

**Tah Tong Textile Co., Ltd.**  
**Consolidated Financial Report and**  
**Independent Auditors' Report**  
**For the Years Ended March 31, 2025 and**  
**2024**  
**(CODE :1441)**

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【The financial statements are only translated into English based on the audit results of PwC.】

Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Financial Report and Independent Auditors' Report  
For the Years Ended March 31, 2025 and 2024  
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## INDEPENDENT AUDITORS' REPORT

PWC25000442

To the Board of Directors and Shareholders of TAH TONG TEXTILE CO., LTD.

### ***Preface***

We have audited the accompanying consolidated balance sheets of TAH TONG TEXTILE CO., LTD. and subsidiaries (the "Group") as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

It is the management's responsibility to prepare consolidated financial statements that adequately express themselves in accordance with the financial reporting standards for securities issuers and International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. Draw conclusions on the consolidated financial statements based on the review results.

### ***Scope***

Except for those stated in the paragraph on the basis for retaining the conclusion, the accountant performed the review work in accordance with the Review Standards of the Republic of China No. 2410 "Review of Financial Statements". The procedures performed when reviewing the consolidated financial statements include inquiries (primarily to those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review work is significantly smaller than the scope of the audit work. Therefore, the accountant may not be able to detect all significant matters that can be identified through the audit work, and therefore cannot express an audit opinion.

### ***Retain the basis for conclusions***

As stated in Note 6(5) of the consolidated financial statements, the financial statements of the investees accounted for using the equity method, included in the aforementioned consolidated financial statements, have not been reviewed by independent auditors for the same periods. The equity-method investments amounted to NT\$240,540 thousand and NT\$213,900 thousand as of March 31, 2025 and 2024, respectively, representing 12.66% and 11.04% of the total consolidated assets. The share of comprehensive loss recognized from these investees for the periods from January 1 to March 31, 2025 and 2024 was NT\$9,699 thousand and NT\$10,814 thousand, respectively, accounting for (23.8)% and (37.78)% of the total consolidated comprehensive income (loss).

### ***Reserve conclusion***

Based on our review, except for the possible adjustments to the consolidated financial statements if the financial statements of the investees accounted for using the equity method,

as described in the Basis for Qualified Conclusion paragraph, had been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Datong Group as of March 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the three-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting,” as endorsed and issued into effect by the Financial Supervisory Commission.

Lin, Ya-Hui

Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

May 5, 2025

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditor’s report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated balance sheet  
For the Years Ended March 31, 2025 、December 31,2024 and March 31, 2024

Unit: NT\$ thousand

|      | Asset  | Notes      | March 31,2025       |            | December 31,2024    |            | March 31,2024       |            |
|------|--|------------|---------------------|------------|---------------------|------------|---------------------|------------|
|      |  |            | Amount              | %          | Amount              | %          | Amount              | %          |
|      | <b>Current assets</b>  |            |                     |            |                     |            |                     |            |
| 1100 | Cash and cash equivalents  | 6(1)       | \$ 286,806          | 15         | \$ 122,917          | 6          | \$ 149,320          | 8          |
| 1170 | Net value of accounts receivable   | 6(2)       | 164,013             | 9          | 145,134             | 7          | 63,051              | 3          |
| 1200 | Other receivables  | 7          | 9,800               | -          | 7,508               | 1          | 17,338              | 1          |
| 130X | Inventories  | 6(3)       | 341,474             | 18         | 397,427             | 20         | 350,147             | 18         |
| 1410 | Prepayments  | 6(8)       | 60,688              | 3          | 64,870              | 3          | 61,272              | 3          |
| 1470 | Other current assets   | 8          | 124,769             | 7          | 137,194             | 7          | 103,135             | 5          |
| 11XX | Total current assets   |            | <u>987,550</u>      | <u>52</u>  | <u>875,050</u>      | <u>44</u>  | <u>744,263</u>      | <u>38</u>  |
|      | <b>Non-current assets</b>  |            |                     |            |                     |            |                     |            |
| 1517 | Financial assets at fair value through other comprehensive income- non-current | 6(4)       | 47,975              | 2          | 47,975              | 2          | 45,862              | 2          |
| 1550 | Investment accounted for using the equity method                               | 6(5) and 8 | 240,540             | 13         | 211,597             | 11         | 213,900             | 11         |
| 1600 | Property, Plant and Equipment  | 6(6) and 8 | 506,754             | 27         | 666,506             | 33         | 763,477             | 39         |
| 1755 | Right-of-use asset   | 6(7) and 8 | 46,123              | 2          | 121,180             | 6          | 123,952             | 7          |
| 1780 | Intangible assets  |            | 3,257               | -          | 3,477               | -          | 4,020               | -          |
| 1840 | Deferred tax assets  |            | 39,114              | 2          | 39,114              | 2          | 16,488              | 1          |
| 1975 | Net defined benefit assets - non-current                                       |            | 15,180              | 1          | 14,937              | 1          | 12,407              | 1          |
| 1990 | Other non-current assets - others  | 6(8)       | 14,042              | 1          | 13,972              | 1          | 13,662              | 1          |
| 15XX | Total non-current assets   |            | <u>912,985</u>      | <u>48</u>  | <u>1,118,758</u>    | <u>56</u>  | <u>1,193,768</u>    | <u>62</u>  |
| 1XXX | Total assets   |            | <u>\$ 1,900,535</u> | <u>100</u> | <u>\$ 1,993,808</u> | <u>100</u> | <u>\$ 1,938,031</u> | <u>100</u> |

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Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated balance sheet  
For the Years Ended March 31, 2025 、December 31, 2024 and March 31, 2024

Unit: NT\$ thousand

| Liabilities and Equity                          |   | Notes       | March 31, 2025 |       | December 31, 2024 |       | December 31, 2024 |        |
|---|---|-------------|----------------|-------|-------------------|-------|-------------------|--------|
|   |   |             | Amount         | %     | Amount            | %     | Amount            | %      |
| Current liabilities                             |   |             |                |       |                   |       |                   |        |
| 2100  | Short-term borrowings   | 6(9) and 7  | \$ 470,464     | 25    | \$ 458,365        | 23    | \$ 1,049,225      | 54     |
| 2150  | Notes payable   |             | 5,899          | -     | 4,082             | -     | 9,680             | 1      |
| 2170  | Accounts payable  | 7           | 262,770        | 14    | 349,677           | 17    | 200,627           | 10     |
| 2200  | Other payables  | 6(12) and 7 | 46,517         | 3     | 53,397            | 3     | 42,693            | 2      |
| 2230  | Income tax liability - Current                                  |             | -              | -     | 15,699            | 1     | -                 | -      |
| 2320  | Long-term liabilities due within a year or one operating cycle  | 6(11) and 7 | 213,524        | 11    | 243,261           | 12    | 54,725            | 3      |
| 2399  | Other current liabilities - other                               | 6(18)       | 4,761          | -     | 13,158            | 1     | 63,309            | 3      |
| 21XX  | Total current liabilities                                       |             | 1,003,935      | 53    | 1,137,639         | 57    | 1,420,259         | 73     |
| Non-current liabilities                         |   |             |                |       |                   |       |                   |        |
| 2530  | Corporate bonds payable   | 6(10) and 7 | -              | -     | -                 | -     | 30,000            | 2      |
| 2540  | Long-term borrowings  | 6(11) and 7 | 226,978        | 12    | 198,462           | 10    | 58,141            | 3      |
| 2570  | Deferred tax liabilities  |             | 68,807         | 4     | 78,910            | 4     | 38,031            | 2      |
| 2600  | Other non-current liabilities                                   | 7           | 3,944          | -     | 4,036             | -     | 4,137             | -      |
| 25XX  | Total non-current liabilities                                   |             | 299,729        | 16    | 281,408           | 14    | 130,309           | 7      |
| 2XXX  | Total Liabilities   |             | 1,303,664      | 69    | 1,419,047         | 71    | 1,550,568         | 80     |
| Equity attributable to owners of parent company |   |             |                |       |                   |       |                   |        |
|   | Share capital   | 6(14)       |                |       |                   |       |                   |        |
| 3110  | Common share capital  |             | 717,444        | 38    | 717,444           | 36    | 693,822           | 36     |
|   | Capital reserve   | 6(15)       |                |       |                   |       |                   |        |
| 3200  | Capital reserve   |             | 31,777         | 2     | 44,752            | 3     | 28,316            | 1      |
|   | Retained earnings   | 6(16)       |                |       |                   |       |                   |        |
| 3350  | Deficit yet to be compensated                                   |             | ( 144,868 )    | ( 8 ) | ( 185,472 )       | ( 9 ) | ( 330,888 )       | ( 17 ) |
|   | Other equity  | 6(17)       |                |       |                   |       |                   |        |
| 3400  | Other equity  |             | ( 7,482 )      | ( 1 ) | ( 8,131 )         | ( 1 ) | ( 18,097 )        | ( 1 )  |
| 31XX  | Total equity attributable to owners of parent company           |             | 596,871        | 31    | 568,593           | 29    | 373,153           | 19     |
| 36XX  | Non-controlling interests                                       |             | -              | -     | 6,168             | -     | 14,310            | 1      |
| 3XXX  | Total equity  |             | 596,871        | 31    | 574,761           | 29    | 387,463           | 20     |
|   | Significant Contingent Liabilities and Unrecognized Commitments | 9           |                |       |                   |       |                   |        |
|   | Significant Events  |             |                |       |                   |       |                   |        |
| 3X2X  | Total liabilities and equities                                  |             | \$ 1,900,535   | 100   | \$ 1,993,808      | 100   | \$ 1,938,031      | 100    |

The attached notes to consolidated financial statements are the integral part of the consolidated financial statements, please read together.

Chairman : Chen, Shiou-Chung

Managerial Officer : Chen, Chien-Choan

Accounting Officer : Kuo, Shun-Yi

Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended March 31, 2025 and 2024

Unit: NT\$ thousand  
(Except for loss per share in NT\$)

|      | Item  | Notes          | January 1 to March 31, 2025 |               | January 1 to March 31, 2024 |               |
|------|---|----------------|-----------------------------|---------------|-----------------------------|---------------|
|      |   |                | Amount                      | %             | Amount                      | %             |
| 4000 | Operating revenue   | 6(18)          | \$ 393,512                  | 100           | \$ 226,480                  | 100           |
| 5000 | Operating costs   | 6(3)(21) and 7 | ( 355,655 )                 | ( 91 )        | ( 219,861 )                 | ( 97 )        |
| 5900 | Gross profit  |                | <u>37,847</u>               | <u>9</u>      | <u>6,619</u>                | <u>3</u>      |
|      | Operating expenses  | 6(21)(22)      |                             |               |                             |               |
| 6100 | Selling expenses  |                | ( 15,056 )                  | ( 4 )         | ( 12,578 )                  | ( 5 )         |
| 6200 | Administrative expenses   |                | ( 21,417 )                  | ( 5 )         | ( 21,733 )                  | ( 10 )        |
| 6300 | Research and development expenses   |                | ( 980 )                     | ( - )         | ( 1,525 )                   | ( 1 )         |
| 6450 | Expected credit impairment(loss) gains  | 12(3)          | ( 10,403 )                  | ( 3 )         | 192                         | -             |
| 6000 | Total operating expenses  |                | <u>( 47,856 )</u>           | <u>( 12 )</u> | <u>( 35,644 )</u>           | <u>( 16 )</u> |
| 6900 | Operating loss  |                | <u>( 10,009 )</u>           | <u>( 3 )</u>  | <u>( 29,025 )</u>           | <u>( 13 )</u> |
|      | Non-operating income and expenses   |                |                             |               |                             |               |
| 7100 | Interest revenue  |                | 660                         | -             | 776                         | 1             |
| 7010 | Other income  |                | 30                          | -             | 36                          | -             |
| 7020 | Other gains or losses   | 6(19)          | 68,071                      | 17            | 16,016                      | 7             |
| 7050 | Financial costs   | 6(20)          | ( 9,145 )                   | ( 2 )         | ( 11,040 )                  | ( 5 )         |
| 7055 | Expected credit impairment loss   | 12(3)          | ( 130 )                     | -             | -                           | -             |
| 7060 | Share of the profit or loss of affiliates and joint ventures recognized using the equity method | 6(5)           | ( 9,699 )                   | ( 2 )         | ( 10,814 )                  | ( 5 )         |
| 7000 | Total non-operating incomes and expenses  |                | <u>49,787</u>               | <u>13</u>     | <u>( 5,026 )</u>            | <u>( 2 )</u>  |
| 7900 | <b>Net profit (loss) before tax</b>   |                | <u>39,778</u>               | <u>10</u>     | <u>( 34,051 )</u>           | <u>( 15 )</u> |
| 7950 | Income tax benefit  | 6(23)          | 191                         | -             | 289                         | -             |
| 8200 | <b>Net profit (loss) for the period</b>   |                | <u>\$ 39,969</u>            | <u>10</u>     | <u>( \$ 33,762 )</u>        | <u>( 15 )</u> |

(Continued on next page)

Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended March 31, 2025 and 2024

Unit: NT\$ thousand  
(Except for loss per share in NT\$)

| Item   | Notes | January 1 to March 31, 2025 |      | January 1 to March 31, 2024 |        |
|--|-------|-----------------------------|------|-----------------------------|--------|
|  |       | Amount                      | %    | Amount                      | %      |
| <b>Other comprehensive profit and loss (net)</b>   | 6(19) |                             |      |                             |        |
| <b>Items not reclassified subsequently to profit or loss</b>   |       |                             |      |                             |        |
| 8320 Share of other comprehensive income of affiliates and joint ventures recognized with the equity method - items not reclassified subsequently to profit or loss    |       | \$ 134                      | -    | \$ -                        | -      |
| 8310 Total items not reclassified subsequently to profit or loss   |       | 134                         | -    | -                           | -      |
| <b>Items that may be reclassified subsequently to profit or loss</b>   |       |                             |      |                             |        |
| 8361 Exchange differences on translation of the financial statements of foreign operations   |       | 960                         | -    | 5,142                       | 2      |
| 8370 Share of other comprehensive income of affiliates and joint ventures recognized with the equity method - items may be reclassified subsequently to profit or loss |       | ( 311 )                     | -    | -                           | -      |
| 8360 Total items that may be reclassified subsequently to profit or loss   |       | 649                         | 2    | 5,142                       | 2      |
| 8300 <b>Other comprehensive income (loss) net</b>  |       | \$ 783                      | 2    | \$ 5,142                    | 2      |
| 8500 <b>Total comprehensive income for this period</b>   |       | \$ 40,752                   | 10   | ( \$ 28,620 )               | ( 13 ) |
| Net loss attributable to:  |       |                             |      |                             |        |
| 8610 Owners of the parent-company  |       | \$ 40,470                   | 10   | ( \$ 31,367 )               | ( 14 ) |
| 8620 Non-controlling interests   |       | ( 501 )                     | -    | ( 2,395 )                   | ( 1 )  |
|  |       | \$ 39,969                   | 10   | ( \$ 33,762 )               | ( 15 ) |
| Total comprehensive loss attributable to:  |       |                             |      |                             |        |
| 8710 Owners of the parent-company  |       | \$ 41,253                   | 10   | ( \$ 26,973 )               | ( 12 ) |
| 8720 Non-controlling interests   |       | ( 501 )                     | -    | ( 1,647 )                   | ( 1 )  |
|  |       | \$ 40,752                   | 10   | ( \$ 28,620 )               | ( 13 ) |
| Earnings (loss) per share  | 6(24) |                             |      |                             |        |
| 9750 Basic loss per share  |       |                             | 0.56 | ( \$ 0.49 )                 |        |
| 9850 Diluted earnings (loss) per share   |       |                             | 0.56 | ( \$ 0.49 )                 |        |

The attached notes to consolidated financial statements are the integral part of the consolidated financial statements, please read together.

Chairman : Chen, Shiou-Chung

Managerial Officer : Chen, Chien-Choan

Accounting Officer : Kuo, Shun-Yi



Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statement of Changes in Equity  
For the Years Ended March 31, 2025、December 31, 2024 and March 31, 2024

Unit: NT\$ thousand

| Notes  | Equity attributable to owners of parent company |  |  |                               |   |  |                       |                   |                           |                   |
|--|---|--|--|-------------------------------|---|--|-----------------------|-------------------|---------------------------|-------------------|
|  | Common share capital                            | Capital Reserve                            |  | Deficit yet to be compensated | Other equity  |  |                       | Total             | Non-controlling interests | Total equity      |
|  |   | Capital Reserve - Development line premium | Capital reserve - recognized changes in equity ownership of subsidiaries |                               | Exchange differences on translation of the financial statements of foreign operations | Unrealized financial assets profit or loss measured at fair value through other comprehensive income | Other equity - others |                   |                           |                   |
| <u>2024</u>  |   |  |  |                               |   |  |                       |                   |                           |                   |
| Beginning balance on January 1   | \$ 632,952                                      | \$ -                                       | \$ 19,186  | (\$ 299,521 )                 | (\$ 42,951 )  | \$ 20,241  | \$ 219                | \$ 330,126        | \$ 15,957                 | \$ 346,083        |
| Current net loss   | -   | -  | -  | ( 31,367 )                    | -   | -  | -                     | ( 31,367 )        | ( 2,395 )                 | ( 33,762 )        |
| Other comprehensive income recognized for the period 6(17)                       | -   | -  | -  | -                             | 4,394   | -  | -                     | 4,394             | 748                       | 5,142             |
| Total comprehensive income for this period                                       | -   | -  | -  | ( 31,367 )                    | 4,394   | -  | -                     | ( 26,973 )        | ( 1,647 )                 | ( 28,620 )        |
| Cash capital increase 6(14)  | 60,870  | 9,130                                      | -  | -                             | -   | -  | -                     | 70,000            | -                         | 70,000            |
| Ending balance on March 31   | <u>\$ 693,822</u>                               | <u>\$ 9,130</u>                            | <u>\$ 19,186</u>   | <u>(\$ 330,888 )</u>          | <u>(\$ 38,557 )</u>   | <u>\$ 20,241</u>   | <u>\$ 219</u>         | <u>\$ 373,153</u> | <u>\$ 14,310</u>          | <u>\$ 387,463</u> |
| <u>2025</u>  |   |  |  |                               |   |  |                       |                   |                           |                   |
| Beginning balance on January 1   | \$ 717,444                                      | \$ 15,508                                  | \$ 29,244  | (\$ 185,472 )                 | (\$ 31,457 )  | \$ 23,107  | \$ 219                | \$ 568,593        | \$ 6,168                  | \$ 574,761        |
| Current net profit   | -   | -  | -  | 40,470                        | -   | -  | -                     | 40,470            | ( 501 )                   | 39,969            |
| Other comprehensive income recognized for the period 6(17)                       | -   | -  | -  | 134                           | 920   | ( 271 )  | -                     | 783               | -                         | 783               |
| Total comprehensive income for this period                                       | -   | -  | -  | 40,604                        | 920   | ( 271 )  | -                     | 41,253            | ( 501 )                   | 40,752            |
| Changes in associates and joint ventures recognized under the equity method 6(5) | -   | -  | ( 12,975 )   | -                             | -   | -  | -                     | ( 12,975 )        | -                         | ( 12,975 )        |
| Decrease in non-controlling interests 4(3)                                       | -   | -  | -  | -                             | -   | -  | -                     | -                 | ( 5,667 )                 | ( 5,667 )         |
| Ending balance on March 31   | <u>\$ 717,444</u>                               | <u>\$ 15,508</u>                           | <u>\$ 16,269</u>   | <u>(\$ 144,868 )</u>          | <u>(\$ 30,537 )</u>   | <u>\$ 22,836</u>   | <u>\$ 219</u>         | <u>\$ 596,871</u> | <u>\$ -</u>               | <u>596,871</u>    |

The attached notes to consolidated financial statements are the integral part of the consolidated financial statements, please read together.

Chairman : Chen, Shiou-Chung

Managerial Officer : Chen, Chien-Choan

Accounting Officer : Kuo, Shun-Yi

Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended March 31, 2025 、December 31, 2024 and March 31, 2024

Unit: NT\$ thousand

|   | Notes | January 1, 2025 to<br>March 31, 2025 | January 1, 2024 to<br>March 31, 2024 |
|---|-------|--------------------------------------|--------------------------------------|
| <u>Cash flows from operating activities</u>                   |       |                                      |                                      |
| Net profit (loss) before tax for the period                   |       | \$ 39,778                            | ( \$ 34,051 )                        |
| Adjustments   |       |                                      |                                      |
| Income/expenses items   |       |                                      |                                      |
| Depreciation expense  | 6(21) | 21,095                               | 23,818                               |
| Amortization cost   | 6(21) | 238                                  | 227                                  |
| Expected credit impairment reversed gains                     | 12(3) | 10,533                               | ( 192 )                              |
| Interest revenue  |       | ( 660 )                              | ( 776 )                              |
| Gain on disposal of investments                               | 6(19) | ( 70,343 )                           | -                                    |
| Interest expenses   | 6(20) | 9,145                                | 11,040                               |
| Share of the profit or loss of affiliates and joint ventures  | 6(5)  | 9,699                                | 10,814                               |
| Unrealized exchange (gains) loss                              |       | 5,934                                | ( 28,836 )                           |
| Changes in assets/debts having to do with business activities |       |                                      |                                      |
| Net changes in the assets related to the operating activities |       |                                      |                                      |
| Accounts receivable   |       | ( 42,644 )                           | 42,953                               |
| Other receivables   |       | ( 2,623 )                            | 2,635                                |
| Inventories   |       | 53,870                               | ( 30,500 )                           |
| Prepayments   |       | 8,324                                | 1,473                                |
| Other current assets  |       | 12,997                               | ( 2,501 )                            |
| Other non-current assets                                      |       | ( 451 )                              | 301                                  |
| Net changes in the liabilities related to the operating       |       |                                      |                                      |
| Notes payable   |       | 1,817                                | 177                                  |
| Accounts payable  |       | 100,895                              | ( 14,099 )                           |
| Other payables  |       | ( 1,541 )                            | ( 1,337 )                            |
| Other current liabilities                                     |       | ( 8,448 )                            | 22,068                               |
| Other non-current liabilities                                 |       | -                                    | 12                                   |
| Cash inflows generated from operations                        |       | 147,615                              | 3,226                                |
| Interest received   |       | 960                                  | 921                                  |
| Interest paid   |       | ( 9,928 )                            | ( 11,424 )                           |
| Income paid   |       | ( 15,699 )                           | -                                    |
| Net cash inflow (outflow) from operating activities           |       | 122,948                              | ( 7,277 )                            |

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Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended March 31, 2025 、December 31, 2024 and March 31, 2024

Unit: NT\$ thousand

|  | Notes | January 1, 2025 to<br>March 31, 2025 | January 1, 2024 to<br>March 31, 2024 |
|--|-------|--------------------------------------|--------------------------------------|
| <u>Cash flows from investing activities</u>  |       |                                      |                                      |
| Financial assets at fair value through other comprehensive income - share payment refunded due to capital decrease |       | \$ -                                 | \$ 129                               |
| Acquisition of investments accounted for using the equity method 7   |       | ( 51,794 )                           | -                                    |
| Purchase of property, plant and equipment 6(25)  |       | ( 184 )                              | -                                    |
| Proceeds from disposal of investments accounted for using the equity method 6(25)                                  |       | 72,611                               | -                                    |
| Net cash inflow (outflow) from investing activities  |       | <u>20,633</u>                        | <u>129</u>                           |
| <u>Cash flows from financing activities</u>  |       |                                      |                                      |
| Borrow short-term borrowings   |       | 238,899                              | 452,109                              |
| Repay short-term borrowings  |       | ( 310,967 )                          | ( 490,578 )                          |
| Repayments of long-term borrowings   |       | ( 1,221 )                            | ( 13,690 )                           |
| Borrowings from related parties  |       | 112,000                              | 139,000                              |
| Repayments of loans to related parties   |       | ( 30,000 )                           | ( 72,000 )                           |
| Redeem corporate bonds 6(10)   |       | ( - )                                | ( 70,000 )                           |
| Cash capital increase 6(14)  |       | -                                    | 70,000                               |
| Net cash inflow (Outflow) from financing activities  |       | <u>8,711</u>                         | <u>14,841</u>                        |
| Effect on foreign currency exchange differences  |       | <u>11,597</u>                        | <u>7,791</u>                         |
| Increase (Decrease) of cash and cash equivalents of the current term   |       | 163,889                              | 15,484                               |
| Cash and cash equivalents at the beginning of the year   |       | <u>122,917</u>                       | <u>133,836</u>                       |
| Cash and cash equivalents at the end of the year   |       | <u>\$ 286,806</u>                    | <u>\$ 149,320</u>                    |

The attached notes to consolidated financial statements are the integral part of the consolidated financial statements, please read together. °

Chairman : Chen, Shiou-Chung

Managerial Officer : Chen, Chien-Choan

Accounting Officer : Kuo, Shun-Yi

Tah Tong Textile Co., Ltd. and subsidiaries  
Notes to consolidated financial statements  
For the Years Ended March 31, 2025 and 2024

Unit: NT\$ thousand  
(except for specified otherwise)

I. Company History

Tah Tong Textile Co., Ltd. (hereinafter “the Company”) is incorporated in Republic of China, the major businesses operated by the Company and subsidiaries (hereinafter “the Group”) are production and sales of cotton yarns and T/C blended yarns, synthetic yarns, gray cloths, finished fabrics and knitted fabrics.

II. Approval Date and Procedures of The Financial Statements

These consolidated financial statements were approved and released by the Board of Directors on MAY 5, 2025. °

III. New Standards, Amendments and Interpretations Adopted

(I) Impacts of the newly released or amended IFRSs endorsed and effectuated by the Financial Supervisory Commission (“FSC”) adopte

The following table aggregates the newly released or amended, revised IFRSs and interpretations endorsed by the FSC and adopted since 2025 :

| New issued/amended/revised standards and<br>interpretations | Effective date of<br>publication by IASB |
|---|--|
| Amendments to IAS 21 – “Lack of Exchangeability”            | 2025.01.01                               |

After assessing the aforesaid IFRSs and interpretations, the Group believes no material impact is generated on the Group’s financial position and financial performance.

(II) The impact of newly issued or amended International Financial Reporting Standards endorsed by the Financial Supervisory Commission but not yet adopted

The following table summarizes the newly issued, amended, and revised International Financial Reporting Standards and interpretations, which have been endorsed by the Financial Supervisory Commission and are effective in 2025 :

| New issued/amended/revised standards and<br>interpretations   | Effective date of<br>publication by IASB |
|---|--|
| Amendments to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments" – Partial Amendments | 2026.01.01                               |

After assessing the aforesaid IFRSs and interpretations, the Group believes no material impact is generated on the Group’s financial position and financial performance.

(III) Impacts of the IFRSs release by the IASB but not endorsed by the FSC

The following table aggregates the newly released or amended, revised IFRSs and interpretations release by the IASB but not endorsed by the FSC:

| New issued/amended/revised standards and interpretations  | Effective date of publication by IASB |
|---|---------------------------------------|
| Amendments to International Financial Reporting Standards No. 9 and No. 7, "Classification and Measurement of Financial Instruments"                    | 2026.01.01                            |
| Amendments to International Financial Reporting Standard No. 9 and International Financial Reporting Standard No. 7 "Contracts involving natural power" | 2026.01.01                            |
| Amendments to IFRS 10 and IAS 28 "Asset sales or contributions between investors and their affiliates or joint ventures"                                | Wait IASB approve                     |
| IFRS 17 : Insurance Contracts"  | 2023.01.01                            |
| Amendments to IFRS 17 "Contracts of Insurance   | 2023.01.01                            |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"   | 2023.01.01                            |
| International Financial Reporting Standards No. 18 "Presentation and Disclosure in Financial Statements"  | 2027.01.01                            |
| International Financial Reporting Standards No. 19 "Non-Publicly Accountable Subsidiaries: Disclosure"  | 2027.01.01                            |
| Annual Improvement of Accounting Standards in International Financial Reporting Standards - Volume 11   | 2026.01.01                            |

Except for the following, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance:

1. Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments" Partial amendments

Updated that equity instruments designated as measured at fair value through other comprehensive income (FVOCI) through a non-redeemable election should disclose their fair values on a per-class basis, and no longer need to disclose fair value information on a per-subject basis. The fair value gains and losses recognised in other comprehensive income during the reporting period shall also be disclosed, showing separately the fair value gains and losses relating to investments eliminated during the reporting period and the fair value gains and losses relating to investments still held at the end of the reporting period; and the accumulated gains and losses on investments eliminated during the reporting period and transferred to equity during the reporting period.

2. IFRS 18 "Financial Statement Presentation and Disclosures"

IFRS 18 "Presentation and Disclosure of Financial Statements" replaces International Accounting Standard 1 and updates the structure of the consolidated income statement, adds disclosures on management performance measurement, and strengthens the summary and application in the main financial statements and notes. segmentation principle.

#### IV. Summary of Significant Accounting Policies

The major accounting policies adopted for the consolidated financial report are

explained below. Unless specified otherwise, all these policies are applicable generally during all reporting periods.

(I) Compliance Statement

This consolidated financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission.

(II) Basis of preparation

1. Other than the following key items, the consolidated financial report is prepared based on the historical costs:
  - (1) Financial assets and liabilities measured at FVTPL (derivatives included).
  - (2) Financial assets measured at FVOCI.
  - (3) Defined benefit assets recognized as the net amount of pension fund assets less the present value of defined benefit obligations.
2. Prepare International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) that are approved and issued by the Financial Supervisory Commission, some key accounting estimates are required to be used. During the process of applying the Group's accounting policies, the management is required to use their judgement. For the items involving high judgement or complexity, or involving the material assumptions and estimates of the consolidated financial reports, please refer to Note 5 for estimate.

(III) Basis of consolidation

1. Principles for preparing consolidated financial statements
  - (1) The Group include all subsidiaries into the preparation entity of the consolidated financial reports. The subsidiaries refer to the entities controlled by the Group (including the structured entities). When the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, the Group controls the entity. The subsidiaries are incorporated in the consolidated financial reports since the date when the Group obtains the control, and the consolidation is terminated at the date losing such control.
  - (2) The material transactions, balances, and unrealized incomes within the Group is cancelled. The accounting policies of the subsidiaries are adjusted where necessary to be aligned with the policies adopted by the Group.
  - (3) Each component composing the profit and loss, and other comprehensive income is attributed to the owners of the parent and non-controlling interests; the total comprehensive income also is attributed to the owners of the parent and non-controlling interests, even though the loss balance is resulted in for the non-controlling interests.
  - (4) The changes in the shareholding in a subsidiary is treated as the equity transaction if the control is not lost (transactions with the non-controlling interests), i.e. the transactions with the owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value paid or received is recognized directly in equity.

- (5) Where the Group loses the control over a subsidiary, the remaining investment in the previous subsidiary is re-measured at fair value, and deemed as the fair value of the initially recognized financial asset, or the costs of the investment in affiliates or joint venture initially recognized. The difference between the fair value and carrying amount is recognized as the profit or loss for the current period. For all the amounts related to the subsidiary in question and recognized under other comprehensive income, the accounting treatment shares the same basis as if the Group directly disposes the related assets or liabilities, i.e. the income or loss recognized under the comprehensive income, and reclassified to profit and loss when disposing the related assets or liabilities, such income or loss will be reclassified from equity to profit and loss when the control over the subsidiary is lost.

2. Subsidiaries incorporated in the consolidated financial statements:

| investment<br>company            | Invested company   | Business   | Shareholding ratio |            |           | Note |
|----------------------------------|--|--|--------------------|------------|-----------|------|
|                                  |  |  | 2025/3/31          | 2024/12/31 | 2024/3/31 |      |
| Tah Tong<br>Textile Co.,<br>Ltd. | GLOUCESTER<br>CO., LTD.  | Investment   | 100                | 100        | 100       |      |
| GLOUCESTER<br>CO., LTD.          | ROSEGATE<br>HOLDING CORP.  | Investment   | 100                | 100        | 100       |      |
| ROSEGATE<br>HOLDING<br>CORP.     | TAH TONG<br>TEXTILE<br>(VIETNAM) CO.,<br>LTD.                                      | Production<br>and sales of<br>yarn and<br>Fabric             | 100                | 100        | 100       |      |
| GLOUCESTER<br>CO., LTD.          | DAYSTAR<br>LIMITED   | Investment   | 100                | 100        | 100       |      |
| DAYSTAR<br>LIMITED               | eNOVA Limited  | Investment   | 100                | 100        | 100       |      |
| GLOUCESTER<br>CO., LTD.          | KOREA<br>TEXTILE &<br>DYEING<br>SUPPORT<br>SERVICES<br>JOINT STOCK<br>COMPANY(KTD) | Textile<br>weaving,<br>dyeing,<br>printing and<br>processing | -                  | 52.14      | 52.14     | Note |

Note: On January 16, 2025, the Board of Directors passed a resolution to sell all the shares of its subsidiary KTD to improve its working capital and financial structure, and the equity transfer was completed on March 5, 2025. The transaction recognized a gain of \$70,343 on disposal of assets and reduced non-controlling interests by \$5,667. Please refer to Note 6 (XXV) for relevant cash flow information.s.

3. Subsidiaries not included in the consolidated financial statements: none.  
4. Adjustment and treatment for different accounting periods adopted by subsidiaries: none.  
5. Significant restrictions: none  
6. Subsidiaries of non-controlling interests material to the Group.

As of March 31, 2025 、December 31, 2024 and March 31, 2024, the total non-

controlling interests amounted to \$6,168 and \$14,310. The information on non-controlling interests material to the Group and in the subsidiaries is presented below:

| Company | Location | non-controlling interest |        | non-controlling interest |        |
|---------|----------|--------------------------|--------|--------------------------|--------|
|         |          | 2024/12/31               |        | 2024/3/31                |        |
|         |          | Amount                   | %      | Amount                   | %      |
| KTD     | VN       | \$ 6,168                 | 47.86% | \$ 14,310                | 47.86% |

Aggregating financial information of subsidiaries :

Balance sheet

|                         | KTD        |           |           |           |
|-------------------------|------------|-----------|-----------|-----------|
|                         | 2024/12/31 |           | 2024/3/31 |           |
| current assets          | \$         | 14,591    | \$        | 17,953    |
| Non-current assets      |            | 219,422   |           | 230,846   |
| Current liabilities     | (          | 210,908 ) | (         | 208,057 ) |
| Non-current liabilities | (          | 10,216 )  | (         | 10,842 )  |
| Total net assets        | \$         | 12,889    | \$        | 29,900    |

Statement of comprehensive income

|  | KTD           |         |
|--|---------------|---------|
|  | 2024/1/1-3/31 |         |
| income   | \$            | 14,753  |
| net before tax   | (             | 5,004 ) |
| Income tax expense   |               | -       |
| Net amount of continuing business units in the current period      | (             | 5,004 ) |
| Total comprehensive profit and loss for the period                 | ( \$          | 5,004 ) |
| Total comprehensive loss attributable to non-controlling interests | ( \$          | 2,395 ) |

Statement of cash flow

|  | KTD           |       |
|--|---------------|-------|
|  | 2024/1/1-3/31 |       |
| Cash Inflow from operating activities              | \$            | 615   |
| Cash Inflows from investing activities             |               | 153   |
| Cash Inflow (Outflows) from financing activities   |               | 860   |
| exchange rate impact number                        |               | 34    |
| Changes in cash and equivalent cash for the period |               | 1,662 |
| Cash and cash equivalents at the beginning         |               | 1,066 |
| Ending cash and cash equivalents                   | \$            | 2,728 |

(IV) Foreign currency translation

The items listed under each entity within the Group, is measured at the currency of the major economic environment where it operates (i.e. functional currency). The consolidated financial statements were expressed in “New Taiwan Dollars,” which is the Company's functional currency.

1. Foreign currency transactions and balance

- (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate at the transaction date or measurement date; translation differences generated from such translations are recognized in current profit or loss.



- (2) The balance of the foreign currency monetary assets and liabilities is measured and adjusted based on the spot exchange rate at the balance sheet date; translation differences generated from such adjustments are recognized in current profit or loss.
- (3) The balance of foreign currency non-monetary assets and liabilities that are measured at fair value through profit and loss is measured and adjusted based on the spot exchange rate at the balance sheet date; exchange differences generated from such adjustments are recognized in current profit or loss. Those that are not measured at fair value are measured and adjusted based on the spot exchange rate at the balance sheet date; exchange differences generated from such adjustments are recognized in other comprehensive income. Those that are not measured at fair value are measured at the historical exchange rate at the date of the initial transaction.
- (4) All other exchange gains and losses are reported in "Other gains and losses" of the income statement.

## 2. Translation of foreign operations

- (1) For all of the Group's members, affiliates, and joint arrangements that differ in the functional currency and the presentation currency, their operating results and financial positions are translated to the presentation currency as follows:
  - A. All assets and liabilities presented in the balance sheet are translated at the closing rate at the same balance sheet;
  - B. All income and expenses presented in the statement of comprehensive income are translated at the average exchange rate of the year; and
  - C. All exchange differences generated from translations are recognized in other comprehensive income.
- (2) When the foreign operation disposed or sold partially is a subsidiary, accumulated exchange differences recognized in other comprehensive income. When a foreign operation partially disposed of or sold is an associate or joint arrangement, its exchange difference under other comprehensive income will be re-classified proportionally to current profit or loss as part of gains or losses on sales. Provided, even though the Group retains some equity in the said associate or joint arrangement, if the Group has lost material influence on the foreign operation, or lost joint control over the foreign operation as a joint arrangement, disposal will be recognized for all equity of the foreign operation.
- (3) Proportionally will be re-attributed to the non-controlling interests of the foreign operation again. Provided, even though the Group retains some equity in the said subsidiary, if the Group has lost control over the foreign operation as a subsidiary, disposal will be recognized for all equity of the foreign operation.
- (4) Goodwill generated from a purchase of a foreign entity and fair value adjustments are deemed as the assets and liabilities of that foreign entity, and are translated at the exchange rate at the end of the year.

## (V) Classification criteria of current and non-current assets and liabilities

1. An asset is classified as a current asset if it is:

- (1) expected to be realized, or intended to be sold or consumed, in the normal business cycle.
- (2) held primarily for the purpose of trading.
- (3) expected to be realized within 12 months from the balance sheet date; or
- (4) Cash or cash equivalents, unless they are exchangeable for at least twelve months after the reporting period or are subject to restrictions on their use in settling debts.

The Group classifies all other assets than classified above as non-current except for Note 4(12).

2. A liability is classified as a current liability if it is:
  - (1) expected to be settled in its normal operating cycle;
  - (2) held primarily for the purpose of trading;
  - (3) Due for payment within twelve months after the reporting period; or
  - (4) There is no right to defer the settlement of liabilities until at least twelve months after the reporting period.

The Group classifies all other liabilities than classified above as non-current.

(VI) Financial assets at FVTPL

1. Financial assets are measured at FVTPL, unless measured at amortized cost or at FVOCI.
2. The Group recognizes customary financial assets at FVTPL at the date of the transaction.
3. On initial recognition, the Group measures such financial assets at fair value and recognizes transaction costs in profit or loss; the Group subsequently measures such financial assets at fair value and recognizes gains or losses in profit or loss.
4. When the right to receive dividends is established, the economic benefits related to dividends are likely to flow in, and the amount of dividends may be measured reliably, the Group recognizes dividend income under the profit or loss.

(VII) Financial assets at FVOCI

1. At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument. Investments in debt instruments are measured at FVOCI if both of the following conditions are met:
  - (1) the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - (2) The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts the transaction date accounting for financial assets measured at FVOCI from customary transactions.
3. The Group measures at its fair value plus transaction costs at the initial recognition, and subsequently measures at fair value:

Changes in the fair value of equity instruments are recognized in other comprehensive income. When derecognizing, the accumulated gains or losses previously recognized in other comprehensive income must not be reclassified to income, and shall be transferred to retained earnings. When the right to receive dividends is established, the economic benefits related

to dividends are likely to flow in, and the amount of dividends may be measured reliably, the Group recognizes dividend income under the profit or loss.

(VIII) Accounts and notes receivable

1. The accounts and notes that the Group has an unconditional contractual right to consideration for goods or services that have been transferred.
2. The Group measures short-term accounts and notes receivable with unpaid interest at the original invoice amount due to be insignificant effect of discounting.

(IX) Financial asset impairment

At each balance sheet date, the Group, with respect to financial assets measured at amortized cost and accounts receivable containing significant financial components, considers all reasonable and supportable information (including forward-looking ones). Where the credit risk has not increased significantly since initial recognition, the loss allowance will be measured at an amount equal to 12-month expected credit losses; where the credit risk has increased significantly since initial recognition, the loss allowance will be measured at an amount equal to lifetime expected credit losses and for the accounts receivable or contract assets that do not include significant financial components, the loss allowance will be measured at lifetime expected credit losses.

(X) Lease transaction as lessor - operating leases

Lease income on operating leases less all incentives given to the lessee is amortized on a straight-line basis during the lease term and recognized in current profit or loss.

(XI) Inventories

1. Inventories are measured at the lower of cost and net realizable value. The costs carried forward are calculated using the moving average method. The costs of finished products and products in progress include the raw materials, direct labor, other direct costs, and the production overheads related to production (shared by normal capacity), but the borrowing costs are excluded. When comparing which one is lower of cost and net realizable value, the item by item comparison method is adopted. The net realizable value is the balance of expected selling price during the ordinary course of business deducting the expected costs to be input until completion and related variable selling expenses.
2. By-products are inventoried at the estimated net realizable value at the end of each month. The estimated net realizable value is recognized in other operating costs, and the actual selling price is recognized in other operating income.

(XII) Property to be sold

1. The Group hires construction companies to build residential and office buildings for sales. Invested land and construction costs during the construction are represented as construction in process and measured at the lower of cost and net realizable value. The cost is calculated by each site, and these with the construction completed are transfer to the property to be sold.
2. In the consolidated financial statements, the Group classifies all assets and liabilities related to construction as current assets and current liabilities respectively within one business cycle. Additionally, the inventory items of

the property to be sold for the construction business are accounted as the current asset because they are parts of the composition for the ordinary operating cycle, while not being expected to be realized within 12 months after the balance sheet dates.

(XIII) Investments accounted for using the equity method - affiliates

1. An associate is an entity over which the Group has significant influence (other than control) or, more generally, of which the Group holds, directly or indirectly (eg through subsidiaries), 20 per cent or more of the voting power. The Group accounts for investments in affiliates using the equity method, and recognizes them at cost at the time of acquisition.
2. The Group recognizes the share of the profit or loss of affiliates in current profit or loss and the share of other comprehensive income in other comprehensive income after acquisition. When the Group's share of loss in any associate equals to, or exceeds the equity in the same associate (including any other unsecured receivables), the Group does not recognize further loss, unless the Group has any legal obligation or constructive obligation incurred in that associate, or made any payment on behalf of the associate.
3. When an associate has any changes in equity arising from non-recurring gains and losses and other comprehensive income do not affect the Group's shareholding in the associate, the Group recognizes all such changes in equity in "Capital reserve" proportionally to the shareholding.
4. Unrealized gains or losses arising from a transaction between the Group and an associate have been written off proportionally to the equity interests held by the Group in the said associate. Unless evidence shows that assets transferred through the said transaction are impaired, unrealized losses will be written off as well. The accounting policies of affiliates have been adjusted where necessary to be aligned with the policies adopted by the Group.
5. When an associate issues additional new shares, if the Group does not subscribe for or acquire the new shares proportionally, to the extent of resulting in a change in the investment ratio but maintaining significant influence on the associate, then "Capital reserve" and "Investments accounted for using the equity method" should be adjusted according to the change in the net worth of equity interests. If it results in a reduced investment ratio, other than the aforesaid adjustments, all profits or losses related to such ownership equity reduction and recognized under other comprehensive income that shall be reclassified to profit and loss when disposing related assets or liabilities, are reclassified to profit and loss in proportion to the reduction.
6. When the Group loses its significant influence on an associate, the remaining investment in that associate will be re-measured at fair value, and the difference between the fair value and the carrying amount will be recognized in current profit or loss.
7. When the Group disposes of an associate, if its significant influence on that associate is lost, then all amounts previously recognized in other comprehensive income that were related to that associate will be re-classified from equity to profit or loss. If the Group maintains its significant influence on that associate, any amount recognized in other comprehensive income will

be transferred out proportionally as said above.

8. When the Group disposes of an associate, if its significant influence on that associate is lost, then the capital reserve related to that associate will be transferred to profit or loss; if the Group maintains its significant influence on that associate, then the capital reserve related to that associate will be transferred to profit or loss according to the disposal ratio.

(XIV) Property, Plant and Equipment

1. An item of property, plant and equipment is recognized at cost at the time of its acquisition.
2. Subsequent costs are included in the carrying amount of assets or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow into the Group and the cost of the item can be measured reliably. The carrying amount of a replacement will be derecognized. All other maintenance expenses are recognized as current profit or loss when incur.
3. Property, plant and equipment are subsequently measured using the cost model, and depreciated over the estimated useful live on the straight-line basis except for land. If each component of property, plant and equipment is material, such shall be depreciated separately.
4. The Group reviews the residual value, useful life and depreciation of each asset at the ending day of each fiscal year. If expectations differ from previous estimates, or the expected pattern of consumption of the future economic benefits embodied in the asset has changed significantly, the changes will be accounted for as change in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of such changes. The useful life of each asset is as follows:  
Houses, buildings and the ancillary equipment: 3 to 55 years  
Machinery equipment: 5 to 25 years  
Water and power equipment: 5 to 15 years  
Other assets: 5 to 20 years

(XV) Lease transaction as a lessee - right-of-use-assets/ lease liabilities

1. Lease assets are recognized as right-of-use assets or lease liabilities from the date when they are made available for use by the Group. When a lease contract is a short-term lease or a lease of low-value underlying asset, the lease is recognized as expense during the lease term with the straight-line method.
2. At the commencement date, a lease liability is recognized at the present value of the lease payments that are not paid at that date using the incremental borrowing interest rate of the Group; the lease payments are fixed payments, less all lease incentives receivable.

Subsequently, it is measured at the amortized cost method, and the interest expense is provided during the lease term. If the lease term or the lease payment is changed not due to revision of the contract, the lease liability is re-valuated, and the remeasurement adjustments the right-of-use asset.

3. At the commencement date, right-of-use assets are recognized at cost. The cost of a right-of-use asset includes:

- (1) the amount of the initial measurement of the lease liability; and
- (2) any lease payments made at or before the commencement date.

Subsequently, the measurement is made with costs, where the right-of-use assets are provided with the depreciation expenses to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. When the lease liability is re-measured, the right-of-use asset will adjust all and any remeasurement of the lease liability.

4. For lease modifications that decrease the scope of the lease, the lessee will decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between the re-measured amount of the lease liability and the carrying amount in profit or loss.

(XVI) Investment Property

The investment properties are recognized at the acquisition costs, and the cost model is adopted for the subsequent measurement. Other than lands, the depreciation is provided at the straight-line method based on the useful life, and the use life is 38 years.

(XVII) Intangible assets

The computer software is recognized at the acquisition costs, and amortized with the straight-line method based on the useful life of 2-8 years.

(XVIII) Non-financial asset impairment

For the assets showing the impairment signals at the balance sheet date, the Group estimates the recoverable amount; if the recoverable amount, it is recognized as the impairment loss. The recoverable amount is the higher balance of the fair value deducting the disposal costs or the use value. When the circumstance resulting in the recognized asset impairment does not exist or reduces, the impairment loss is reversed; provided, the carrying amount of the asset is increased due to the reversed impairment loss, such amount shall not exceed the carrying amount of the same asset deducting the depreciation or amortization if no impairment loss is recognized.

(XIX) Borrowings

1. Long- and short- term funds borrowed from banks. At the initial recognition, the Group measures such as the balance of the fair value deducting the disposal costs; subsequently, for any difference between the consideration deduction of the transaction costs and the redemption value, the effective interest method is adopted to recognize any interest expenses as the profit or loss during the outstanding time based on the amortization procedures.
2. Regarding the expenses paid when the borrowing limit is determined, if the limit is very likely to be drawn partially or in whole, such expenses are

recognized as the transaction costs of the borrowings, and are deferred until withdrawal and recognized as an adjustment of effective interest rate; if the limit is not likely to be drawn partially or in whole, such expenses are recognized in prepayments, and amortized over the term related to the limit.

(XX) Accounts and notes payable

1. Liabilities incurred from the purchase of raw materials, goods or services on credit, and notes payable by the business entity due to operation and non-operation.
2. The Group measures non-interest bearing short-term accounts and notes payable at the original invoice amount as discounting is immaterial.

(XXI) Ordinary corporate bonds payable

The ordinary corporate bonds payable issued by the Group are measured at the balance of the fair value deducting the transaction costs when being initially recognized; the difference between the consideration deduction of the transaction costs and the redemption value is listed as the addition or deduction of the corporate bonds payable; subsequently, the effective interest method is adopted to recognize the profit or loss during the outstanding time based on the amortization procedures, as the adjustment to the “financial costs.”

(XXII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the expected payment of the non-discounted amount, and recognized as expenses when the related services are provided.

2. Pension

(1) Defined contribution plan

For the defined contribution plans, the retirement fund amount to be contributed on the accrual basis is recognized as the cost of pension for the current period. The pre-paid contribution is recognized as an asset within the extent of refundable cash and reduction of future payment.

(2) Defined benefit plan

(I) The net obligation under the defined benefit plan is calculated as the discounted amount of future benefits earned by employees in return for their service in the current and prior periods, and the fair value of any plan assets is deducted from the present value of the defined benefit obligation at the balance sheet date. The net defined benefit obligation is calculated with the projected unit credit method by an actuary. The discount rate refers to the market yield of the government bonds with the same currency and duration as the defined benefit plan (at the balance sheet date).

(II) Re-measurements generated from the defined benefit plan are recognized in other comprehensive income for the current year, and

presented in retained earnings.

- (III) Pension costs during the interim period are calculated from the beginning of the year to the end of the current period using the pension cost rate determined in accordance with the actuarial calculation at the end of the previous financial year. If there are major market changes and major reductions, liquidations or other major one-time events after the closing date, adjustments will be made and relevant information will be disclosed in accordance with the aforementioned policies.

3. Employees' compensation and remuneration of directors

The employees' compensation and remuneration of directors are recognized as expense or liability when the legal or constructive obligation incurs and the amount can be reasonably estimated. If there is any difference occurs between the actual distribution amount resolved and the estimated amount later, it is treated as the change in the accounting estimates. Where employees' remuneration is distributed in shares, the share number is calculated based on the closing price of the previous day of the day when the Board makes the resolution.

(XXIII) Income tax

1. Income tax expenses includes current and deferred income tax. Except that the income taxes accounted under the other comprehensive income or directly accounted to the equity items are accounted to other comprehensive income or directly accounted to the equity, income taxes are recognized under profit and loss.
2. The Group calculates the income tax for the current period using the tax rates that have been enacted or substantially enacted in the country where the Group operates and at the balance sheet date. The management regularly assesses the income taxes filing status pursuant to the applicable income tax related regulations, and estimates the income tax liability based on the expected taxes payable to tax collection authorities when applicable. For the additional income tax imposed on the undistributed earnings pursuant to the income tax laws, is only recognized as the income tax expense of undistributed earnings based on the actual earning distribution upon the approval of the earning distribution proposal by the shareholders in the next year of the year generating the earnings.
3. Deferred income tax is recognized based on any temporary difference between the tax base of assets and liabilities and their carrying amount in the consolidated balance sheet using the balance sheet method. The deferred income tax liabilities generated from the goodwill initially recognized are not recognized; if the deferred income tax is generated from an initial recognition of an assets or liabilities in a transaction (not including enterprise merger), and the accounting profit or the taxable income (taxable



loss) is not impacted at the time of transaction, no recognition will be made. For the temporary differences generated in the subsidiaries and affiliates, if the Group is able to control the timing reversing the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future, such temporary differences will not be recognized. The deferred income taxes adopt the tax rate (and tax law) that is legislated, or substantively legislated at the balance sheet date, and is expected to be applicable when the related deferred income tax assets are realized, or the deferred income tax liabilities are repaid.

4. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. The carryforward of unused tax losses is recognized in deferred income tax assets to the extent that the future taxable profit will be available to the unused tax losses.
6. The income tax expense for the interim period is calculated by applying the estimated annual average effective tax rate to the pre-tax profit and loss for the interim period, and the relevant information is disclosed in accordance with the aforementioned policies.
7. When the tax rate changes during the interim period, the Group recognizes the impact of the change once in the current period when the change occurs. For income tax related to items recognized outside profit and loss, the impact of the change is recognized in other comprehensive profits and losses or equity items. For income taxes related to items recognized in profit or loss, the impact of the change will be recognized in profit or loss.

(XXIV) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the Company's shareholders' meeting decides to distribute such dividends. Cash dividends are recognized as a liability, and stock dividends are recognized as stock dividends to be distributed and transferred to ordinary shares on the base date when new shares are issued.

(XXV) Revenue recognition

Product sales:

1. The Group manufactures and sells cotton, cotton yarn, T/C blended yarn, chemical fiber yarn, and gray cloth, finished fabrics and knitted fabrics, among related products. Revenues are the fair value of the considerations received or shall be received from the sales to non-Group customers during the ordinary operating amount, presented in the amount net of sales tax, goods returned, quantity discount and discounts. Sales of goods are recognized as revenue when the goods are delivered to the buyers, the sales amounts may be reliably measured, and the future economic benefits are very likely to flow into the entity. When all material risks

related to the ownership and return have been transferred to customers, and the Group neither continues the involvement in management, nor maintains the effective control over the goods accepted by customers pursuant to the sales contracts, or the objective evidence shows that all the acceptance terms are met, the delivery of goods occurs.

2. Accounts receivable are recognized when the goods are delivered to the customer as from that point, the Group has unconditional rights to the contract price if only the passage of time is required before payment.

#### (XXVI) Operating Segments

The information on the Group's operating segments and the internal management reports provided to the key operating decision-makers are reported in a consistent approach. The key operating decision-makers are responsible to allocate resources to operating segments and evaluate their performance.

### V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

When preparing the consolidated financial reports, the management has applied the judgement to determine the accounting policies adopted, and makes the accounting estimates and assumptions based on the reasonable expectation for future events under the circumstance on the balance sheet date. The material accounting estimates and assumptions made may be different from the actual results, and will be continuously assessed and adjusted by taking the historical experience and other factors into account. Such estimates and assumptions have the risk resulting in material adjustments of the carrying amount of the assets and liabilities in the next fiscal year. Significant Accounting Assumptions and Judgment, And Major Sources of Estimation Uncertainty :

#### I. Key judgements adopted for the accounting policies

The Group has no information that the accounting policy involving material judgements, and the recognized amount is materially impacted.

#### II. Key accounting estimates and assumptions

##### 1. Assessment of property, plant, and equipment impairment

In assessing the impairment of assets, the Group should, relying on subjective judgment and the pattern of utilizing assets and industrial characteristics, determine the independent cash flows of a group of assets, the useful life of assets, and gains, income and expenses that may arise in the future. Any changes in estimates due to changes in economic conditions or the Group's strategy may result in significant impairment in the future. See Note 6(6) for details.

##### 2. Valuation of inventories

Since the inventories is valuated at the lower between the costs and the net realizable values, the Group has to apply the judgement and estimates to decide the net realizable values of inventories at the balance sheet date. As the market

evolves rapidly, the Group assesses the amount of the inventories at the balance sheet date after the normal depletion, obsolete, or no marketable value, and reduces the inventory costs to the net realizable values. The valuation of inventories are many based on the product demands in a certain future period, and thus material changes are possible; please refer to Note 6(3) for an explanation.

### 3. Estimation of allowance for accounts receivable

Accounts receivable are provided for allowance in accordance with the allowance policy. Management evaluates the credit quality and collection status of customers and adjusts the credit policy for customers in a timely manner. In addition, management evaluates the allowance for accounts receivable. In the evaluation process, it considers factors that may affect the payment ability of customers, such as future expectations and historical bad debt records, customer financial status and economic status. The estimate of this allowance is based on reasonable expectations of future events based on the situation at the balance sheet date. However, the actual results may differ from the estimates, so changes may occur. Please refer to Note 6 (2) and Note 12 (3) for detailed explanations.

## VI. Summary of Significant Accounting Items

### (I) Cash

|              | 2025/3/31         | 2024/12/31        | 2024/3/31         |
|--------------|-------------------|-------------------|-------------------|
| cash         | \$ 115            | \$ 49             | \$ 173            |
| Bank savings | 286,691           | 122,868           | 149,147           |
|              | <u>\$ 286,806</u> | <u>\$ 122,917</u> | <u>\$ 149,320</u> |

1. Financial institutions that deal with the Group have good credit and the Group has business with multiple financial institutions in order to spread its credit risk; the possibility of default is expected to be quite low.
2. The Group's bank deposits transferred to pledged assets have been transferred to "Other current assets". See Note 8 for details.

### (II) Accounts payable

|                               | 2025/3/31         | 2024/12/31        | 2024/3/31        |
|-------------------------------|-------------------|-------------------|------------------|
| Account Receivable            | \$ 182,812        | \$ 155,326        | \$ 73,002        |
| Less : Allowance for losses ( | 18,799 )          | 10,192 )          | 9,951 )          |
|                               | <u>\$ 164,013</u> | <u>\$ 145,134</u> | <u>\$ 63,051</u> |

1. As of March 31, 2025、December 31,2024 and March 31, 2024, the balances of accounts receivable and notes receivable were both generated from contracts with customers; the balance of accounts receivable from contracts with customers as of January 1, 2024 was \$88,574.
2. For relevant information on credit risk, see Note 12(3).

(III) Inventories

1. Textile inventories :

|              |            |               | 2025/3/31  |            |            |
|--------------|------------|---------------|------------|------------|------------|
|              | COST       |               | Allowance  |            | Book Value |
| Materials    | \$ 208,134 | ( \$ 32,424 ) |            | \$ 175,710 |            |
| WIP          | 92,127     | ( 3,641 )     |            | 88,486     |            |
| Finish Goods | 97,973     | ( 20,695 )    |            | 77,278     |            |
| Total        | \$ 398,234 | ( \$ 56,760 ) |            | \$ 341,474 |            |
|              |            |               | 2024/12/31 |            |            |
|              | COST       |               | Allowance  |            | Book Value |
| Materials    | \$ 278,824 | ( \$ 31,878 ) |            | \$ 246,946 |            |
| WIP          | 94,660     | ( 5,189 )     |            | 89,471     |            |
| Finish Goods | 81,874     | ( 20,864 )    |            | 61,010     |            |
| Total        | \$ 455,358 | ( \$ 57,931 ) |            | \$ 397,427 |            |
|              |            |               | 2024/3/31  |            |            |
|              | COST       |               | Allowance  |            | Book Value |
| Materials    | \$ 191,070 | ( \$ 15,628 ) |            | \$ 175,442 |            |
| WIP          | 70,446     | ( 4,199 )     |            | 66,247     |            |
| Finish Goods | 137,152    | ( 28,694 )    |            | 108,458    |            |
| Total        | \$ 398,668 | ( \$ 48,521 ) |            | \$ 350,147 |            |

The expenses of the sales costs recognized in the current period are listed below:

|                   |    | 2025/1/1-3/31 | 2024/1/1-3/31 |
|-------------------|----|---------------|---------------|
| Cost of Good Sold | \$ | 352,825       | \$ 223,278    |
| Allowance         |    | 2,840 (       | 3,417 )       |
|                   | \$ | 355,665       | \$ 219,861    |

(1) In the first quarter of 2024, the Group recognized a decrease in cost of goods sold due to the effective implementation of inventory elimination, which resulted in an increase in the net realizable value of inventory.

(2) The Group's inventory was not pledged in the first quarter of 2025 and 2024.

2. Net amount of property held for sale:

| ITEM               | 2025/3/31 | 2024/12/31 | 2024/3/31 |
|--------------------|-----------|------------|-----------|
| Parking Area       | \$ 2,403  | \$ 2,403   | \$ 2,403  |
| Less : allowance ( | 2,403 )   | ( 2,403 )  | ( 2,403 ) |
| Net Amount         | \$ -      | \$ -       | \$ -      |

In the first quarter of 2025 and 2024, the Group did not recognize the cost of inventories related to property held for sale.

(IV) Financial assets at fair value through other comprehensive income- non-current

|                       | 2025/3/31 | 2024/12/31 | 2024/3/31 |
|-----------------------|-----------|------------|-----------|
| Non-Open Market Stock | \$ 26,266 | \$ 26,266  | \$ 26,266 |
| Allowance             | 21,709    | 21,709     | 19,596    |
|                       | \$ 47,975 | \$ 47,975  | \$ 45,862 |

1. In the first quarter of 2025 and 2024, some of the investees were subjected to capital reduction, liquidation and dissolution. The Group received \$0 and \$129 for distribution respectively.

2. The amounts of financial assets measured at fair value through other comprehensive income and loss and retained earnings from January 1 to

March 31, 2025 and 2024 were both \$0.

3. In the first quarter of 2024 and 2023, the Group did not pledge any financial assets at FVOCI.

4. For relevant information on credit risk, see Note 12(3).

(V) Investment accounted for using the equity method

|  |            | 2025       | 2024       |
|--|------------|------------|------------|
| 1/1  |            | \$ 211,597 | \$ 224,714 |
| Share of investment profits and losses using the equity method             | ( 9,565 )  | ( 10,814 ) |            |
| Cash capital increase of investments accounted for using the equity method | 51,794     | -          |            |
| Capital reserve  | ( 12,975 ) | -          |            |
| Other changes in equity (6(17))  | ( 311 )    | -          |            |
| 3/31   |            | \$ 240,540 | \$ 213,900 |
| Affiliated company name  | 2025/3/31  | 2024/12/31 | 2024/3/31  |
| Great Bell   | \$ 227,990 | \$ 195,733 | \$ 197,072 |
| InnoPeak   | 12,550     | 15,864     | 16,828     |
| 3/31   | \$ 240,540 | \$ 211,597 | \$ 213,900 |

1. The basic information on the Group's major affiliates is presented below:

| Shareholding comparison |          |           |            |           | measurement    |        |
|-------------------------|----------|-----------|------------|-----------|----------------|--------|
| Company                 | location | 2025/3/31 | 2024/12/31 | 2024/3/31 | characteristic | method |
| Great Bell              | TW       | 17.74%    | 19.18%     | 19.18%    | supplier       | equity |

Great bell printing & dyeing co., ltd. (hereinafter referred to as "Great bell") approved the cash capital increase on October 30, 2024 by issuing 30,000,000 common shares with a par value of \$10 per share. The capital increase base date is February 5, 2025. The Group approved the cash capital increase of Great bell on January 16, 2025 by the Board of Directors, totaling 5,179,000 shares. The Group did not subscribe according to the shareholding ratio, so the shareholding ratio decreased from 19.18% to 17.74%, and the capital reserve amount decreased by 12,975.

2. The summarized financial information on the Group's major affiliates is presented below:

Balance sheet

|                          | Great Bell   |              |              |
|--------------------------|--------------|--------------|--------------|
|                          | 2025/3/31    | 2024/12/31   | 2024/12/31   |
| current assets           | \$ 232,474   | \$ 315,551   | \$ 634,020   |
| Non-current assets       | 1,413,164    | 1,351,397    | 1,579,904    |
| Current liabilities      | ( 252,150 )  | ( 607,606 )  | ( 653,743 )  |
| Non-current liabilities  | ( 108,312 )  | ( 38,992 )   | ( 532,852 )  |
| Total net assets         | \$ 1,285,176 | \$ 1,020,350 | \$ 1,027,329 |
| With % of the net Assets | \$ 227,990   | \$ 195,733   | \$ 197,072   |
| Related party book value | \$ 227,990   | \$ 195,733   | \$ 197,072   |

## Statement of comprehensive income

|   | Great Bel     |               |
|---|---------------|---------------|
|   | 2025/1/1-3/31 | 2024/1/1-3/31 |
| income  | \$ 118,779    | \$ 107,439    |
| Net amount of continuing business units in the current period | ( \$ 35,174 ) | ( \$ 29,920 ) |
| Total comprehensive profit and loss for the period            | ( \$ 35,174 ) | ( \$ 29,920 ) |

3. The book amounts and operating results of individual insignificant affiliated enterprises of the Group are summarized as follows :

As of March 31, 2025 、December 31, 2024 and March 31, 2024, the total book amounts of individual insignificant affiliated companies of the Group were \$12,550 、\$15,864 and \$16,828 respectively.

|  | 2025/1/1-3/31 | 2024/1/1-3/31 |
|--|---------------|---------------|
| Net loss for the current period of continuing operations | ( \$ 9,181 )  | ( \$ 12,686 ) |

4. The Group holds 36.09% of the shares of InnoPeak Co.Ltd. and is the single largest shareholder of the company. As the second and third largest shareholders (not related parties) hold more shares than the Group, it shows that the Group has no actual ability to direct the relevant activities. Therefore, it is judged that the Group has no control over the company and only has a significant influence.
5. On December 9, 2024, the board of directors of Dingchuang Materials Co., Ltd. passed a resolution to increase its capital by 1,625,000 shares in cash, with a par value of \$10 per share. The base date for the capital increase is December 26, 2014. The company did not subscribe according to the shareholding ratio, so the shareholding ratio was reduced from 40% to 36.09%, and the capital reserve amount increased to \$10,058.
6. The Group provided shares of Great bell printing & dyeing co., ltd. as collateral for the loan. Please attach Note 7 for details.

## (VI)Property, Plant and Equipment

|                          | Land          | Housing and construction | Machine           | Hydropower       | Other            | Unfinished project | Total             |
|--------------------------|---------------|--------------------------|-------------------|------------------|------------------|--------------------|-------------------|
| 2025/1/1                 |               |                          |                   |                  |                  |                    |                   |
| COST                     | \$ 591        | \$ 214,905               | \$ 1,079,141      | \$ 79,900        | \$ 43,967        | \$ 2,297           | \$ 1,420,801      |
| Accumulated Depreciation | -             | ( 38,614 )               | ( 633,339 )       | ( 48,565 )       | ( 33,777 )       | -                  | ( 754,295 )       |
|                          | <u>\$ 591</u> | <u>\$ 176,291</u>        | <u>\$ 445,802</u> | <u>\$ 31,335</u> | <u>\$ 10,190</u> | <u>\$ 2,297</u>    | <u>\$ 666,506</u> |
| 2025                     |               |                          |                   |                  |                  |                    |                   |
| 1/1                      | \$ 591        | \$ 176,291               | \$ 445,802        | \$ 31,335        | \$ 10,190        | \$ 2,297           | \$ 666,506        |
| purchase                 | -             | -                        | 297               | -                | -                | -                  | 297               |
| transfer                 | -             | -                        | 2,036             | -                | -                | ( 2,036 )          | -                 |
| Consolidated changes     | -             | ( 102,090 )              | ( 40,215 )        | -                | -                | ( 261 )            | ( 142,566 )       |
| depreciation             | -             | ( 1,648 )                | ( 17,000 )        | ( 1,335 )        | ( 337 )          | -                  | ( 20,320 )        |
| exchange rate impac      | -             | 626                      | 2,014             | 164              | 33               | -                  | 2,837             |
| 3/31                     | <u>\$ 591</u> | <u>\$ 73,179</u>         | <u>\$ 392,934</u> | <u>\$ 30,164</u> | <u>\$ 9,886</u>  | <u>\$ -</u>        | <u>\$ 506,754</u> |
| 2025/3/31                |               |                          |                   |                  |                  |                    |                   |
| COST                     | \$ 591        | \$ 98,292                | \$ 974,690        | \$ 80,319        | \$ 43,153        | \$ -               | \$ 1,197,045      |
| Accumulated Depreciation | -             | ( 25,113 )               | ( 581,756 )       | ( 50,155 )       | ( 33,267 )       | -                  | ( 690,291 )       |

|                          |            |                          |              |            |            |                    |              |
|--------------------------|------------|--------------------------|--------------|------------|------------|--------------------|--------------|
|                          | \$ 591     | \$ 73,179                | \$ 392,934   | \$ 30,164  | \$ 9,886   | \$ -               | \$ 506,754   |
|                          | Land       | Housing and construction | Machine      | Hydropower | Other      | Unfinished project | Total        |
| 2024/1/1                 |            |                          |              |            |            |                    |              |
| COST                     | \$ 41,128  | \$ 258,044               | \$ 1,065,875 | \$ 78,606  | \$ 43,459  | \$ 346             | \$ 1,487,458 |
| Accumulated Depreciation | ( 17,877 ) | ( 64,137 )               | ( 558,781 )  | ( 42,546 ) | ( 31,929 ) | -                  | ( 715,270 )  |
|                          | \$ 23,251  | \$ 193,907               | \$ 507,094   | \$ 36,060  | \$ 11,530  | \$ 346             | \$ 772,188   |
| 2024                     |            |                          |              |            |            |                    |              |
| 1/1                      | \$ 23,251  | \$ 193,907               | \$ 507,094   | \$ 36,060  | \$ 11,530  | \$ 346             | \$ 772,188   |
| depreciation             | -          | ( 2,723 )                | ( 18,336 )   | ( 1,335 )  | ( 460 )    | -                  | ( 22,854 )   |
| exchange rate impac      | -          | 4,769                    | 8,512        | 670        | 185        | 7                  | 14,143       |
| 3/31                     | \$ 23,251  | \$ 195,953               | \$ 497,270   | \$ 35,395  | \$ 11,255  | \$ 353             | \$ 763,477   |
| 2024/3/31                |            |                          |              |            |            |                    |              |
| COST                     | \$ 41,128  | \$ 263,907               | \$ 1,083,931 | \$ 80,091  | \$ 43,949  | \$ 353             | \$ 1,513,359 |
| Accumulated Depreciation | ( 17,877 ) | ( 67,954 )               | ( 586,661 )  | ( 44,696 ) | ( 32,694 ) | -                  | ( 749,882 )  |
|                          | \$ 23,251  | \$ 195,953               | \$ 497,270   | \$ 35,395  | \$ 11,255  | \$ 353             | \$ 763,477   |

- (1) For property, plant and equipment pledged as collateral, see Note 8 for details.
- (2) The number affected by merger changes is the number affected by the disposal of subsidiaries by the Group. Please explain in Note 6 (25) for details.

(VII) Leases transaction - lessee

1. The underlying assets leased by the Group include land use rights, land, machinery and equipment, buildings and structures. Except for the lease term of land use rights, which is 40 to 43 years, the lease term of other lease contracts is usually 2 to 5 years. The lease contracts are negotiated individually, and include different terms. Other than some leased lands are provided as the collaterals for borrowings, the restrictive terms of other leased assets are not to be provided for guaranteeing borrowings.
2. The carrying amounts of right-of-use assets and recognized depreciation expenses are presented as follows:

|                     |               |               |            |
|---------------------|---------------|---------------|------------|
|                     | 2025/3/31     | 2024/12/31    | 2024/3/31  |
|                     | Book Value    | Book Value    | Book Value |
| Land use rights(VN) | \$ 46,123     | \$ 121,180    | \$ 123,952 |
|                     | 2025/1/1-3/31 | 2024/1/1-3/31 |            |
|                     | depreciation  | depreciation  |            |
| Land use rights(VN) | \$ 775        | \$ 964        |            |

- (1) For information right-of-use assets pledged as collateral, see Note 8 for details.
- (2) Profit and loss items related to the lease contracts are presented as follows:

|                       |               |               |
|-----------------------|---------------|---------------|
|                       | 2025/1/1-3/31 | 2024/1/1-3/31 |
| short-term rental fee | \$ 1,097      | \$ 1,098      |

In the first quarter of 2025 and 2024, the Group's total cash outflows from leases amounted to \$1,097 and \$1,098 respectively.

(VIII) Prepayments and other non-current assets

1. Prepayments

|                     | 2025/3/31        | 2024/12/31       | 2024/3/31        |
|---------------------|------------------|------------------|------------------|
| Residual tax credit | \$ 45,896        | \$ 46,084        | \$ 46,284        |
| Advance payment     | 5,020            | 10,081           | 8,153            |
| prepaid fee         | 9,772            | 8,705            | 6,835            |
|                     | <u>\$ 60,688</u> | <u>\$ 64,870</u> | <u>\$ 61,272</u> |

2. Other non-current assets

|                   | 2025/3/31        | 2024/12/31       | 2024/3/31        |
|-------------------|------------------|------------------|------------------|
| prepaid equipment | \$ 10,668        | \$ 10,363        | \$ 13,529        |
| deposit           | 3,374            | 3,609            | 133              |
|                   | <u>\$ 14,042</u> | <u>\$ 13,972</u> | <u>\$ 13,662</u> |

(IX) Short-term borrowings

|                             | 2025/3/31         | 2024/12/31        | 2024/3/31           |
|-----------------------------|-------------------|-------------------|---------------------|
| Bank unsecured loans        | \$ 50,015         | \$ 67,349         | \$ 138,367          |
| Bank guaranteed loan        | 338,449           | 376,243           | 716,068             |
| Other short-term borrowings | 82,000            | 14,773            | 194,790             |
|                             | <u>\$ 470,464</u> | <u>\$ 458,365</u> | <u>\$ 1,049,225</u> |
| loan amount                 | <u>\$ 680,415</u> | <u>\$ 572,486</u> | <u>\$ 1,192,561</u> |
| interest rate               |                   |                   |                     |
| Company                     | 2.44%~5.98%       | 2.44%~3.43%       | 2.31%~3.41%         |
| Subsidiary _ USD loan       | 5.65%~7.07%       | 5.65%~7.85%       | 4.75%~8.41%         |
| Subsidiary _ VND loan       | 8.4%~11.08%       | 8.38%~10.82%      | 8.38%~9.15%         |

1. For the said secured borrowings pledged as collateral, see Note 8 for details.
2. Other short-term loans are capital loans and loans from related parties. Please provide detailed explanations in Note 7.
3. Some of the secured loans are secured by land and stocks provided by the Company's related parties and affiliated enterprises, and some of the short-term loan credit lines are jointly guaranteed by the Chairman and General Manager. Please refer to Note 7.

(X) Corporate bonds payable

|       | 2025/3/31   | 2024/12/31  | 2024/3/31        |
|-------|-------------|-------------|------------------|
| Bonds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30,000</u> |

1. In November 2021, the Group issued the first domestic unsecured corporate bond in a private placement, as outlined below:
  - (1) Total face value: NT\$100,000
  - (2) Term: 3 years, outstanding from December 10, 2021 to December 10, 2024.
  - (3) Coupon rate: 1.7% per annum.
  - (4) Redemption: The Company may redeem all or part of the corporate bond early as actually needed.
2. For the information on the Group's corporate bonds held by related parties, see Note 7(2)4.
3. The Company's Board of Directors resolved on March 19, 2024 and June 19, 2024 to repurchase part of the first private placement of unsecured corporate bonds in 2021, totaling 100,000, on March 25, 2024 and June 26, 2024, respectively.

(XI) Long-term borrowings

| Loan type | 2025/3/31 | 2024/12/31 | 2024/3/31 |
|-----------|-----------|------------|-----------|
| TCFHC     | \$ 4,130  | \$ 5,351   | \$ 8,966  |



|                            |                         |                         |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|
| Export-Import Bank         | -                       | -                       | 12,500                  |
| Other long-term borrowings | 436,372                 | 436,372                 | 91,400                  |
| Less : due within one year | ( 213,524 )             | ( 243,261 )             | ( 54,725 )              |
|                            | <u>\$ 226,978</u>       | <u>\$ 198,462</u>       | <u>\$ 58,141</u>        |
| loan amount                | <u>\$ 4,130</u>         | <u>\$ 5,351</u>         | <u>\$ 21,466</u>        |
| interest rate              | <u>1.88%~2.72%</u>      | <u>1.88%~2.72%</u>      | <u>2.60%~2.68%</u>      |
| Loan type                  | 2025/3/31               | 2024/12/31              | 2024/3/31               |
| Contract period :          |                         |                         |                         |
| TCFHC                      | 109/12/18~<br>114/12/28 | 109/12/18~<br>114/12/28 | 109/12/18~<br>114/12/28 |
| Export-Import Bank         |                         |                         | 108/7/25~<br>113/7/25   |
|                            | <u>-</u>                | <u>-</u>                | <u>-</u>                |
| Other long-term borrowings | 109/12/18~<br>118/12/25 | 109/12/18~<br>118/12/25 | -                       |

1. According to the medium- and long-term loan contract signed between our company and China Export-Import Bank on March 31, 2024, the first installment of the principal will be repaid on the day 18 months after the first use of the loan. Thereafter, the principal will be repaid in eight installments, every six months, in accordance with the ratio agreed in the contract.
2. In accordance with the provisions of the medium- and long-term loan contract signed between our company and the Cooperative Bank Commercial Bank on March 31, 2025, December 31, 2024, and March 31, 2024, the first installment of the principal shall be repaid on the day twelve months after the first use of the loan, and thereafter the principal and interest shall be evenly amortized monthly, for a total of 48 installments.
3. Please provide detailed description of the guarantees provided for the above loans in Note 8.
4. Please refer to Note 12 for details of the Group's liquidity risk.
5. Regarding the credit line for long-term loans, some loans are jointly guaranteed by the Chairman and the President. See Note 7 for details.
6. Other long-term loans are capital loans and loans from related parties. Please provide detailed explanations in Note 7.

(XII) Other payables

|                     | 2025/3/31        | 2024/12/31       | 2024/3/31        |
|---------------------|------------------|------------------|------------------|
| Salary payable      | \$ 27,036        | \$ 36,127        | \$ 27,720        |
| Payable service fee | 4,252            | -                | 2,691            |
| Commission          | -                | -                | 1,333            |
| other               | 15,229           | 17,270           | 10,949           |
|                     | <u>\$ 46,517</u> | <u>\$ 53,397</u> | <u>\$ 42,693</u> |

(XIII) Pension

1. Defined benefit plan

- (1) The Company has made the defined benefit plan pursuant to the “Labor Standards Act,” applicable to the service years of all permanent employees before the “Labor Pension Act” enforced on July 1, 2005, and the subsequent service years of the employees who elected to apply the “Labor Standards Act” after the enforcement of the “Labor Pension Act.” For the employees qualified for retirement, the payment of their pensions is based on their service years and average wages of the six months prior to the retirement. For the service years within 15 years (inclusive), two bases are given for each full year of service rendered; for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes 14% of the total wage for the retirement fund, and deposit the fund in the Bank of Taiwan under the name of the Labor Retirement Reserve Supervisory Committee. In addition, before the end of each year, the balance of the labor retirement reserve account in the preceding paragraph is computed; if the balance is insufficient to pay the estimated pension amount calculated for the worker qualified for retirement in the next year, the Company will contribute the difference in a lump sum before the end of next March.
  - (2) From January 1 to March 31, 2025 and 2024, the pension costs recognized by the company in accordance with the above pension methods were \$0.
  - (3) In 2025, the Group is expected to pay \$727 as the contribution to the retirement plan.
2. Defined contribution plan
- (1) Since July 1, 2005, the Company has made the defined contribution plan in accordance with the "Labor Pension Act", which is applicable to local employees. For the part where the employees elect to apply the labor pension specified in the “Labor Pension Act,” the labor pension no less than 6% of the wage is contributed to the employees’ individual accounts with the Labor Insurance Bureau every month. The payment of the employee’s pension may be received monthly or in a lump sum from the employees’ personal pension account and the accumulated gains.
  - (2) For the subsidiaries in Chinese mainland and Vietnam, pursuant to the pension insurance systems required by the local governments, the pension insurance fund at a certain percentage to the total wage of the local employees is contributed monthly to the independent accounts of the employees as the special account. The pensions of employees are arranged uniformly by the governments, and the aforesaid companies have no further obligation other than the monthly contribution.
  - (3) In the first quarter of 2025 and 2024, the Group recognized the pension costs at \$471 and \$437 respectively based on the said plans.

(XIV) Share capital

1. As of March 31, 2025, the registered capital of this company is \$1,625,006, the paid-in capital is \$717,444, with a par value of \$10 per share, divided into 71,744,000 shares. The proceeds of the issued shares of this company have been received..

The number of outstanding shares of the company's common stock at the beginning and end of the period is adjusted as follows : (Unit: Thousand shares)

|   | 2025   | 2024   |
|---|--------|--------|
| 1/1                                       | 71,744 | 63,295 |
| Cash capital increase - private placement | -      | 6,087  |
| 3/31                                      | 71,744 | 69,382 |

2. The company's shareholders' meeting resolved on May 22, 2023 that it planned to increase cash capital through private placement. The private placement base date is March 28, 2024. The purpose of the cash capital increase is to increase working capital. The number of private placement shares is 6,087,000. shares, the subscription price per share was \$11.5, a total of \$70,000 was raised, and the change registration was completed on April 17, 2024; the rights and obligations of this private placement of common shares are subject to restrictions on circulation and transfer in addition to the provisions of the Securities and Exchange Law and must be Except that it can apply for listing and trading only after three years from the delivery date and additional public issuance, it is the same as other issued ordinary shares.

(XV)Capital reserve

Pursuant to the Company Act, capital reserve of the income derived from the issuance of new shares at a premium and the income from endowments received by the company, other than compensating the deficit, when the Company has no accumulated loss, may be distributed as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Additionally, pursuant to the Securities Exchange Act, when the said capital reserve is capitalized, the combined amount of any portions capitalized in any 1 year may not exceed 10 percent of paid-in capital. A company shall not use the capital reserve to make good its capital loss, unless the reserve reserve is insufficient to make good such loss.

(XVI)Deficit yet to be compensated

1. If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital. The special reserves shall be set aside or reversed pursuant to the laws or competent authorities' requirements; if there is any remaining balance, with the undistributed earnings in previous years it shall be set aside as the cumulative distributable earnings. After considering the Company's future funding and budget plans, and measuring the fund requirements in the coming years, the retained earnings will be used to fund; if there is any balance, the shareholders' meeting may resolve to distribute the shareholders' bonus. The percentage of cash dividends being no less than 10% of the total dividend; provided, where the cash dividend is lower than NT\$0.2, dividends may be distributed in share dividends.
2. The Company operates in a mature and stable industry; provided, for the future capital and budget planning, the dividends are distributed based on

the residual dividend policy.

3. The legal reserve and the capital reserve shall not be used except for making good the deficit (or loss) of the company or distributing new shares or cash to its original shareholders in proportion; provided the distribution of new shares or cash may not exceed 25% of the part of the reserve over the paid-in capital.

4. (1) When distributing the earnings, the distribution may only made from the special surplus reserve provided from the debit balance of the other equity item at the balance sheet date of the current year; later the reversal amount may be accounted to the distributable earnings when reversing the debit balance of the other equity item.

(2)When the IFRSs were first adopted, the special surplus reserve was set aside in the letter No. 1010012865 dated April 6, 2012. When the company subsequently uses, disposes or reclassifies the relevant assets, it will set aside the original special surplus reserve. The proportion is reversed.

The special surplus reserve that the company set aside due to the previous letter order on January 1, 2013 has been fully used to make up for losses. It needs to be supplemented after making profits. The amount of special surplus reserve that has been set aside previously has not yet been made. The composition of the implementation of sanctions is as follows :

|                                   |           |               |
|-----------------------------------|-----------|---------------|
| Adding value for revaluation      | \$        | 58,831        |
| Cumulative Conversion Adjustments |           | 474           |
|                                   | <u>\$</u> | <u>59,305</u> |

5. On May 27, 2024, the shareholders' meeting of this company resolved to make up for the losses.
6. The company's board of directors decided on a loss appropriation on March 10, 2025. As of May 5, 2025, the shareholders' meeting has not yet passed a resolution..

(XVII)Other items of equity

|   | Investments<br>through other<br>comprehensive<br>income | foreign currency<br>conversion | Other interests | total               |
|---|---|--------------------------------|-----------------|---------------------|
| 2025/1/1  | \$ 23,107   | ( \$ 31,457 )                  | \$ 219          | ( \$ 8,131 )        |
| Equity Instrument<br>Evaluation<br>Adjustment<br>group  | ( 271 )   |                                |                 | ( 271 )             |
| Foreign Currency<br>Translation<br>Differences<br>group | -   | 960                            | -               | 960                 |
| relate party  |   | ( 40 )                         |                 | ( 40 )              |
| 2025/3/31   | <u>\$ 22,836</u>  | <u>( \$ 30,537 )</u>           | <u>\$ 219</u>   | <u>( \$ 7,482 )</u> |

|  | Investments<br>through other<br>comprehensive<br>income | foreign currency<br>conversion | Other interests | total         |
|--|---|--------------------------------|-----------------|---------------|
| 2024/1/1   | \$ 20,241   | ( \$ 42,951 )                  | \$ 219          | ( \$ 22,491 ) |
| Foreign Currency<br>Translation Differenc<br>group | -   | 4,394                          | -               | 4,394         |
| 2024/3/31  | \$ 20,241   | ( \$ 38,557 )                  | \$ 219          | ( \$ 18,097 ) |

(XVIII) Operating revenue

|         | 2025/1/1-3/31 | 2024/1/1-3/31 |
|---------|---------------|---------------|
| Revenue | \$ 393,512    | \$ 226,480    |

1. The Group's revenue is derived from products transferred at a point in time. See note 14 for the breakdown of revenue.
2. The Group recognizes contract liabilities related to revenue from contracts with customers as follows:

|                      | 2025/3/31 | 2024/12/31 | 2024/3/31 | 2024/1/1  |
|----------------------|-----------|------------|-----------|-----------|
| contract liabilities | \$ 3,686  | \$ 9,699   | \$ 62,160 | \$ 39,417 |

The amounts of the opening contract liabilities recognized as income in the current period in the first quarter of 2025 and 2024 were \$4,937 and \$206 respectively.

(XIX) Other gains or losses

|                                  | 2025/1/1-3/31 | 2024/1/1-3/31 |
|----------------------------------|---------------|---------------|
| Gains on disposal of investments | \$ 70,343     | \$ -          |
| Exchange Gain                    | 3,238         | 16,238        |
| Other Loss                       | ( 5,510 )     | ( 222 )       |
|                                  | \$ 68,071     | \$ 16,016     |

(XX) Financial costs

|                      | 2025/1/1-3/31 | 2024/1/1-3/31 |
|----------------------|---------------|---------------|
| Interest Exp.        | \$ 9,122      | \$ 10,995     |
| Other Financial Exp. | 23            | 45            |
|                      | \$ 9,145      | \$ 11,040     |

(XXI) Additional information of the expense nature

|                   | 2025/1/1-3/31 | 2024/1/1-3/31 |
|-------------------|---------------|---------------|
| Employee Benefits | \$ 39,840     | \$ 34,374     |
| depreciation      | 21,095        | 23,818        |
| amortization      | 238           | 227           |
| Total             | \$ 61,173     | \$ 58,419     |

(XXII) Employee benefit expense

|                  | 2025/1/1-3/31 | 2024/1/1-3/31 |
|------------------|---------------|---------------|
| salary           | \$ 33,385     | \$ 29,337     |
| social insurance | 4,233         | 3,279         |
| pension          | 471           | 437           |
| other            | 1,751         | 1,321         |
| Total            | \$ 39,840     | \$ 34,374     |

1. According to the Company's Articles of Incorporation, when distributing earnings, the Company shall allocate no less than 3% and no more than

15% as the employees' remuneration, and no more than 3% as the directors' remuneration.

2. As of March 31, 2025 and 2024, the Company reported accumulated losses, and thus estimated no remuneration to employees and directors pursuant to the Articles of Incorporation.

The information regarding the employees' and directors' remunerations approved by the Board may be inquired at MOPS.

(XXIII) Income tax

(I) Composition of income tax expense benefits

Composition of income tax expense benefits:

|                               | 2025/1/1-3/31 | 2024/1/1-3/31 |
|-------------------------------|---------------|---------------|
| Deferred income tax :         |               |               |
| temporary difference reversal | ( 191 )       | ( 289 )       |
| income tax benefit            | ( \$ 191 )    | ( \$ 289 )    |

- (II) The tax authorities have approved the Company's business income tax returns through 2021.

(XXIV) Loss per share

|  | 2025/1/1-3/31 |                              |              |
|--|---------------|------------------------------|--------------|
|  | Net Income    | AVG<br>outstanding<br>Shares | EPS<br>(NTD) |
| <u>Basic loss per share</u>  |               |                              |              |
| Net income attributable to parent company                              | \$ 40,470     | 71,744                       | \$ 0.56      |
| <u>Diluted Earnings Per Share</u>                                      |               |                              |              |
| Net income attributable to ordinary shareholders of the parent company | 40,470        |                              |              |
| Effect of dilutive potential ordinary shares:                          |               |                              |              |
| -Employee compensation   | -             | -                            |              |
| Attributable to ordinary shareholders of the parent company            |               |                              |              |
| Net income plus the effect of potential ordinary shares                | \$ 40,470     | 71,744                       | \$ 0.56      |
|  | 2024/1/1-3/31 |                              |              |
|  | Net Income    | AVG<br>outstanding<br>Shares | EPS<br>(NTD) |
| <u>Basic loss per share</u>  |               |                              |              |
| Net income attributable to parent company                              | ( \$ 31,367 ) | 63,496                       | ( \$ 0.49 )  |
| <u>Diluted Earnings Per Share</u>                                      |               |                              |              |
| Net income attributable to ordinary shareholders of the parent company | ( 31,367 )    |                              |              |
| Effect of dilutive potential ordinary shares:                          |               |                              |              |
| -Employee compensation   | -             | -                            |              |
| Attributable to ordinary shareholders of the parent company            |               |                              |              |

|   |              |                    |
|---|--------------|--------------------|
| Net income plus the effect of potential ordinary shares | (\$ 31,367 ) | 63,496 ( \$ 0.49 ) |
|---|--------------|--------------------|

(XXV) Supplementary information of cash flow

1. Cash payment for purchase of property, plant and equipment :

|  | 2025/1/1-3/31 | 2024/1/1-3/31 |
|--|---------------|---------------|
| Purchase of real estate, plant and equipment   | \$ 297        | \$ -          |
| Prepayment for equipment at the beginning      | ( 113 )       | ( 4,693 )     |
| Reclassification of prepaid equipment payments | -             | 4,693         |
| Current cash expenditure                       | <u>\$ 184</u> | <u>-</u>      |

2. On March 5, 2025, the Group sold 52.14% of the equity interest in KOREA TEXTILE & DYEING SUPPORT SERVICES JOINT STOCK COMPANY ("KTD"), resulting in the Group losing control over the subsidiary. The consideration received from the transaction (including the cash portion) is the following information on the relevant assets and liabilities of the subsidiary:

|  | 2025/3/5         |
|--|------------------|
| Receive consideration  |                  |
| Cash   | \$ 74,546        |
| Carrying amounts of assets and liabilities of the KTD subsidiary |                  |
| Cash and cash equivalents  | 1,935            |
| Accounts receivable  | 8,362            |
| Inventories  | 3,803            |
| Prepayments  | 669              |
| Property, Plant and Equipment                                    | 142,566          |
| Right-of-use asset   | 74,888           |
| Other non-current assets   | 138              |
| Short-term borrowings  | ( - )            |
| Accounts payable   | ( 192,387 )      |
| Other payables   | ( 4,656 )        |
| Other non-current liabilities                                    | ( 113 )          |
| Total net assets   | <u>\$ 35,205</u> |

(XXVI) Changes in liabilities from financing activities

Changes in the Group's liabilities from financing activities in the first quarter of 2025 and 2024 were mainly due to borrowings, repayments, lease principal repayments, exchange rate effects, and changes in lease liabilities. See the Consolidated Statement of Cash Flows.

VII. Related party transaction

(I) Name and relationships of related parties

| Company                                | Relation      |
|--|---------------|
| GREAT BELL PRINTING & DYEING CO., LTD. | Related Party |
| InnoPeak Co.Ltd.                       | Other Related |
| KINGTEX CORPORATION                    | Other Related |
| PHAN LE DIEM TRANG                     | Other Related |
| NAMKUNG CHUL WOONG                     | Other Related |
| Yung Huang Investment Co., Ltd.        | Other Related |

|   |               |
|---|---------------|
| HANBO LIVESTOCK & FARMING PRODUCTS CO., | Other Related |
| Chen Jianmin                            | Other Related |
| Yan Lirong                              | Other Related |
| Chen Xiuzhong                           | chairman      |
| Chen Jianzhou                           | GM            |

(II) Material transactional matters with related parties

1. Operating revenue

|            | 2025/1/1-3/31 | 2024/1/1-3/31 |
|------------|---------------|---------------|
| Sales :    |               |               |
| Great Bell | \$ 71         | \$ -          |

2. Outsourcing processing

|             | 2025/1/1-3/31 | 2024/1/1-3/31 |
|-------------|---------------|---------------|
| Labor FEE : |               |               |
| Great Bell  | \$ 221        | \$ 99         |

The transaction price of the printing and dyeing processing services provided by the Group's related parties is not significantly different from that of ordinary customers.

3. Other receivables

|  | 2025/3/31    | 2024/12/31      | 2024/3/31        |
|--|--------------|-----------------|------------------|
| Accounts Receivable  |              |                 |                  |
| Great Bell   | \$ 74        | \$ -            | \$ -             |
| Other receivables – Loans granted (including other receivables – interest) |              |                 |                  |
| InnoPeak Co.Ltd.   | 15,495       | 15,365          | 14,986           |
| Less: Allowance for loss   | ( 9,949 )    | ( 9,819 )       | -                |
|  | <u>5,620</u> | <u>\$ 5,546</u> | <u>\$ 14,986</u> |

- (1) The loan period of the Group's capital loan and that of InnoPeak is from August 2, 2024 to August 1, 2025. The interest rate is calculated based on the cost of capital plus 0.5%, but shall not be lower than the benchmark interest rate announced by Taiwan banks.
- (2) The Group recognized an impairment loss of \$130 on March 31, 2025, based on the estimated recoverable amount from the operating performance of InnoPeak.

4. Accounts payable

|                    | 2025/3/31 | 2024/12/31 | 2024/3/31 |
|--------------------|-----------|------------|-----------|
| Accounts payable : |           |            |           |
| Great Bell         | \$ 709    | \$ 886     | \$ 104    |

Amounts payable to related parties are mainly payments for outsourcing processing, and the payment terms are monthly settlements of 60 days.

5. Corporate bonds payable

|  | 2025/3/31   | 2024/12/31  | 2024/3/31        |
|--|-------------|-------------|------------------|
| Yung Huang Investment Co., Ltd.              | \$ -        | \$ -        | \$ 20,400        |
| Chen Jianzhou                                | -           | -           | 5,700            |
| HANBO LIVESTOCK & FARMING PRODUCTS CO., LTD. | -           | -           | 3,000            |
| Chen Xiuzhong                                | -           | -           | 900              |
|  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30,000</u> |

For more details of the said corporate bonds, see note 6(10).



## 6. Transaction of property

| Related Party | Item                        | Stock  | transaction<br>target | 2025/1/1-3/31     |        |
|---------------|-----------------------------|--------|-----------------------|-------------------|--------|
|               |                             |        |                       | Proceeds received |        |
| Great Bell    | equity method<br>investment | 5,179K | common stock          | \$                | 51,794 |

## 7. Capital loans - loans from related parties (presented under "Other current and non-current liabilities")

|                                 | 2025/3/31         | 2024/12/31        | 2024/3/31         |
|---------------------------------|-------------------|-------------------|-------------------|
| Other Related Party-current     |                   |                   |                   |
| Great Bel                       | \$ 34,489         | \$ 25,004         | \$ -              |
| Yung Huang Investment Co., Ltd. | 213,000           | 149,000           | 140,000           |
| Chen Xiuzhong                   | 6,561             | 26,561            | 40,000            |
| PHAN LE DIEM TRANG              | -                 | 10,690            | 10,703            |
| NAMKUNG CHUL WOONG              | -                 | 4,083             | 4,087             |
| Chen Jianzhou                   | 37,344            | 37,344            | -                 |
|                                 | <u>\$ 291,394</u> | <u>\$ 252,862</u> | <u>\$ 194,790</u> |
| Other Related Party-non current |                   |                   |                   |
| Great Bel                       | \$ 121,977        | \$ 131,462        | \$ -              |
| Yung Huang Investment Co., Ltd. | 25,000            | 7,000             | 54,000            |
| Chen Xiuzhong                   | 80,000            | 60,000            | 37,400            |
|                                 | <u>\$ 226,977</u> | <u>\$ 198,462</u> | <u>\$ 91,400</u>  |

The above-mentioned related party loans are the financing needs of the Company and its subsidiary KOREA TEXTILE & DYEING SUPPORT SERVICES JOINT STOCK COMPANY from other shareholders. Except for the agreed interest rates of 1.88% to 2.53%, 3.00% to 3.29%, 2.50% to 2.53% for Chen Xiuzhong, Yonghuang Investment Co., Ltd., Great Bell and Yan Lirong, the rest have no interest. As of March 31, 2025, December 31, 2024 and March 31, 2024, the interest payable to related parties was \$4,923, \$4,407 and \$0 respectively.

## 8. Endorsements/guarantees provided by related parties

### (1) Land pledged by affiliates as collateral for loans

|            | 2025/3/31                   |           | 2024/12/31                  |           | 2024/3/31                   |            |
|------------|-----------------------------|-----------|-----------------------------|-----------|-----------------------------|------------|
|            | Loan<br>Guarantee<br>Amount | Loan used | Loan<br>Guarantee<br>Amount | Loan used | Loan<br>Guarantee<br>Amount | Loan used  |
| Grest Bell | \$ -                        | \$ -      | \$ -                        | \$ -      | \$ 503,600                  | \$ 432,729 |

Great Bell Dyeing and Printing Co., Ltd. a land disposal transaction contract with an outsider in November 2023. According to the contract, the loan from a financial institution obtained by the Company using the land as collateral will be repaid by the land disposal price of Great Bell Dyeing and Printing Co., Ltd. The Company will also use the distribution received from Great Bell Dyeing and Printing Co., Ltd. profit distribution to repay the portion of the land disposal price of Great Bell Dyeing and Printing Co., Ltd. The portion that is insufficient to repay will be repaid to Great Bell Dyeing and Printing Co., Ltd. in 48 equal installments. The land transfer procedure and repayment of the loan from the financial institution were completed in June 2024. In response to the bank loan of \$487,926 mentioned above,

the company has approved by the board of directors and the audit committee to pledge 7,300,000 shares of Great Bell Dyeing and Printing Co., Ltd. held by the company to the third party designated by Great Bell Dyeing and Printing Co., Ltd. Hambo livestock & farming products CO. (hereinafter referred to as "Hambo livestock & farming products"), and agreed that the amount of the pledged stock will be received by the pledgee as the repayment of Great Bell As of March 31, 2025, the balance of the bank loan of \$156,466 mentioned above was recorded as short-term loans and long-term loans (including those due within one year).

In response to the aforementioned compensation by Great Bell Dyeing and Printing Co., Ltd., our company, in addition to providing the Great Bell held by our company as collateral to Hambo livestock & farming products, has also negotiated with Chen Xiuzhong and Yan Lirong to assist in providing a total of 2,150,000 Great Bell Dyeing and Printing Co., Ltd. held by them as collateral to Hambo livestock & farming products, a third party designated by Great Bell Dyeing and Printing Co., Ltd.. It is also agreed that the amount distributed from the pledged stocks will be received by the pledgee as the completion of the repayment to Great Bell Dyeing and Printing Co., Ltd., and the repayment amount will be deemed as a loan from our company to the above-mentioned related party.

(2) Related parties provided land and stocks as collateral for loans

|            | 2025/3/31                   |           | 2024/12/31                  |           | 2024/3/31                   |           |
|------------|-----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|
|            | Loan<br>Guarantee<br>Amount | Loan used | Loan<br>Guarantee<br>Amount | Loan used | Loan<br>Guarantee<br>Amount | Loan used |
| Yan Lirong | \$ 100,000                  | \$ 42,287 | \$ 100,000                  | \$ 42,287 | \$ -                        | \$ -      |

As of March 31, 2025, December 31, 2024, and March 31, 2024, the joint guarantors, Mr. Hsiu-Chung Chen or Ms. Li-Jung Yen, pledged their shares as collateral for the Company's short-term borrowings. In addition, Ms. Li-Jung Yen also provided land as additional collateral and committed to continue providing guarantees required for the Company's short-term financing needs.

(3) As of March 31, 2024、December 31, 2023 and March 31, 2023, the Chairman and the President provided joint guarantees for long and short-term loans.

(III) Information of remuneration of key management personnel

|         | 2025/1/1-3/31 |       | 2024/1/1-3/31 |       |
|---------|---------------|-------|---------------|-------|
| Salary  | \$            | 3,340 | \$            | 2,473 |
| Pension |               | 54    |               | 54    |
|         | \$            | 3,394 | \$            | 2,527 |

VIII. Pledged Assets

The carrying amounts of assets pledged by the Group as collateral are presented below :

| Assets Item                                     | Guarantee                  | Book Value        |                   |                   |
|---|----------------------------|-------------------|-------------------|-------------------|
|   |                            | 2025/3/31         | 2024/12/31        | 2024/3/31         |
| current assets                                  |                            |                   |                   |                   |
| Bank savings                                    | Bank Loan                  | \$ 122,251        | \$ 119,204        | \$ 102,397        |
| Property, Plant and Equipment                   |                            |                   |                   |                   |
| land  | Bank Loan                  | -                 | -                 | 23,251            |
| housing and construction                        | Bank Loan                  | 62,341            | 62,716            | 121,814           |
| mechanical equipment                            | Bank Loan                  | 227,918           | 237,266           | 269,188           |
| right-of-use asset                              |                            |                   |                   |                   |
| Land use rights                                 | Bank Loan                  | -                 | -                 | 76,547            |
| Investments using the equity method- Great Bell | non-financial institutions | 174,430           | 149,750           | -                 |
|   |                            | <u>\$ 586,940</u> | <u>\$ 568,936</u> | <u>\$ 593,197</u> |

## IX. Significant Contingent Liabilities and Unrecognized Commitments

### I. Contingent matters

None.

### II. Commitment matter

#### 1. Issued but not yet used letters of credit

The amounts of letters of credit issued for purchase goods and machinery equipment but yet used are as below :

|           | 2025/3/31       | 2024/12/31      | 2024/3/31        |
|-----------|-----------------|-----------------|------------------|
| Unused LC | <u>\$ 5,646</u> | <u>\$ 8,853</u> | <u>\$ 43,824</u> |

#### 2. Capital expenditures that have been contracted but not yet incurred

|                   | 2025/3/31       | 2024/12/31      | 2024/3/31       |
|-------------------|-----------------|-----------------|-----------------|
| Intangible assets | <u>\$ 1,019</u> | <u>\$ 1,437</u> | <u>\$ 2,414</u> |

## X. Losses Due to Major Disasters

None.

## XI. Significant Events

None.

## XII. Others

(I) As of March 31, 2025, the Company's current liabilities exceeded current assets by NT\$16,385. In order to improve the said situation, the Company intends to take the following countermeasures in the future:

### 1. Business:

In terms of business operations, the Group will continue to optimize product mix, improve gross profit margins, and expand services to customers to improve performance.

- (1) Spinning Division will continue to work with niche customers to increase the production and sales ratio of specialty yarn products and improve production efficiency and quality to raise gross profit margins.
- (2) Fabrics Division will continue to develop new products for target customers, deepen the vertical integration of products and services, and

expand product share, and can be expected to effectively improve performance.

## 2. Finance:

- (1) To ensure the continued operation of the Group, on March 10, 2025, the Board of Directors resolved to conduct a private placement of common shares through a cash capital increase. Each share will have a par value of NT\$10, with the number of shares to be issued not exceeding 10 million. This proposal will be submitted for approval at the shareholders' meeting.
- (2) The Group has a good record of dealings with the existing financial institutions, and all financing loan limits have been provided with reasonable guarantees. It is estimated by reference to the history of financing and renewal in previous years, all financing loan contracts can be renewed with new terms before expiration to extend the original financing limits.
- (3) The Group has the undertaking from major shareholders for continuous financial support to the Group, whereby they agree to assist the Group to continue operating and repay debts if necessary.
- (4) The Company will continue to actively examine all of its assets and resources on hand, and revitalize the assets to maximize the benefits and value created for the Company under market assessment. It is expected that this will effectively improve the Company's financial position.

## (II) Capital management

The capital management goal of the Group is to ensure the Group's continuing operation, maintain the best capital structure to reduce the capital costs, and provide returns to shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issuance of new shares, or sell assets to lower the debts.

## (III) Financial instruments

### 1. Categories of financial instruments

|   | 2025/3/31           | 2024/12/31          | 2024/3/31           |
|---|---------------------|---------------------|---------------------|
| <u>financial assets</u>                       |                     |                     |                     |
| Fair value through other comprehensive income | \$ 47,975           | \$ 47,975           | \$ 45,862           |
| Measured at amortized cost                    | 463,993             | 279,168             | 332,844             |
|   | <u>\$ 511,968</u>   | <u>\$ 327,143</u>   | <u>\$ 378,706</u>   |
| <u>financial liabilities</u>                  |                     |                     |                     |
| Measured at amortized cost                    | <u>\$ 1,226,152</u> | <u>\$ 1,307,283</u> | <u>\$ 1,449,227</u> |

Note: Financial assets measured at amortized cost include cash, notes and accounts receivable, other receivables, and other current assets; financial liabilities measured at amortized cost include short-term borrowings, notes and accounts payable, and other payables, long-term loans (including those due within one year), corporate bonds payable, and other non-current liabilities.

### 2. Risk management policy

- (1) The Group's daily operations are subjected to various financial risks,

including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictable matters in financial markets and seeks to mitigate the potential adverse effects on the Group's financial position and financial performance.

- (2) The Group's Finance Department manages risks as per any policy approved by the Board of Directors. The Group's Finance Department is responsible for identifying, evaluating and avoiding financial risks through close collaboration with various operating units within the Group. The Board has written principles for overall risk management, and also provides written policies for specific extent and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of remaining current capital.

### 3. Nature and extent of material financial risks

#### (1) Market risk

##### Foreign currency risk

- A. The Group is a multinational company that is subject to exchange rate risk arising from transactions where the functional currency of exchanges is different from that of the Company and its subsidiaries, which are mainly denominated in USD and VND. The related exchange risks come from the commercial transactions in the future and the recognized assets and liabilities.
- B. The Group's management has made a policy for each entity within the Group to manage exchange rate risk relative to its functional currency. Each entity shall hedge its overall exchange rate risk via the Group's Finance Department. The measurement of the exchange rate risk is through the expected transactions very likely to generate USD and VND expenditures, and the forward exchange contracts are adopted to reduce the impact from the exchange rate fluctuation on the expected costs to purchase inventories.
- C. The Group's business involves several non-functional currencies (the functional currency is NTD for the Company and USD and/or VND for some subsidiaries), which is subject to exchange rate fluctuations. Foreign currency assets and liabilities subjected to material exchange rate fluctuations are summarized as below:

|                            |                         | 2025/3/31<br>Exchange<br>Rate |        | Book Value<br>(NT) |
|----------------------------|-------------------------|-------------------------------|--------|--------------------|
| <u>Foreign Currency:</u>   | <u>Foreign Currency</u> |                               |        |                    |
| <u>Functional Currency</u> |                         |                               |        |                    |
| <u>Financial assets</u>    |                         |                               |        |                    |
| <u>monetary item</u>       |                         |                               |        |                    |
| USD : NTD                  | \$                      | 7,978                         | 33.100 | \$ 264,072         |

|                              |                  |               |                 |
|------------------------------|------------------|---------------|-----------------|
| USD : VND                    | 2,656            | 25,405        | 187,208         |
| <u>Subsidiary</u>            |                  |               |                 |
| USD : NTD                    | 18,451           | 33.100        | 610,728         |
| VND : USD                    | 469,789,600      | 0.0000394     | 18,492          |
| <u>financial liabilities</u> |                  |               |                 |
| <u>monetary item</u>         |                  |               |                 |
| USD : NTD                    | 275              | 33.100        | 9,103           |
| USD : VND                    | 10,315           | 25,405        | 341,419         |
|                              | 2024/12/31       |               |                 |
|                              | Foreign Currency | Exchange Rate | Book Value (NT) |
| <u>Foreign Currency:</u>     |                  |               |                 |
| <u>Functional Currency</u>   |                  |               |                 |
| <u>Financial assets</u>      |                  |               |                 |
| <u>monetary item</u>         |                  |               |                 |
| USD : NTD                    | \$ 12,949        | 32.725        | \$ 423,756      |
| USD : VND                    | 5,702            | 25,248        | 186,603         |
| <u>Subsidiary</u>            |                  |               |                 |
| USD : NTD                    | 17,390           | 32.725        | 569,088         |
| VND : USD                    | 487,758,345      | 0.0000396     | 632,184         |
| <u>financial liabilities</u> |                  |               |                 |
| <u>monetary item</u>         |                  |               |                 |
| USD : NTD                    | 916              | 32.73         | 29,976          |
| USD : VND                    | 16,354           | 25,248        | 235,184         |
|                              | 2024/3/31        |               |                 |
|                              | Foreign Currency | Exchange Rate | Book Value (NT) |
| <u>Foreign Currency:</u>     |                  |               |                 |
| <u>Functional Currency</u>   |                  |               |                 |
| <u>Financial assets</u>      |                  |               |                 |
| <u>monetary item</u>         |                  |               |                 |
| USD : NTD                    | \$ 24,651        | 32.00         | \$ 788,832      |
| USD : VND                    | 4,736            | 24,660        | 151,567         |
| <u>Subsidiary</u>            |                  |               |                 |
| USD : NTD                    | 5,530            | 32.00         | 176,960         |
| VND : USD                    | 183,003,060      | 0.0000406     | 237,465         |
| <u>financial liabilities</u> |                  |               |                 |
| <u>monetary item</u>         |                  |               |                 |
| USD : NTD                    | 305              | 32.00         | 9,760           |
| USD : VND                    | 28,256           | 24,660        | 904,705         |

For the sensitivity analysis of the foreign currency exchange rate risk, the calculation mainly focused on the monetary items of foreign currency at the ending date of the financial reporting period. When NTD appreciates or

depreciates by 1% against other currencies, the Group's net loss after tax in the first quarter of 2025 and 2024 would be increased or decreased by \$806 and \$207 respectively.

- D. Due to the significant impact of exchange rate fluctuations, total (realized and unrealized) exchange gains (losses) on the Group's monetary items in the first quarter of 2025 and 2024 amounted to \$3,238 and \$16,238 respectively.

#### Price risk

- A. The Group's equity instruments exposed to price risk are financial assets at FVTPL and financial assets at FVOCI. To manage the price risk of the investment in equity instruments, the Group diversifies the portfolio, based on the limits set by the Group.
- B. The Group primarily invests in equity instruments that are TWSE/TPEX-listed or not listed. The prices of these equity instruments are affected by their uncertain future values. If the prices of these equity instruments rose or fell by 1%, with all other factors unchanged, there would be no significant impact on the Group's net profit in the first quarter of 2025 and 2024 due to gains or losses on equity instruments measured at fair value.

#### Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises from bank loans. The borrowings issued at the floating interest rates cause the Group to sustain the interest rate risk for the cash flow; partial risk are offset by the held cash and cash equivalents at the floating rate. In the first quarter of 2025 and 2024, the Group's borrowings at floating rates were denominated in NTD, USD, and VND.
- B. The Group simulates multiple programs and analyzes interest rate risk, including considering refinancing, renewal of existing positions, other available financing and hedging, to calculate the impact of changes in specific interest rates on profit or loss. For each simulation programs, all currencies adopts the same interest rate change. Such simulation programs are only applied to the material liability position accruing interests.
- C. According to the simulation results, a 0.5% change in the interest rate would increase the net income before tax in the first quarter of 2025 and 2024 by NT\$1,570 and NT\$3,504 respectively.

#### (2) Credit risk

- A. The Group's credit risk is the risk of financial losses incurred to the Group after the counterparty of the customer's financial instruments fail to fulfill its contractual obligations, mainly from the reasonable cash flows of accounts receivable the counterparty is unable to pay off according to the payment terms.
- B. The Group manages credit risk from a group perspective. For the banks and financial institutions to establish a business relationship, only these banks with good credit and the financial institutions with an investment grade or higher are accepted as the counterparties of transactions. Pursuant to the specified internal crediting policy, each operating entity within the Group shall conduct the management and credit risk analysis for any new customer before determining the terms and conditions for payment and delivery. The internal risk control is to assess the credit quality of a customer by taking its financial position, experience, and other factors into account. The limit

of an individual risk is established by the Board based on the internal or external credit ratings, and the use of the credit limit is monitored regularly.

- C. When the contract payments are more than 90 days past due according to the agreed payment terms, it is deemed that the credit risk on the financial assets has increased significantly since original recognition; when the contract payments are 181 days past due according to the agreed payment terms, it is deemed that a default has occurred.

The aging analysis of the accounts receivable is as below :

|                | 2025/3/31         | 2024/12/31        | 2024/3/31        |
|----------------|-------------------|-------------------|------------------|
| not overdue    | \$ 114,292        | \$ 96,125         | \$ 60,316        |
| within 90 days | 47,482            | 52,432            | 3,495            |
| 91 ~ 180 days  | 14,729            | 1,869             | 1,040            |
| over 181 days  | 6,309             | 4,900             | 8,151            |
|                | <u>\$ 182,812</u> | <u>\$ 155,326</u> | <u>\$ 73,002</u> |

The above is the age analysis based on the overdue days.

- D. The indicators used by the Group to determine if debt instrument investments are credit-impaired are summarized as follows:

- (A) The issuer is suffering serious financial difficulty, or it is increasingly probable that the issuer will go into bankruptcy or other financial restructuring;
- (B) The issuer has the active market for the financial assets disappearing due to its financial difficulty;
- (C) The issuer delays the repayment of, or fails to repay, the interest or principal;
- (D) Adverse changes in national or regional economic conditions resulting in a default by the issuer.

- E. After the recourse procedure, the Group will write off the amount of financial assets that cannot be reasonably expected to be recovered; provided that, the Group will continue to proceed with the legal recourse procedure to preserve the rights of the claims. As of March 31, 2025、December 31, 2024 and March 31, 2024, the Group's claims that were written off and still had recourse activities amounted to both are \$15,087,

- F. The Group has adopted a simplified approach to estimate the expected credit losses based on the provision matrix of rolling rates, and adjusts the loss rate established according to the historical and current information for a specific period for future-looking considerations to estimate notes and accounts receivable. The provision matrix using rolling rates as of March 31, 2025、December 31, 2024 and March 31, 2024 is presented as follows:

|                    | not<br>overdue  | within<br>90 days | 91 ~ 180<br>days | over 181<br>days | Total            |
|--------------------|-----------------|-------------------|------------------|------------------|------------------|
| <u>2025/3/31</u>   |                 |                   |                  |                  |                  |
| Rate               | 2.04%           | 5.23%             | 52.07%           | 100.00%          |                  |
| Account Receivable | \$ 114,292      | \$ 47,482         | \$ 14,729        | \$ 6,309         | \$ 182,812       |
| Allowance          | <u>\$ 2,335</u> | <u>\$ 2,485</u>   | <u>\$ 7,670</u>  | <u>\$ 6,309</u>  | <u>\$ 18,799</u> |
| <u>2024/12/31</u>  |                 |                   |                  |                  |                  |
| Rate               | 1.87%           | 4.92%             | 48.90%           | 100.00%          |                  |
| Account Receivable | \$ 96,125       | \$ 52,432         | \$ 1,869         | \$ 4,900         | \$ 155,326       |
| Allowance          | <u>\$ 1,798</u> | <u>\$ 2,580</u>   | <u>\$ 914</u>    | <u>\$ 4,900</u>  | <u>\$ 10,192</u> |
| <u>2024/3/31</u>   |                 |                   |                  |                  |                  |



|                    |           |          |          |          |           |
|--------------------|-----------|----------|----------|----------|-----------|
| Rate               | 1.86%     | 4.89%    | 48.75%   | 100.00%  |           |
| Account Receivable | \$ 60,316 | \$ 3,495 | \$ 1,040 | \$ 8,151 | \$ 73,002 |
| Allowance          | \$ 1,122  | \$ 171   | \$ 507   | \$ 8,151 | \$ 9,951  |

G.The Group's simplified statement of changes in the loss allowance on notes and accounts receivable is presented as follows :

|                 | Account Receivable |          | Other receivables |      |
|-----------------|--------------------|----------|-------------------|------|
|                 | 2025               | 2024     | 2025              | 2024 |
| 1/1             | \$ 10,192          | \$ 9,978 | \$ 9,819          | \$ - |
| Turn around     | 10,403             | ( 192 )  | 130               | -    |
| Exchange effect | ( 1,796 )          | 165      | -                 | -    |
| 3/31            | \$ 18,799          | \$ 9,951 | \$ 9,949          | \$ - |

### (3) Liquidity risk

- A. Cash flows are forecast by each operating entity within the Group and summarized by the Group's Finance Department. The Finance Department of the Group monitors the forecasts of the liquidity of the Group, and ensures sufficient capitals to fund the operating requirements, and to maintain enough undrawn limit of the borrowing commitments all the time, so that the Group is free from any violation of related borrowing limit or terms. Such forecasts considers the Group's debt and financing plants, compliance of debt terms, the financial ratio target determined internally, and the external supervisory regulatory requirements.
- B. The surplus cash held by each operating entity will be transferred back to the Group's Finance Department if it is greater than required for the management of working capital. The Finance Department of the Group invests the remaining capital in the demand deposit with interests, time-deposit, money deposit, and marketable securities; the instruments selected have due maturities or sufficient liquidity to respond to the aforesaid forecast and provide the sufficient funding level for deployment, and are expected to generate cash flow instantly, to manage the liquidity risk.
- C. The Group's non-derivative financial liabilities, and derivative financial liabilities delivered on a net or gross amount basis, are grouped according to their relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the agreed maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date.

As of March 31, 2025、December 31,2024 and March 31,2024, the Group's non-derivative financial liabilities included short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including those due within a year), corporate bonds payable, and lease liabilities. Except for long-term borrowings, corporate bonds payable, and lease liabilities, all financial liabilities were mature in days less than one year.

The following table discloses the undiscounted contractual cash flow

amounts of corporate bonds payable, long-term borrowings (including calculated interest payable and long-term borrowings due within one year), long-term borrowings payable to related parties and lease liabilities:

|                 | Within 1 Year | 1 ~ 2 Year | 2 ~ 5 Year | Total      |
|-----------------|---------------|------------|------------|------------|
| 2025/3/31       |               |            |            |            |
| Long term loan  | \$ 222,647    | \$ 79,999  | \$ 149,285 | \$ 451,931 |
| 2024/12/31      |               |            |            |            |
| Long term loan  | \$ 250,491    | \$ 39,161  | \$ 164,018 | \$ 453,670 |
| 2024/3/31       |               |            |            |            |
| Corporate bonds | \$ 30,355     | \$ -       | \$ -       | \$ 30,355  |
| Long term loan  | \$ 57,368     | \$ 58,845  | \$ -       | \$ 116,213 |
|                 | \$ 87,723     | \$ 58,845  | \$ -       | \$ 146,568 |

D. The Group does not expect that the timing of cash flows analyzed at the maturity date will be significantly earlier, or the actual amount will be significantly different.

#### (IV) Information on fair value

1. For the fair value of the Group's financial assets and financial liabilities not measured at fair value, see Note 12(3)1.

2. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Active markets are ones where asset and liability transactions take place with sufficient frequency and volume for pricing information to be provided on the ongoing basis. The fair values of the Group's investments in the TWSE/TPex listed shares belong to this level.

Level 2: The direct or indirect observable inputs of the assets or liabilities; but these included in the quotations of Level 1 are excluded.

Level 3: The unobservable inputs of assets or liabilities. The fair values of the Group's investments in equity instruments without any active market at this level.

3. The Group classifies the financial and non-financial instruments measured at fair value based on the nature, characteristics, and risk of the assets and liabilities, and fair value levels, as detailed below:

As of March 31, 2025、December 31, 2024 and March 31, 2024, financial instruments at Level 3 valuation were \$47,975、\$47,975 and \$45,862 respectively. °

4. The approaches and assumptions adopted by the Group to measure fair values are stated as below:

(1) If the Group adopts a market quotation as an input to fair value measurement (i.e. Level 1), the characteristics of the instruments are presented as follows:

| Market quotation | Open Market Stock<br>stock closing price |
|------------------|--|
|------------------|--|

- (2) Financial instruments other than the said financial instruments with active markets are measured at fair value through valuation techniques or by reference to quotations from counterparties. The fair values obtained with the valuation techniques may refer to the current fair values of the financial instruments with substantially similar conditions or characteristics, or with other valuation techniques, including the calculation of the obtainable market information at the consolidated balance sheet date with a model.
  - (3) Derivative financial instruments are measured based on valuation models widely accepted by market users, such as the discount method and the option pricing model. The forward foreign exchange contracts usually adopt the current valuation of the forward exchange rates.
  - (4) The output of a valuation model is the estimated value, and valuation techniques may not reflect all the factors related to the financial instruments and non-financial instruments held by the Group. Therefore, the forecasted value of the valuation model may be adjusted properly based on additional parameters, such as the model risks or the liquidity risk. Based on the Group's management policy and control procedures for the fair value valuation model, the management believes to fairly present the fair values of the financial and non-financial instruments in the consolidated balance sheet, the valuation adjustment is properly and necessary. The price information and parameters used during the valuation process are prudentially evaluated, and properly adjusted based on the current market conditions.
  - (5) The Group incorporates credit risk valuation into the calculation of the fair value of financial instruments and non-financial instruments to reflect the counterparty's credit risk and the Group's credit quality.
5. In the first quarter of 2025 and 2024, there was no transfer between Level 1 and Level 2.
- 6.Changes in Level 3 in the first quarter of 2025 and 2024 are presented below:

|           | Equity Securities |           |
|-----------|-------------------|-----------|
|           | 2025              | 2024      |
| 1/1(3/31) | \$ 47,975         | \$ 45,862 |

7. In the first quarter of 2025 and 2024, there was no transfer in and out of Level 3.
- 8.For Level 3 fair value measurement, the Group has its Finance Department and independent valuation experts responsible for the independent fair value verification of financial instruments, making the valuation results close to the market status using independent source data, and regularly reviewing to ensure reasonable valuation results.

Additionally, the Finance Department prescribes the valuation policies for the fair value of financial instrument, the valuation procedures, and the confirms the compliance with the requirements of the IFRSs.

- 9.The quantitative information on material unobservable inputs used in the valuation model adopted for Level 3 fair value measurement items and the sensitivity analysis of changes in material unobservable inputs are presented as below:

|                                      | 2025/3/31<br>fair Value  | Model   | Significant<br>unobservable<br>input        | Weighted<br>average | Input quality and<br>fair value<br>relationship                                       |
|--------------------------------------|--------------------------|---------|---|---------------------|---|
| non-derivative equity<br>instruments |                          |         |   |                     |   |
| Non-Open<br>market<br>company        | \$ 47,975                | analogy | Price-to-book<br>ratio                      | 1.49                | The higher the<br>share price to<br>fair value ratio,<br>the higher the<br>fair value |
|                                      |                          |         | Market<br>capitalization base<br>debt ratio | 0.21                | The lower the<br>market value<br>basis debt<br>ratio, the<br>higher the fair<br>value |
|                                      |                          |         | liquidity discount                          | 30.00%              | The higher the<br>liquidity<br>discount, the<br>lower the fair<br>value               |
|                                      | 2024/12/31<br>fair Value | Model   | Significant<br>unobservable<br>input        | Weighted<br>average | Input quality and<br>fair value<br>relationship                                       |
| non-derivative equity<br>instruments |                          |         |   |                     |   |
| Non-Open<br>market<br>company        | \$ 47,975                | analogy | Price-to-book<br>ratio                      | 2.24                | The higher the<br>share price to<br>fair value ratio,<br>the higher the<br>fair value |
|                                      |                          |         | Market<br>capitalization<br>base debt ratio | 0.23                | The lower the<br>market value<br>basis debt<br>ratio, the<br>higher the fair<br>value |
|                                      |                          |         | liquidity discount                          | 30%                 | The higher the<br>liquidity<br>discount, the<br>lower the fair<br>value               |
|                                      | 2024/3/31<br>fair Value  | Model   | Significant<br>unobservable<br>input        | Weighted<br>average | Input quality and<br>fair value<br>relationship                                       |
| non-derivative equity<br>instruments |                          |         |   |                     |   |
| Non-Open<br>market<br>company        | \$ 45,862                | analogy | Price-to-book ratio                         | 2.01                | The higher the<br>share price to<br>fair value ratio,<br>the higher the<br>fair value |

| 2025/3/31<br>fair Value | Model | Significant<br>unobservable<br>input     | Weighted<br>average | Input quality and<br>fair value<br>relationship                                       |
|-------------------------|-------|--|---------------------|---|
|                         |       | Market capitalization<br>base debt ratio | 0.15                | The lower the<br>market value<br>basis debt<br>ratio, the<br>higher the fair<br>value |
|                         |       | liquidity discount                       | 30%                 | The higher the<br>liquidity<br>discount, the<br>lower the fair<br>value               |

10. The Group has adopted a valuation model and parameters with prudential assessment and selection; provided, using different valuation models and parameters may result in different valuation results. For the financial assets and liabilities classified as Level 3, if the valuation parameters change, the impacts on the profit and loss or other comprehensive income of the current period are as below:

| Financial<br>Assets   | Input                                    | Change | 2025/3/31<br>recognized in other comprehensive<br>income  |             |
|-----------------------|--|--------|---|-------------|
|                       |  |        | favorable   | unfavorable |
| equity<br>instruments | Price-to-book ratio                      | ± 1%   | \$ 357 (  | \$ 357 )    |
|                       | Market capitalization base<br>debt ratio | ± 1%   | 98 (  | 98 )        |
|                       | liquidity discount                       | ± 1%   | 71 (  | 71 )        |
| Financial<br>Assets   | Input                                    | Change | 2024/12/31<br>recognized in other comprehensive<br>income |             |
|                       |  |        | favorable   | unfavorable |
| equity<br>instruments | Price-to-book ratio                      | ± 1%   | \$ 536 (  | \$ 536 )    |
|                       | Market capitalization base<br>debt ratio | ± 1%   | 110 (   | 110 )       |
|                       | liquidity discount                       | ± 1%   | 71 (  | 71 )        |
| Financial<br>Assets   | Input                                    | Change | 2024/3/31<br>recognized in other comprehensive<br>income  |             |
|                       |  |        | favorable   | unfavorable |
| equity<br>instruments | Price-to-book ratio                      | ± 1%   | \$ 459 (  | \$ 459 )    |
|                       | Market capitalization base<br>debt ratio | ± 1%   | 69 (  | 69 )        |
|                       | liquidity discount                       | ± 1%   | 68 (  | 68 )        |

### XIII Other Disclosures

For the disclosures of investees, some of them are prepared based on the

financial statements self-prepared and audited by the CPAs. The following transactions among the Company and subsidiaries are offset when preparing the consolidated statements, and the following disclosures are for reference only.

(I) Information on Significant Transactions

1. Loans to others: See Appendix 1.
2. Endorsements/guarantees provided: See Appendix 2.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and jointly controlled entities): See Appendix 3.
4. Purchases or sales of goods from and to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: none.
5. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Appendix 4.
6. Business relations between the parent company and its subsidiaries, and the status and amount of important transactions: See Appendix 5.

(II) Information on Investees

The name and location of investees and other relevant information (excluding investees located in mainland): See Appendix 6.

(III) Information on Investment in Mainland China

1. Basic information: See Appendix 7.
2. Significant transactions with investees in Mainland China, either directly or indirectly through a third area: none.

XIV. Information of Operating Segments

(I) General information

The Group has two reportable segments, namely the yarn segment and fabric segment. The reportable segment are the strategic business units, to provide different products and services. Since each strategic business unit requires different technologies and marketing strategies, they need to be managed separately.

The Group deems the sales and transfer between the segments as the transactions with third parties, and complies with the arm's length principle. The profit and loss of segment is the balance of the segment revenue deducting the segment costs, operating costs and capital costs used. Segment costs, operating expenses, and borrowing costs are costs, operating expenses, and interest expenses related to revenue from the product department; however, segment costs, operating expenses, and interest expenses do not include losses to the Company unrelated to the segments.

The information of each operating segment is prepared based on the Group's accounting policies. The operating decision makers mainly take the revenues and income before tax of each operating segment as the indicators to assess the performance and resource allocation.

(II) Information of reportable segment

The information of reportable segments provided to the chief operating decision makers is as below:

| 2025/1/1-3/31               |              |            |            |            |
|-----------------------------|--------------|------------|------------|------------|
|                             | Yarn         | Fabric     | Adjustment | Total      |
| Revenue                     |              |            |            |            |
| From Outside                | \$ 96,929    | \$ 296,583 | \$ -       | \$ 393,512 |
| Total Revenue               | \$ 96,929    | \$ 296,583 | \$ -       | \$ 393,512 |
| Departmental profit or loss | ( \$ 4,378 ) | \$ 44,156  | \$ -       | \$ 39,778  |
| Including                   |              |            |            |            |
| Depreciation amortization   | \$ 18,861    | \$ 2,472   | \$ -       | \$ 21,333  |
| Interest income             | \$ 162       | \$ 498     | \$ -       | \$ 660     |
| Interest expenditure        | \$ 2,250     | \$ 6,895   | \$ -       | \$ 9,145   |

  

| 2024/1/1-3/31               |               |              |            |               |
|-----------------------------|---------------|--------------|------------|---------------|
|                             | Yarn          | Fabric       | Adjustment | Total         |
| Revenue                     |               |              |            |               |
| From Outside                | \$ 100,414    | \$ 126,066   | \$ -       | \$ 226,480    |
| Total Revenue               | \$ 100,414    | \$ 126,066   | \$ -       | \$ 226,480    |
| Departmental profit or loss | ( \$ 28,657 ) | ( \$ 5,394 ) | \$ -       | ( \$ 34,051 ) |
| Including                   |               |              |            |               |
| Depreciation amortization   | \$ 20,317     | \$ 3,728     | \$ -       | \$ 24,045     |
| Interest income             | \$ 344        | \$ 432       | \$ -       | \$ 776        |
| Interest expenditure        | \$ 4,895      | \$ 6,145     | \$ -       | \$ 11,040     |

Note: The measured amounts of the Group's assets are not the indicator used by the operating decision-maker. Therefore, the measured amount of the Group's assets should be disclosed as zero.

(III) Reconciliation information of departmental profits and losses

The reportable departmental income and pre-tax profits and losses for this period are consistent with those of continuing operations.

Tah Tong Textile Co., Ltd. and subsidiaries  
Financing provided to others  
January 1, 2025 to March 31, 2025

Appendix 1

| No.<br>(Note 1) | Lender                     | Borrower                              | Item              | Related party or not | Maximum amount for the year | Ending balance (Amount) | Amount actually drawn | Range of interest rates | Nature of loan       | Transaction amount | Cause for Short-term Financing                                | Provision for losses | Collateral           |        | Limits on lending (except for specified otherwise) |                       | Remarks    |
|-----------------|----------------------------|---------------------------------------|-------------------|----------------------|-----------------------------|-------------------------|-----------------------|-------------------------|----------------------|--------------------|---|----------------------|----------------------|--------|--|-----------------------|------------|
|                 |                            |                                       |                   |                      |                             |                         |                       |                         |                      |                    |   |                      | Name                 | Value  | to individual borrowers                            | Limits on total loans |            |
| 0               | Tah Tong Textile Co., Ltd. | TAH TONG TEXTILE (VIETNAM) CO., LTD.  | Other receivables | Y                    | \$ 98,460                   | \$ 66,200               | \$ 66,200             | 3.1995%~3.5168%         | Transaction          | \$ 185,326         | Not applicable.   | \$ -                 | -                    | -      | \$ 185,326   | \$ 185,326            | Note 2 ~ 5 |
| 0               | Tah Tong Textile Co., Ltd. | InnoPeak Advanced Materials Co., Ltd. | Other receivables | Y                    | 14,700                      | 14,700                  | 14,700                | 3.5958%                 | Short-term Financing | -                  | used for the subsidiary's operation and purchase of materials | -                    | mechanical equipment | 22,183 | 238,748  | 238,748               | Note 3 ~ 5 |
| 1               | GLOUCESTER CO., LTD.       | TAH TONG TEXTILE (VIETNAM) CO., LTD.  | Other receivables | Y                    | 32,820                      | -                       | -                     | -                       | Short-term Financing | -                  | used for the subsidiary's operation and purchase of materials | -                    | -                    | -      | 596,871  | 596,871               | Note 4     |

Note 1: Numbers given in Column No. are defined as follows:

- (1) 0 represents the Issuer.  
(2) Invested companies are numbered sequentially starting from 1.

Note 2: The total amount of loans made to a company or firm with whom the Company does business with shall not exceed the Company's net worth, and an individual loan shall be limited to the amount of the transaction conducted between them.

Note 3: The total or individual amount of short-term financing provided by the Company shall be capped at 40% of the Company's net worth.

Note 4: Gloucester : The company's parent company's foreign subsidiaries that directly and indirectly hold 100% of the voting shares are engaged in fund lending with the company. The total amount and individual limits of short-term financing are limited to no more than 100% of the company's net worth. The financing period is One year (and may be extended twice for another year).

Note 5: Amount does not include interest payable.



Tah Tong Textile Co., Ltd. and subsidiaries  
Endorsements/guarantees provided  
January 1, 2025 to March 31, 2025

Appendix 2

Appendix 2

|                 |                            |                                      |                          |    |  |  |   |                          |  |   |   |  |  |  | Unit: NT\$ thousand<br>(except for specified otherwise) |   |   |   |  |
|-----------------|----------------------------|--------------------------------------|--------------------------|----|--|--|---|--------------------------|--|---|---|--|--|--|---|---|---|---|--|
| No.<br>(Note 1) | Guarantor                  | Name of the Company                  | Principal                |    | Limits on the<br>endorsement/guarantee<br>to a principal<br>(Note 3) | Maximum balance<br>of the<br>endorsement/guarantee<br>for the year | Ending balance of<br>the<br>endorsement/guarantee | Amount actually<br>drawn | Amount of the<br>endorsement/guarantee<br>secured<br>by property | Accumulated<br>endorsement/guarantee<br>amount as a percentage of<br>net worth in the latest<br>financial statements<br>(%) | Maximum<br>limits on the<br>endorsement/guarantee<br>(Note 3) | Endorsement/guarantee<br>provided by the parent<br>company to a subsidiary | Endorsement/guarantee<br>provided by a subsidiary to<br>the parent company | Endorsement/guarantee<br>provided to a subsidiary in<br>Mainland China | Remarks   |   |   |   |  |
|                 |                            |                                      | Relationship<br>(Note 2) |    |  |  |   |                          |  |   |   |  |  |  |   |   |   |   |  |
| 0               | Tah Tong Textile Co., Ltd. | TAH TONG TEXTILE (VIETNAM) CO., LTD. | 2                        | \$ | 1,193,742  | \$   | 307,830   | \$                       | 307,830  | \$  | 268,339   | \$   | -  | 51.57%   | 1,193,742   | Y | N | N |  |
| 0               | Tah Tong Textile Co., Ltd. | GLOUCESTER CO., LTD.                 | 2                        |    | 1,193,742  |  | 39,384  |                          | -  |   | -   |  | -  | -  | 1,193,742   | Y | N | N |  |

Note 1: Numbers given in Column No. are defined as follows:

(1) 0 represents the Issuer

(2) Invested companies are numbered sequentially starting from 1.

Note 2: The relationship between the Guarantor and the Principal may be either of the following two:

(1) A subsidiary in which the Company directly holds more than 50% ordinary shares.

(2) An invested company in which the Company and its subsidiary together hold more than 50% ordinary shares.

Note 3: The amount of the endorsement/guarantee provided to a company shall be limited to 50% of the Company's net worth for the year. However, for a subsidiary with 100% of voting rights held directly or indirectly by the Company, it shall be limited to 200% of the Company's net worth. The net worth is contained in the financial statements as audited or verified by CPAs. The amount of the endorsement/guarantee necessary for a transaction to a principal shall be limited to the amount of the transaction. The amount of the transaction is the total amount of purchases, sales and other dealings between two parties, as calculated for the latest year. The total liability of external endorsements/guarantees provided by the Company and its subsidiaries shall be limited to 200% of the Company's current net worth.

Tah Tong Textile Co., Ltd. and subsidiaries  
Marketable securities held as of the end of the year (excluding investments in subsidiaries, associates and jointly controlled entities)  
March 31, 2025

Appendix 3

| Holder                     | Type of securities | Name of securities  | Relationship with Issuer                    | Item<br>(Note 1) | Ending        |                 | Shareholding<br>percentage<br>(%) | Unit: NT\$ thousand<br>(except for specified otherwise) |  | Remarks |
|----------------------------|--------------------|---------------------|---|------------------|---------------|-----------------|-----------------------------------|---|--|---------|
|                            |                    |                     |   |                  | No. of shares | Carrying amount |                                   | Fair value  |  |         |
| Tah Tong Textile Co., Ltd. | Ordinary shares    | KINGTEX CORPORATION | The Company is a director of<br>the company | 1                | 171,095       | 47,549          | 13.58                             | 47,549  |  |         |
| Tah Tong Textile Co., Ltd. | Ordinary shares    | Ubu Corporapion     | None  | 1                | 58,979        | 426             | 8.58                              | 426   |  |         |

Note 1: Item code: 1 - Financial assets at fair value through other comprehensive income - non-current

Tah Tong Textile Co., Ltd. and subsidiaries  
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital.  
 March 31, 2025

Appendix 4

|                            |                                      |              | Unit: NT\$ thousand<br>(except for specified otherwise) |          |  |                   |                                  |                         |   |
|----------------------------|--------------------------------------|--------------|---|----------|--|-------------------|----------------------------------|-------------------------|---|
| Payee                      | Counterparty                         | Relationship | Balance of receivables from<br>related parties          | Turnover | Overdue receivables from related parties<br>Amount | Solution          | Amount subsequently<br>recovered | Provision for bad debts |   |
| Tah Tong Textile Co., Ltd. | TAH TONG TEXTILE (VIETNAM) CO., LTD. | Subsidiary   | \$ 207,160  | -        | \$ 137,117   | Active collection | \$ -                             | \$ -                    | - |

Note: Receivables from related parties include accounts receivable and other receivables

Tah Tong Textile Co., Ltd. and subsidiaries  
Significant transactions between the Company and its subsidiaries  
January 1, 2025 to March 31, 2025

Appendix 5

Unit: NT\$ thousand  
(except for specified otherwise)

| No.<br>(Note 1) | Trader                     | Counterparty                         | Relationship with the Trader<br>(Note 2) | Trading details<br>(Note 3)                  |            |               | As a percentage of consolidated<br>total revenue or total assets |
|-----------------|----------------------------|--------------------------------------|--|--|------------|---------------|--|
|                 |                            |                                      |  | Item   | Amount     | Trading terms |  |
| 0               | Tah Tong Textile Co., Ltd. | TAH TONG TEXTILE (VIETNAM) CO., LTD. | 1  | Receivables from related<br>parties (Note 5) | \$ 207,160 | (Note 6)      | 11   |

Note 1: Transactions between the parent company and its subsidiaries shall be indicated respectively in column No. Numbers so given are defined as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered sequentially starting from 1.

Note 2: The relationship with the trader may be one of the following three:

1. Represents the transaction of the parent company to its subsidiary.
2. Represents the transaction of the subsidiary and its parent company.
3. Represents the transaction between subsidiaries.

Note 3: The amount of purchases, sales, and receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital shall be disclosed for transactions between the parent company and its subsidiaries. Note 4: See Appendix 1 for loans between the Company and its subsidiaries.

Note 5: Receivables from related parties include accounts receivable and other receivables.

Note 6: Commodities are sold at the agreed price, payable on a monthly basis with 9 months on account. Other receivables are adjusted as needed for the working capital. Note 7: The transaction price is the same as that of a general customer, payable on a monthly basis with 120 days on account.

Tah Tong Textile Co., Ltd. and subsidiaries  
Names and locations of investees (investees in Mainland China excluded)  
January 1, 2025 to March 31, 2025

Appendix 6

| Unit: NT\$ thousand<br>(except for specified otherwise) |  |                        |   |                           |                  |                             |           |                 |                                |   |                    |
|---|--|------------------------|---|---------------------------|------------------|-----------------------------|-----------|-----------------|--------------------------------|---|--------------------|
| Investor  | Investee                               | Location               | Main business activities  | Initial investment amount |                  | Held at the end of the year |           |                 | Profit or loss of the investee | Share of the profit or loss of the investee recognized for the year | Remarks            |
|   |  |                        |   | Ending                    | End of last year | No. of shares               | Ratio (%) | Carrying amount |                                |   |                    |
| Tah Tong Textile Co., Ltd.                              | Great Bell Printing & Dyeing Co., Ltd. | Taiwan                 | Printing, dyeing, finishing, processing and sales of textiles   | \$ 133,280                | \$ 81,486        | 7,097,674                   | 17.74     | \$ 227,990      | (\$ 35,174)                    | (\$ 6,386)  | Affiliate (Note 1) |
| Tah Tong Textile Co., Ltd.                              | GLOUCESTER CO., LTD.                   | Samoa Islands          | General investment  | 2,091,174                 | 2,091,174        | 67,455,000                  | 100.00    | 606,358         | 43,467                         | 43,467  | Subsidiary         |
| Tah Tong Textile Co., Ltd.                              | InnoPeak Advanced Materials Co., Ltd.  | Taiwan                 | Production, sales, and trading of plastic of compound materials, woven fabrics, and woven panels                      | 90,000                    | 90,000           | 6,000,000                   | 36.09     | 12,550          | ( 9,181)                       | ( 3,313)  | Affiliate (Note 2) |
| GLOUCESTER CO., LTD.                                    | DAYSTAR LIMITED                        | Mauritius              | General investment  | 90,405                    | 90,405           | 3,000,000                   | 100.00    | 4,196           | ( 286)                         | ( 286)  | Subsidiary         |
| GLOUCESTER CO., LTD.                                    | ROSEGATE HOLDING CORP.                 | British Virgin Islands | General investment  | 1,844,004                 | 1,844,004        | 59,000,000                  | 100.00    | 602,564         | ( 25,608)                      | ( 25,608)   | Subsidiary         |
| ROSEGATE HOLDING CORP.                                  | TAH TONG TEXTILE (VIETNAM) CO., LTD.   | Vietnam                | Production, sales, and trading of natural yarn, artificial yarn, woven fabrics, industrial fabrics, and other fabrics | 1,844,004                 | 1,844,004        | 59,000,000                  | 100.00    | 603,132         | ( 25,608)                      | ( 25,608)   | Subsidiary         |

Note 1: On October 30, 2024, the Board of Directors of Great bell printing & dyeing co., ltd. resolved to conduct a cash capital increase by issuing 30 million common shares, with a par value of NT\$10 per share. The record date for the capital increase is February 5, 2025. As the Group did not subscribe to the new shares in proportion to its original shareholding, its ownership interest decreased from 19.18% to 17.74%.

Note 2: On December 9, 2024, the Board of InnoPeak Co.Ltd. resolved to conduct a cash capital increase by issuing 1.625 million common shares, with a par value of NT\$10 per share. The record date for the capital increase is December 26, 2024. As the Group did not subscribe to the new shares in proportion to its original shareholding, its ownership interest decreased from 40% to 36.09%.

Tah Tong Textile Co., Ltd. and subsidiaries  
Information on Investments in Mainland China—Basic Information  
January 1, 2025 to March 31, 2025

Appendix 7

Unit: NT\$ thousand  
(except for specified otherwise)

| Investee in mainland China | Main business activities   | Paid-in capital | Form of investment | Accumulated investment amount remitted from Taiwan at the beginning of the year | Investment amount remitted or recovered for the year |              | Accumulated investment amount remitted from Taiwan at the end of the year | Profit or loss of the investee | Ownership percentage through direct or indirect investment (%) | Share of the profit or loss of the investee recognized for the year (Note 2) | Carrying amount of investment at the end of the year | Investment income repatriated for the year | Remarks |
|----------------------------|--|-----------------|--------------------|---|--|--------------|---|--------------------------------|--|--|--|--|---------|
|                            |  |                 |                    |   | Outward remittance                                   | Repatriation |   |                                |  |  |  |  |         |
| eNova Textiles Ltd.        | Wholesale of Fabrics, Wholesale of Clothing, Wholesale of Other Chemical Products, and Commodity Brokerage | \$ 99,300       | Note 1             | \$ 43,030   | \$ -   | \$ -         | \$ 43,030   | (\$ 286)                       | 100.00   | (\$ 286)   | (\$ 71,936)  | \$ -                                       | Note 4  |

| Name of the Company        | Accumulated investment amount remitted from Taiwan to mainland China at the end of the year | Investment amount approved by the Investment Commission, MOEA (Note 4) | Limits on investments in mainland China approved by the Investment Commission, MOEA (Note 3) |
|----------------------------|---|--|--|
| Tah Tong Textile Co., Ltd. | \$ 43,303   | \$ 99,300  | \$ 358,123   |

Note 1: It is the form of investing in a company in a third region and then reinvesting in a mainland company.

Note 2: The share of the profit or loss of the investee recognized for the year is based on the valuation of the financial statements audited by CPAs of the parent company in Taiwan.

Note 3: It is calculated based on 60% of the Company's net value in the consolidated financial statements.

Note 4: As approved by the Investment Commission, MOEA with its Letter Jing-Shen-2nd Letter No. 10200071150 dated March 6, 2013 and Jing-Shen-2nd Letter No. 09600385770 dated October 18, 2007, US\$1,700,000 was remitted by the Company's subsidiary Gloucester Co., Ltd., and US\$1,300,000 was remitted by the Company from Taiwan.