai International Development Co., Ltd.	〃	1,921	
Teijin Frontier (Shanghai) Co., Ltd	〃	1,873	
Others		10,968	No amount of a single customer exceeding 5%
Subtotal		27,700	
Total		$ 31,249	

MUNSIN GARMENT CORPORATION

Statement of Other Payables

December 31, 2024 **Unit: NTD thousand**

Item	Summary	Amount
Salary and year-end bonus payable	Salary and bonus	$ 37,347
Expenses payable	Labor and national health insurance expenses	26,846
Royalty payable	Royalty	20,040
Sales tax payable	Sales tax	14,905
Employee benefit liability reserve	Employee bonus for unused leaves	13,073
Employee bonus payable	Employee bonus	9,798
Other payables	Others	22,951
		$ 144,960

Statement of other current liabilities

Item	Summary	Amount	Remarks
Refund liabilities		$ 7,303	
Contract liabilities		6,675	
Payments collected on behalf of others	Collection of labor and health insurance	3,642	
Others	Deposits received -current	2,705	
		$ 20,325	

MUNSIN GARMENT CORPORATION

Statement of Operating Revenue

January 1 to December 31, 2024 and 2023

Item	Quantity (thousand pieces)	Amount	Remarks
Men's clothing	849	$ 1,509,580	
Women's clothing	214	393,683	
Others	34	16,903	Single item is less than 5%
Total		**$ 1,920,166**	

MUNSIN GARMENT CORPORATION

Statement of Operating Costs

January 1 to December 31, 2024 and 2023 **Unit: NTD thousand**

Item	Amount	
	Subtotal	**Total**
Direct raw materials		
Beginning raw materials	$ 1,076	
Plus: materials purchased in the period	4,968	
Sale of raw materials	(17)	
End raw materials	(2,309)	
Raw material consumption		$ 3,718
Manufacturing expenses		33,021
Manufacturing costs		36,739
Plus: Work in process at the beginning of period		4,071
Purchases in the current period		367,128
Less: Work in process at the end of period		(5,865)
Cost of finished goods		402,073
Plus: Finished goods at the beginning of period		-
Less: Finished goods at the end of period		-
Self-made operating cost		402,073
Plus: merchandise at the beginning of period		648,457
Purchases in the current period		681,544
Less: Use by department - selling expenses		(5,526)
Scrapping		(1,035)
Others		(637)
Ending merchandise		(848,895)
Cost of goods sold		875,981
Plus: sale of raw materials		17
Scrapping		1,035
Plus: Loss on inventory valuation		1,650
Operating cost		**$ 878,683**

MUNSIN GARMENT CORPORATION

Statement of selling expenses

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Item	Summary	Amount	Remarks
Wages expenditure		$ 341,955	
Depreciation expense		50,119	
Royalty expenditure		43,816	
Employee insurance premium		40,713	
Service charge		38,875	
Promotion fees		34,373	
Others		130,985	Single item is less than 5%
Total		**$ 680,836**	

Statement of administrative expenses

Item	Summary	Amount	Remarks
Wages expenditure		$ 46,525	
Service expense		4,709	
Others		31,985	Single item is less than 5%
Total		**$ 83,219**	

MUNSIN GARMENT CORPORATION

Statement for net amount of other gains and expenses

January 1 to December 31, 2024 and 2023 **Unit: NTD thousand**

Item	Summary	Amount	Remarks
Insurance claim income		$ 1,852	
Foreign exchange gain		461	
Losses from disposal of property, plant and equipment		(701)	
Others		(297)	
Total		$ 1,315	

Statement of other incomes

Item	Summary	Amount	Remarks
Royalty income		$ 1,238	
Rent		1,217	
Others		3,072	Single item is less than 5%
		$ 5,527	

Statement of Financial Costs

Item	Summary	Amount	Remarks
Interest expense		$ 5,129	

Please refer to Note 6 (7) to the financial statements for relevant information in the statement of changes in right-of-use assets.

Please refer to Note 6 (7) to the financial statements relevant information in the statement for accumulated depreciation of changes in right-of-use assets.

Please refer to Note 6 (12) to the financial statements for relevant information on the statement of lease liabilities.