

**Tah Tong Textile Co., Ltd.**  
Consolidated Financial Report and  
Independent Auditors' Report  
For the Years Ended March 31, 2026 and  
2025  
(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, 2026 and 2025  
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## INDEPENDENT AUDITORS' REPORT

PWC26000137

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, 2026 and 2025, 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\$190,400 thousand and NT\$240,540 thousand as of March 31, 2026 and 2025, respectively, representing 13.84% and 12.66% of the total consolidated assets. The share of comprehensive loss recognized from these investees for the periods from January 1 to March 31, 2026 and 2025 was NT\$10,772 thousand and NT\$9,699 thousand, respectively, accounting for 28.31% and (23.8)% 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, 2026 and 2025, 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.

Hu, Chih-hua

Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

May 11, 2026

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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, 2026、December 31,2025 and March 31, 2025

Unit: NT\$ thousand

Asset	Notes	March 31,2026		December 31,2025		March 31,2025		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 52,980	4	\$ 87,728	6	\$ 286,806	15
1170	Net value of accounts receivable	6(2) and 7	136,956	10	135,172	10	164,013	9
1200	Other receivables	7	6,664	-	8,405	-	9,800	-
130X	Inventories	6(3)	284,635	21	261,617	19	341,474	18
1410	Prepayments	6(8)	74,057	5	72,096	5	60,688	3
1470	Other current assets	8	118,307	9	109,893	8	124,769	7
11XX	Total current assets		<u>673,599</u>	<u>49</u>	<u>674,911</u>	<u>48</u>	<u>987,550</u>	<u>52</u>
<b>Non-current assets</b>								
Financial assets at fair value through other comprehensive income-								
1517	non-current	6(4)	37,901	3	39,797	3	47,975	2
1550	Investment accounted for using the equity method	6(5)、7 and 8	190,400	14	201,172	15	240,540	13
1600	Property, Plant and Equipment	6(6) and 8	412,544	30	422,080	30	506,754	27
1755	Right-of-use asset	6(7)	41,953	3	41,571	3	46,123	2
1780	Intangible assets		14,120	1	14,966	1	3,257	-
1840	Deferred tax assets		2,610	-	2,610	-	39,114	2
1975	Net defined benefit assets - non-current		-	-	-	-	15,180	1
1990	Other non-current assets - others	6(8)	2,471	-	109	-	14,042	1
15XX	Total non-current assets		<u>701,999</u>	<u>51</u>	<u>722,305</u>	<u>52</u>	<u>912,985</u>	<u>48</u>
1XXX	Total assets		<u>\$ 1,375,598</u>	<u>100</u>	<u>\$ 1,397,216</u>	<u>100</u>	<u>\$ 1,900,535</u>	<u>100</u>

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Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated balance sheet  
For the Years Ended March 31, 2026、December 31,2025 and March 31, 2025

Unit: NT\$ thousand

	Liabilities and Equity	Notes	March 31,2026		December 31,2025		March 31, 2025	
			Amount	%	Amount	%	Amount	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(9) and 7	\$ 385,441	28	\$ 336,542	24	\$ 470,464	25
2150	Notes payable		2,736	-	491	-	5,899	-
2170	Accounts payable	7	207,376	15	220,997	16	262,770	14
2200	Other payables	6(11) and 7	46,475	3	53,825	4	46,517	3
2230	Income tax liability - Current		-	-	-	-	-	-
2320	Long-term liabilities due within a year or one operating cycle	6(10) and 7	38,536	3	38,296	2	213,524	11
2399	Other current liabilities - other	6(17)	7,325	1	11,645	1	4,761	-
21XX	<b>Total current liabilities</b>		<u>687,889</u>	<u>50</u>	<u>661,796</u>	<u>47</u>	<u>1,003,935</u>	<u>53</u>
	<b>Non-current liabilities</b>							
2540	Long-term borrowings	6(10) and 7	258,341	19	268,066	19	226,978	12
2570	Deferred tax liabilities		69	-	69	-	68,807	4
2600	Other non-current liabilities	7	3,709	-	3,645	1	3,944	-
25XX	<b>Total non-current liabilities</b>		<u>262,119</u>	<u>19</u>	<u>271,780</u>	<u>20</u>	<u>299,729</u>	<u>16</u>
2XXX	<b>Total Liabilities</b>		<u>950,008</u>	<u>69</u>	<u>933,576</u>	<u>67</u>	<u>1,303,664</u>	<u>69</u>
	<b>Equity attributable to owners of parent company</b>							
	Share capital	6(13)						
3110	Common share capital		717,444	52	717,444	51	717,444	38
	Capital reserve	6(14)						
3200	Capital reserve		26,394	2	26,394	2	31,777	2
	Retained earnings	6(15)						
3350	Deficit yet to be compensated		( 259,734 )	( 19 )	( 214,957 )	( 15 )	( 144,868 )	( 8 )
	Other equity	6(16)						
3400	Other equity		( 58,514 )	( 4 )	( 65,241 )	( 5 )	( 7,482 )	( 1 )
31XX	<b>Total equity attributable to owners of parent company</b>		<u>425,590</u>	<u>31</u>	<u>463,640</u>	<u>33</u>	<u>596,871</u>	<u>31</u>
36XX	<b>Non-controlling interests</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3XXX	Total equity		<u>425,590</u>	<u>31</u>	<u>463,640</u>	<u>33</u>	<u>596,871</u>	<u>31</u>
	Significant Contingent Liabilities and Unrecognized Commitments	9						
	Significant Events	11						
3X2X	<b>Total liabilities and equities</b>		<u>\$ 1,375,598</u>	<u>100</u>	<u>\$ 1,397,216</u>	<u>100</u>	<u>\$ 1,900,535</u>	<u>100</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 : Yang, Shao-Dong

Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended March 31, 2026 and 2025

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

Item	Notes	January 1 to March 31, 2026		January 1 to March 31, 2025		
		Amount	%	Amount	%	
4000	Operating revenue	6(17) and 7	\$ 289,127	100	\$ 393,512	100
5000	Operating costs	6(3)(20) and 7	( 285,026 )	( 98 )	( 355,655 )	( 91 )
5900	Gross profit		<u>4,101</u>	<u>2</u>	<u>37,847</u>	<u>9</u>
	Operating expenses	6(20)(21)				
6100	Selling expenses		( 16,289 )	( 6 )	( 15,056 )	( 4 )
6200	Administrative expenses		( 19,650 )	( 7 )	( 21,417 )	( 5 )
6300	Research and development expenses		( 945 )	-	( 980 )	( - )
6450	Expected credit impairment(loss) gains	12(3)	498	-	( 10,403 )	( 3 )
6000	Total operating expenses		<u>( 36,386 )</u>	<u>( 13 )</u>	<u>( 47,856 )</u>	<u>( 12 )</u>
6900	Operating loss		<u>( 32,285 )</u>	<u>( 11 )</u>	<u>( 10,009 )</u>	<u>( 3 )</u>
	Non-operating income and expenses					
7100	Interest revenue		671	-	660	-
7010	Other income		139	-	30	-
7020	Other gains or losses	6(18)	6,216	2	68,071	17
7050	Financial costs	6(19)	( 8,746 )	( 3 )	( 9,145 )	( 2 )
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)	<u>( 10,772 )</u>	<u>( 3 )</u>	<u>( 9,699 )</u>	<u>( 2 )</u>
7000	Total non-operating incomes and expenses		<u>( 12,492 )</u>	<u>( 4 )</u>	<u>49,787</u>	<u>13</u>
7900	<b>Net profit (loss) before tax</b>		<u>( 44,777 )</u>	<u>( 15 )</u>	<u>39,778</u>	<u>10</u>
7950	Income tax benefit	6(22)	-	-	191	-
8200	<b>Net profit (loss) for the period</b>		<u>( \$ 44,777 )</u>	<u>( 15 )</u>	<u>\$ 39,969</u>	<u>10</u>

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Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended March 31, 2026 and 2025

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

Item	Notes	January 1 to March 31,2026		January 1 to March 31,2025	
		Amount	%	Amount	%
<b>Other comprehensive profit and loss (net)</b>					
<b>Items not reclassified subsequently to profit or loss</b>					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(4)			
			( \$ 1,896 ) ( 1 )	\$	
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	-
<b>Items that may be reclassified subsequently to profit or loss</b>					
8361	Exchange differences on translation of the financial statements of foreign operations		8,623	3	960
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		8,623	3	649
8300	<b>Other comprehensive income (loss) net</b>		\$ 6,727	2	\$ 783
8500	<b>Total comprehensive income for this period</b>		( \$ 38,050 ) ( 13 )	\$ 40,752	10
Net loss attributable to:					
8610	Owners of the parent-company		( \$ 44,777 ) ( 15 )	\$ 40,470	10
8620	Non-controlling interests		-	( 501 )	-
			( \$ 44,777 ) ( 15 )	\$ 39,969	10
Total comprehensive loss attributable to:					
8710	Owners of the parent-company		( \$ 38,050 ) ( 13 )	\$ 41,253	10
8720	Non-controlling interests		-	( 501 )	-
			( \$ 38,050 ) ( 13 )	\$ 40,752	10
Earnings (loss) per share					
9750	Basic loss per share	6(23)	( \$ 0.62 )	\$	0.56
9850	Diluted earnings (loss) per share		( \$ 0.62 )	\$	0.56

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 : Yang, Shao-Dong

Tah Tong Textile Co., Ltd. and subsidiaries  
 Consolidated Statement of Changes in Equity  
 For the Years Ended March 31, 2026 and March 31, 2025

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			
<b>2025</b>										
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 loss	-	-	-	40,470	-	-	-	40,470	( 501 )	39,969
Other comprehensive income recognized for the period <sup>6(16)</sup>	-	-	-	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 <sup>6(5)</sup>	-	-	( 12,975 )	-	-	-	-	( 12,975 )	-	( 12,975 )
Decrease in non-controlling interests <sup>4(3)</sup>	-	-	-	-	-	-	-	-	( 5,667 )	( 5,667 )
Ending balance on March 31	\$ 717,444	\$ 15,508	\$ 16,269	(\$ 144,868 )	(\$ 30,537 )	\$ 22,836	\$ 219	\$ 596,871	\$ -	\$ 596,871
<b>2026</b>										
Beginning balance on January 1	\$ 717,444	\$ 15,508	\$ 10,886	(\$ 214,957 )	(\$ 76,547 )	\$ 11,087	\$ 219	\$ 463,640	\$ -	\$ 463,640
Current net profit	-	-	-	( 44,777 )	-	-	-	( 44,777 )	-	( 44,777 )
Other comprehensive income recognized for the period <sup>6(16)</sup>	-	-	-	-	8,623	( 1,896 )	-	6,727	-	6,727
Total comprehensive income for this period	-	-	-	( 44,777 )	8,623	( 1,896 )	-	( 38,050 )	-	( 38,050 )
Ending balance on March 31	\$ 717,444	\$ 15,508	\$ 10,886	(\$ 259,734 )	(\$ 67,924 )	\$ 9,191	\$ 219	\$ 425,590	\$ -	\$ 425,590

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 : Yang, Shao-Dong

Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended March 31, 2026 and March 31, 2025

Unit: NT\$ thousand

	Notes	January 1, 2026 to March 31, 2026	January 1, 2025 to March 31, 2025
<u>Cash flows from operating activities</u>			
Net profit (loss) before tax for the period		(\$ 44,777 )	\$ 39,778
Adjustments			
Income/expenses items			
Depreciation expense	6(20)	16,960	21,095
Amortization cost	6(20)	888	238
Expected credit loss (gain)	12(3)	( 498 )	10,533
Interest revenue		( 671 )	( 660 )
Gain on disposal of investments	6(18)	-	( 70,343 )
Interest expenses	6(19)	8,746	9,145
Share of the profit or loss of affiliates and joint ventures	6(5)	10,772	9,699
Unrealized exchange (gains) loss		11,007	5,934
Changes in assets/debts having to do with business			
Net changes in the assets related to the operating			
Accounts receivable		( 12,350 )	( 42,644 )
Other receivables		887	( 2,623 )
Inventories		( 23,330 )	53,870
Prepayments		( 2,061 )	8,324
Other current assets		( 8,573 )	12,997
Other non-current assets		-	( 451 )
Net changes in the liabilities related to the operating			
Notes payable		2,245	1,817
Accounts payable		( 13,790 )	100,895
Other payables		( 5,984 )	( 1,541 )
Other current liabilities		( 4,372 )	( 8,448 )
Cash inflows generated from operations		( 64,901 )	147,615
Interest received		1,523	960
Interest paid		( 8,746 )	( 9,928 )
Income paid		-	( 15,699 )
Net cash inflow (outflow) from operating activities		<u>72,124</u>	<u>122,948</u>

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Tah Tong Textile Co., Ltd. and subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended March 31, 2026 and March 31, 2025

Unit: NT\$ thousand

	Notes	January 1, 2026 to March 31, 2026	January 1, 2025 to March 31, 2025
<u>Cash flows from investing activities</u>			
Acquisition of investments accounted for using the equity method	7	\$ -	( \$ 51,794 )
Purchase of property, plant and equipment	6(24)	( 182 )	( 184 )
Proceeds from disposal of investments accounted for using the equity method	6(24)	-	72,611
		<u>3,093</u>	<u>20,633</u>
Net cash inflow (outflow) from investing activities		<u>( 3,275 )</u>	<u>20,633</u>
<u>Cash flows from financing activities</u>			
Borrow short-term borrowings		234,808	238,899
Repay short-term borrowings		( 188,890 )	( 310,967 )
Repayments of long-term borrowings		-	( 1,221 )
Borrowings from related parties		-	112,000
Repayments of loans to related parties	6(25)	( 9,485 )	( 30,000 )
Net cash inflow (Outflow) from financing activities		<u>36,433</u>	<u>8,711</u>
Effect on foreign currency exchange differences		<u>4,218</u>	<u>11,597</u>
Increase (Decrease) of cash and cash equivalents of the current term		( 34,748 )	163,889
Cash and cash equivalents at the beginning of the year		<u>87,728</u>	<u>122,917</u>
Cash and cash equivalents at the end of the year		<u>\$ 52,980</u>	<u>\$ 286,806</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 : Yang, Shao-Dong

Tah Tong Textile Co., Ltd. and subsidiaries  
Notes to consolidated financial statements  
For the Years Ended March 31, 2026 and 2025

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 11, 2026. °

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 2026 :

New issued/amended/revised standards and interpretations	Effective date of publication by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘ Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘ Amendments to the classification and measurement of financial instruments’

The IASB issued amendments to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the

amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

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

None

(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 IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

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 company	Invested company	Business	Shareholding ratio			Note
			2026/3/31	2024/12/31	2025/3/31	
Tah Tong Textile Co., Ltd.	GLOUCESTER CO., LTD.	Investment	100	100	100	
GLOUCESTER CO., LTD.	ROSEGATE HOLDING CORP.	Investment	100	100	100	
ROSEGATE HOLDING CORP.	TAH TONG TEXTILE (VIETNAM) CO., LTD.	Production and sales of yarn and Fabric	100	100	100	
GLOUCESTER CO., LTD.	DAYSTAR LIMITED	Investment	100	100	100	
DAYSTAR LIMITED	eNOVA Limited	Investment	100	100	100	
GLOUCESTER CO., LTD.	KOREA TEXTILE & DYEING SUPPORT SERVICES JOINT STOCK COMPANY(KTD)	Textile weaving, dyeing, printing and processing	-	-	-	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.

On March 31, 2026、December 31, 2025 and March 31, 2025: None

(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 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) 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.

### (XXII) 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.

(XXIII) 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.

(XXIV) 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.

(XXV) 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

	<u>2026/3/31</u>	<u>2025/12/31</u>	<u>2025/3/31</u>
cash	\$ 114	\$ 32	\$ 115
Bank savings	52,866	87,696	286,691
	<u>\$ 52,980</u>	<u>\$ 87,728</u>	<u>\$ 286,806</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

	<u>2026/3/31</u>	<u>2025/12/31</u>	<u>2025/3/31</u>
Account Receivable	\$ 142,000	\$ 140,641	\$ 182,812
Less : Allowance for losses (	5,044 )	5,469 )	18,799 )
	<u>\$ 136,956</u>	<u>\$ 135,172</u>	<u>\$ 164,013</u>

As of March 31, 2026、December 31,2025 and March 31, 2025, 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, 2025 was \$155,326.

(III) Inventories

1. Textile inventories :

	2026/3/31		
	COST	Allowance	Book Value
Materials	\$ 132,614	( \$ 33,374 )	\$ 99,240
WIP	121,423	( 15,756 )	105,667
Finish Goods	113,133	( 33,405 )	79,728
Total	<u>\$ 367,170</u>	<u>( \$ 82,535 )</u>	<u>\$ 284,635</u>

  

	2025/12/31		
	COST	Allowance	Book Value
Materials	\$ 147,068	( \$ 31,547 )	\$ 115,521
WIP	113,117	( 9,549 )	103,568
Finish Goods	67,701	( 25,173 )	42,528
Total	<u>\$ 327,886</u>	<u>( \$ 66,269 )</u>	<u>\$ 261,617</u>

  

	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	<u>\$ 398,234</u>	<u>( \$ 56,760 )</u>	<u>\$ 341,474</u>

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

	2026/1/1-3/31		2025/1/1-3/31	
Cost of Good Sold	\$ 269,893	\$ 352,825		
Allowance	15,133	2,840		
	<u>\$ 285,026</u>	<u>\$ 355,665</u>		

(1) The Group recognized inventory valuation losses due to changes in the net realizable value of inventory resulting from assessments of subsequent market demand structure adjustments from January 1 to March 31, 2026 and 2025, respectively.

(2) The Group's inventory was not pledged in the first quarter of 2026 and 2025.

2. Net amount of property held for sale:

ITEM	2026/3/31	2025/12/31	2025/3/31
Parking Area	\$ 2,403	\$ 2,403	\$ 2,403
Less : allowance (	2,403 )	( 2,403 )	( 2,403 )
Net Amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

In the first quarter of 2026 and 2025, 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

	2026/3/31	2025/12/31	2025/3/31
Non-Open Market Stock	\$ 26,266	\$ 26,266	\$ 26,266
Allowance	11,635	13,531	21,709
	<u>\$ 37,901</u>	<u>\$ 39,797</u>	<u>\$ 47,975</u>

1. The details of recognizing gains (losses) and comprehensive income on financial assets measured at fair value through other comprehensive income.

2026/1/1-3/31

2025/1/1-3/31

Gains(Losses) on equity instruments measured at fair value through other comprehensive income

(\$ 1,896) \$ -

2. In the first quarter of 2025 and 2024, the Group did not pledge any financial assets at FVOCI.

(V) Investment accounted for using the equity method

	2026	2025	
1/1	\$ 201,172	\$ 211,597	
Share of investment profits and losses using the equity method	( 10,772 )	( 9,565 )	
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	<u>\$ 190,400</u>	<u>\$ 240,540</u>	
<u>Affiliated company name</u>	<u>2026/3/31</u>	<u>2025/12/31</u>	<u>2025/3/31</u>
Great Bell	\$ 182,755	\$ 189,842	\$ 227,990
InnoPeak	7,645	11,330	12,550
3/31	<u>\$ 190,400</u>	<u>\$ 201,172</u>	<u>\$ 240,540</u>

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

Shareholding comparison

Company	location	2026/3/31	2025/12/31	2025/3/31	characteristic	measurement method
Great Bell	TW	17.74%	17.74%	17.74%	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		
	2026/3/31	2025/12/31	2025/12/31
current assets	\$ 166,524	\$ 371,316	\$ 232,474
Non-current assets	1,457,421	1,257,159	1,413,164
Current liabilities	( 516,412 )	( 513,558 )	( 252,150 )
Non-current liabilities	( 66,130 )	( 44,783 )	( 108,312 )
Total net assets	<u>\$ 1,041,403</u>	<u>\$ 1,070,134</u>	<u>\$ 1,285,176</u>
With % of the net Assets	<u>\$ 182,755</u>	<u>\$ 189,842</u>	<u>\$ 227,990</u>
Related party book value	<u>\$ 182,755</u>	<u>\$ 189,842</u>	<u>\$ 227,990</u>

## Statement of comprehensive income

	Great Bel	
	2026/1/1-3/31	2025/1/1-3/31
income	\$ 107,354	\$ 118,779
Net amount of continuing business units in the current period	( \$ 39,937 )	( \$ 35,174 )
Total comprehensive profit and loss for the period	( \$ 39,937 )	( \$ 35,174 )

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

As of March 31, 2026、December 31,2025 and March 31, 2025, the total book amounts of individual insignificant affiliated companies of the Group were \$7,645、\$11,330 and \$12,550 respectively.

	2026/1/1-3/31	2025/1/1-3/31
Net loss for the current period of continuing operations	( \$ 10,926 )	( \$ 9,181 )

4. The Group holds 33.73% 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 16, 2025, the board of directors of InnoPeak Co.Ltd. passed a resolution to increase its capital by 2,399,000 shares in cash, with a par value of \$10 per share. The base date for the capital increase is December 19, 2025. The company did not subscribe according to the shareholding ratio, so the shareholding ratio was reduced from 36.09% to 33.73%, and the capital reserve amount increased to \$6,269.

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
2026/1/1							
COST	\$ 591	\$ 82,484	\$ 909,273	\$ 74,173	\$ 32,022	\$ 39	\$ 1,098,582
Accumulated Depreciation	-	( 23,286 )	( 575,732 )	( 54,542 )	( 22,942 )	-	( 676,502 )
	\$ 591	\$ 59,198	\$ 333,541	\$ 19,631	\$ 9,080	\$ 39	\$ 422,080
2026							
1/1	\$ 591	\$ 59,198	\$ 333,541	\$ 19,631	\$ 9,080	\$ 39	\$ 422,080
purchase	-	182					182
Reclassification	-	39				( 39 )	
depreciation	-	( 1,222 )	( 12,732 )	( 2,349 )	( 310 )		( 16,613 )
exchange rate impac	-	2,089	4,370	328	108		6,895
	\$ 591	\$ 60,286	\$ 325,179	\$ 17,610	\$ 8,878	\$	\$ 412,544
2026/3/31							
COST	\$ 591	\$ 85,923	\$ 923,677	\$ 75,474	\$ 32,434	\$	\$ 1,118,099
Accumulated	-	( 25,637 )	( 598,498 )	( 57,864 )	( 23,556 )	-	( 705,555 )

Depreciation							
	\$	\$	\$	\$	\$	\$	
	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>
<u>2025</u>							
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 )
	<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>

- (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

- 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.
- The carrying amounts of right-of-use assets and recognized depreciation expenses are presented as follows:

	2026/3/31	2025/12/31	2025/3/31
	Book Value	Book Value	Book Value
Land use rights(VN)	\$ 41,953	\$ 41,571	\$ 46,123

	2026/1/1-3/31	2025/1/1-3/31
	depreciation	depreciation
Land use rights(VN)	\$ 347	\$ 775

Profit and loss items related to the lease contracts are presented as follows:

	2026/1/1-3/31	2025/1/1-3/31
short-term rental fee	\$ 1,098	\$ 1,097

In the first quarter of 2026 and 2025, the Group's total cash outflows from leases amounted to \$1,098 and \$1,097 respectively.

(VIII) Prepayments and other non-current assets

1. Prepayments

	2026/3/31	2025/12/31	2025/3/31
Residual tax credit	\$ 51,041	\$ 49,208	\$ 45,896
Advance payment	18,357	17,115	5,020
prepaid fee	4,659	5,773	9,772
	<u>\$ 74,057</u>	<u>\$ 72,096</u>	<u>\$ 60,688</u>

2. Other non-current assets

	2026/3/31	2025/12/31	2025/3/31
prepaid equipment	\$ -	\$ -	\$ 10,668
deposit	109	109	3,374
other	2,362	-	-
	<u>\$ 2,471</u>	<u>\$ 109</u>	<u>\$ 14,042</u>

(IX) Short-term borrowings

	2026/3/31	2025/12/31	2025/3/31
Bank unsecured loans	\$ 131,000	\$ 137,559	\$ 50,015
Bank secured loan	254,441	198,983	338,449
Other short-term borrowings	-	-	82,000
	<u>\$ 385,441</u>	<u>\$ 336,542</u>	<u>\$ 470,464</u>
loan amount	<u>\$ 715,208</u>	<u>\$ 669,444</u>	<u>\$ 680,415</u>
interest rate			
Company	2.4%~2.945%	2.4%~2.945%	2.44%~5.98%
Subsidiary USD loan	5.34%~5.85%	5.34%~5.85%	5.65%~7.07%
Subsidiary VND loan	8.45%~8.49%	8.45%~8.49%	8.4%~11.08%

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) Long-term borrowings

Loan type	2026/3/31	2025/12/31	2025/3/31
TCB			
Medium to long-term unsecured borrowings_NTD loan	\$ -	\$ -	\$ 4,130
Other long-term borrowings	296,877	306,362	436,372
Less : due within one year	( 38,536 )	( 38,296 )	( 213,524 )
	<u>\$ 258,341</u>	<u>\$ 268,066</u>	<u>\$ 226,978</u>
loan amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,130</u>
interest rate	-	-	1.88%~2.72%
Loan type	2026/3/31	2025/12/31	2025/3/31
Contract period :			
TCB			109/12/18~
Medium to long-term unsecured borrowings_NTD loan			114/12/28

Other long-term borrowings	109/12/18~ 118/12/25	109/12/18~ 118/12/25	109/12/18~ 118/12/25
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1. On November 11, 2020, the Group entered into a medium- to long-term loan agreement with Taiwan Cooperative Bank (“TCB”). Pursuant to the agreement, the principal and interest were repayable in 48 equal monthly installments commencing twelve months after the first drawdown date. The Group fully drew down the loan on December 18, 2020 and fully repaid the outstanding balance on December 17, 2025.
2. For information on the collateral provided for the above borrowings, please refer to Note 8.
3. For information on the Group’s liquidity risk, please refer to Note 12.
4. Regarding the long-term loan credit line, part of it is jointly guaranteed by the Chairman and General Manager. Please refer to Note 7.
5. Other long-term borrowings are loans from related parties. Please refer to Note 7 for details.

(XI) Other payables

	2026/3/31	2025/12/31	2025/3/31
Salary and Bonus payable	\$ 29,070	\$ 34,693	\$ 27,036
Others	17,405	19,132	19,481
	<u>\$ 46,475</u>	<u>\$ 53,825</u>	<u>\$ 46,517</u>

(XII) Pension

1. Defined benefit plan

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. 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 2026 and 2025, the Group recognized the pension costs at \$539 and \$471 respectively based on the said plans.

(XIII) Share capital

1. As of March 31, 2026, 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)

	2026	2025
1/1	71,744	71,744
Cash capital increase - private placement	-	-
3/31	71,744	71,744

2. On March 11, 2026, the Board of Directors resolved to reduce capital to offset losses. The estimated amount of capital reduction was NT\$100,000, representing a reduction ratio of 13.94%. As of May 11, 2026, the shareholders' meeting had not yet passed a resolution and the base date for the capital reduction had not been determined.

(XIV) 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.

(XV) 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
	\$	59,305

5. On May 28, 2025, 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 11, 2026. As of May 11, 2026, the shareholders' meeting has not yet passed a resolution.

(XVI) Other items of equity

	Investments through other comprehensive income	foreign currency conversion	Other interests	total
2026/1/1	\$ 11,087	( \$ 76,547 )	\$ 219	( \$ 65,241 )
Equity Instrument Evaluation Adjustment group	( 1,896 )			( 1,896 )
Foreign Currency Translation Differences group	-	8,623	-	8,623
2026/3/31	<u>\$ 9,191</u>	<u>( \$ 67,924 )</u>	<u>\$ 219</u>	<u>( \$ 58,514 )</u>

	Investments through other comprehensive income	foreign currency conversion	Other interests	total
2025/1/1	\$ 23,107	( \$ 31,457 )	\$ 219	( \$ 8,131 )
Equity Instrument Evaluation group	( 271 )			( 271 )
Foreign Currency 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>

(XVII) Operating revenue

	2026/1/1-3/31	2025/1/1-3/31
Revenue	<u>\$ 289,127</u>	<u>\$ 393,512</u>

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:

	2026/3/31	2025/12/31	2025/3/31	2025/1/1
contract liabilities	<u>\$ 6,539</u>	<u>\$ 11,287</u>	<u>\$ 3,686</u>	<u>\$ 9,699</u>

The amounts of the opening contract liabilities recognized as income in the current period in the first quarter of 2026 and 2025 were \$3,515 and \$4,937 respectively.

(XVIII) Other gains or losses

	2026/1/1-3/31	2025/1/1-3/31
Gains on disposal of investments	\$ -	\$ 70,343
Exchange Gain	2,678	3,238
Other Loss	3,538	( 5,510 )
	<u>\$ 6,216</u>	<u>\$ 68,071</u>

(XIX) Financial costs

	2026/1/1-3/31	2025/1/1-3/31
Interest Exp.	\$ 7,878	\$ 9,122
Other Financial Exp.	868	23
	<u>\$ 8,746</u>	<u>\$ 9,145</u>

(XX) Additional information of the expense nature

	2026/1/1-3/31		2025/1/1-3/31
Employee Benefits	\$ 34,540	\$	39,840
depreciation	16,960		21,095
amortization	888		238
Total	<u>\$ 52,388</u>	\$	<u>61,173</u>

(XXI) Employee benefit expense

	2026/1/1-3/31		2025/1/1-3/31
salary	\$ 28,344	\$	33,385
social insurance	3,703		4,233
pension	539		471
other	1,954		1,751
Total	<u>\$ 34,540</u>	\$	<u>39,840</u>

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. Of the aforementioned compensation to employees, no less than 30% shall be allocated to grassroots employees.

2. As of March 31, 2026 and 2025, 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.

(XXII) Income tax

(I) Composition of income tax expense benefits

Composition of income tax expense benefits:

	2026/1/1-3/31		2025/1/1-3/31
Deferred income tax :			
temporary difference reversal	-	(	191)
income tax benefit	<u>\$ -</u>	(	<u>\$ 191</u> )

(II) The tax authorities have approved the Company's business income tax returns through 2024.

(XXIII) Loss per share

	2026/1/1-3/31		
	Net Income	AVG outstanding Shares	EPS (NTD)
<u>Basic loss per share</u>			
Net loss attributable to parent company	( \$ 44,777 )	71,744	( \$ 0.62 )
<u>Diluted Earnings Per Share</u>			
Net income attributable to ordinary shareholders of the parent	( \$ 44,777 )		
Effect of dilutive potential ordinary shares:			
-Employee compensation	-	-	
Attributable to ordinary shareholders of the parent			

Net income plus the effect of potential ordinary shares	( \$ 44,777 )	71,744	( \$ 0.62 )
	<u>2025/1/1-3/31</u>		
	AVG		
	Net Income	outstanding Shares	EPS (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	40,470		
Effect of dilutive potential ordinary shares:			
-Employee compensation	-	-	
Attributable to ordinary shareholders of the parent			
Net income plus the effect of potential ordinary shares	\$ 40,470	71,744	\$ 0.56

(XXIV) Supplementary information of cash flow

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

	2026/1/1-3/31	2025/1/1-3/31
Purchase of real estate, plant and equipment	\$ 182	\$ 297
Prepayment for equipment at the beginning	-	( 113 )
Current cash expenditure	\$ 182	\$ 184

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:

	<u>2025/3/5</u>	
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	(	182,452 )
Other payables	(	29,991 )
Other non-current liabilities	(	113 )

Total net assets	\$	9,870
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(XXV) Changes in liabilities from financing activities

	<u>2026</u>		
	Short-term borrowings	Long-term borrowings	Total liabilities from financing activities
1/1	\$ 336,542	\$ 306,362	\$ 642,904
Cash flow from financing activities	45,918	( 9,485)	36,433
Impact of exchange rate change	<u>2,981</u>	<u>-</u>	<u>2,981</u>
3/31	<u>\$ 385,441</u>	<u>\$ 296,877</u>	<u>\$ 682,318</u>
	<u>2025</u>		
	Short-term borrowings	Long-term borrowings	Total liabilities from financing activities
1/1	\$ 458,365	\$ 441,723	\$ 900,088
Cash flow from financing activities	9,919	( 1,221)	8,698
Impact of exchange rate change	<u>2,180</u>	<u>-</u>	<u>2,180</u>
3/31	<u>\$ 470,464</u>	<u>\$ 440,502</u>	<u>\$ 910,966</u>

VII. Related party transaction

(I) Name and relationships of related parties

<u>Company</u>	<u>Relation</u>
GREAT BELL PRINTING & DYEING CO., LTD.	Related Party
InnoPeak Co.Ltd.	Other Related
Chien Yi Investment 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

	<u>2026/1/1-3/31</u>	<u>2025/1/1-3/31</u>
Sales :		
Great Bell	\$ -	\$ 71
Chien Yi	<u>5</u>	<u>-</u>
	<u>5</u>	<u>71</u>

2. Outsourcing processing

	<u>2026/1/1-3/31</u>	<u>2025/1/1-3/31</u>
Labor FEE :		
Great Bell	<u>\$ 1,059</u>	<u>\$ 221</u>

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

	<u>2026/3/31</u>	<u>2025/12/31</u>	<u>2025/3/31</u>
Accounts Receivable			
Great Bell	\$ -	\$ -	\$ 74
Other receivables – Loans granted (including other receivables – interest)			
InnoPeak Co.Ltd.	15,657	15,680	15,495
Less: Allowance for loss	( 10,081 )	( 10,081 )	( 9,949 )
	<u>5,576</u>	<u>\$ 5,599</u>	<u>5,620</u>

The loan periods for the Group's capital loans to InnoPeak Co.Ltd. from January 1 to March 31, 2026 and 2025 were July 22, 2025 to July 21, 2026 and August 2, 2024 to August 1, 2025, respectively. The interest rates were calculated based on the cost of funds plus 0.3%, but not lower than the benchmark interest rate announced by the Bank of Taiwan.

### 4. Accounts payable

	<u>2026/3/31</u>	<u>2025/12/31</u>	<u>2025/3/31</u>
Accounts payable :			
Great Bell	\$ 1,416	\$ 1,908	\$ 709

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

### 5. Transaction of property

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

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

	<u>2026/3/31</u>	<u>2025/12/31</u>	<u>2025/3/31</u>
Other Related Party-current			
Great Bel	\$ 38,536	\$ 38,296	\$ 34,489
Ever Glory Investment co., Ltd.	-	-	213,000
Chen, Shiou-Chung	-	-	6,561
Yen, Li-Rong	-	-	37,344
	<u>\$ 38,536</u>	<u>\$ 38,296</u>	<u>\$ 291,394</u>
Other Related Party-non current			
Great Bel	\$ 83,441	\$ 93,166	\$ 121,977
Ever Glory Investment co., Ltd.	95,000	95,000	25,000
Chen, Shiou-Chung	79,900	79,900	80,000
	<u>\$ 258,341</u>	<u>\$ 268,066</u>	<u>\$ 226,977</u>

The above-mentioned related party loans are the financing needs of the Company from other shareholders. Except for the agreed interest rates of 2.53%, 3.00% to 3.29%, and 2.50% for Chen, Shiou-Chung, Ever Glory Investment co., Ltd., and Great Bell, the rest have no interest. As of March 31, 2026, December 31, 2025 and March 31, 2025, the interest payable to related parties was \$2,536, \$2,343 and \$4,923 respectively.

### 7. Endorsements/guarantees provided by related parties

(1) Land pledged by affiliates as collateral for loans

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, 2026, the balance of the bank loan of \$121,977 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, Shiou-Chung and Yan Li-Rong to assist in providing a total of 2,150,000 shares of 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

	2026/3/31		2025/12/31		2025/3/31	
	Loan Guarantee Amount	Loan used	Loan Guarantee Amount	Loan used	Loan Guarantee Amount	Loan used
Yan Li-Rong	\$ 100,000	\$ 5,234	\$ 100,000	\$ -	\$ 100,000	\$ 42,287

As of March 31, 2026, December 31, 2025, and March 31, 2025, the joint guarantors, Chen, Shiou-Chung or Yan Li-Rong, pledged their shares as collateral for the Company's short-term borrowings. In addition, Yan Li-Rong 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, 2026、December 31,2025, Chen, Shiou-Chung and Yan Li-Rong provided joint guarantees for long and short-term loans.
- (4) As of March 31, 2025, Chen, Shiou-Chung, Chen, Chien-Choan and Yan Li-Rong provided joint guarantees for long and short-term loans

(III) Information of remuneration of key management personnel

	2026/1/1-3/31		2025/1/1-3/31	
Salary	\$	3,286	\$	3,340
Pension		54		54
	\$	3,340	\$	3,394

VIII. Pledged Assets

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

Assets Item	Guarantee	Book Value		
		2026/3/31	2025/12/31	2025/3/31
current assets				
Bank savings	Bank Loan	\$ 117,847	\$ 100,990	\$ 122,251
Property, Plant and Equipment				
housing and construction	Bank Loan	60,438	60,104	121,814
mechanical equipment	Bank Loan	61,171	64,991	269,188
Investments using the equity method- Great Bell	non-financial institutions	125,310	135,347	-
		\$ 364,766	\$ 361,432	\$ 586,940

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 :

	2026/3/31	2025/12/31	2025/3/31
Unused LC	\$ 5,575	\$ 8,195	\$ 5,646

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

	2026/3/31	2025/12/31	2025/3/31
Intangible assets	\$ -	\$ -	\$ 1,019

X. Losses Due to Major Disasters

None.

XI. Significant Events

None.

XII. Others

(I) As of March 31, 2026, the Group's current ratio was 97.92%, which is a significant improvement compared to previous years. However, the Group continues to strive for improvement, and the relevant measures to be taken in the future are explained below:

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 May 28, 2025, the Group's shareholders' meeting resolved to issue ordinary shares through a private placement to increase capital. Each share will have a par value of NT\$10, with the number of shares to be issued not exceeding 10 million. In addition, the company's board of directors resolved on March 11, 2026, to plan a private placement of common stock with a par value of NT\$10 per share and an issuance of no more than 10 million shares. Subject to shareholder approval, the company may issue common stock through a private placement at an appropriate time, depending on market conditions and funding needs.
- (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

	<u>2026/3/31</u>		<u>2025/12/31</u>		<u>2025/3/31</u>
<u>financial assets</u>					
Fair value through other comprehensive income	\$ 37,901	\$	39,797	\$	47,975
Measured at amortized cost	196,709		231,414		332,844

	<u>\$ 234,610</u>	<u>\$ 271,211</u>	<u>\$ 511,968</u>
financial liabilities			
Measured at amortized cost	<u>\$ 938,944</u>	<u>\$ 918,256</u>	<u>\$ 1,226,152</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:

	Foreign Currency	2026/3/31 Exchange Rate	Book Value (NT)
<u>Foreign Currency:</u>			
<u>Functional Currency</u>			
<u>Financial assets</u>			
<u>monetary item</u>			
USD : NTD	\$ 2,282	32.000	\$ 73,035
USD : VND	736	26,137	23,564
<u>Subsidiary</u>			
USD : NTD	15,323	32.000	490,326
VND : USD	399,054,552	0.0000383	15,269
<u>financial liabilities</u>			
<u>monetary item</u>			
USD : NTD	\$ 36	32.000	1,165
USD : VND	6,641	26,137	212,510
2025/12/31			
	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	\$ 3,278	31.375	\$ 102,845
USD : VND	891	26,077	27,961
<u>Subsidiary</u>			
USD : NTD	16,686	31.375	523,523
VND : USD	433,646,435	0.0000383	521,763
<u>financial liabilities</u>			
<u>monetary item</u>			
USD : NTD	169	31.375	5,299
USD : VND	6,812	26,077	213,734
2025/3/31			
	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	\$ 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

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 2026 and 2025 would be increased or decreased by \$937 and \$806 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 2026 and 2025 amounted to \$2,678 and \$3,238 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 2026 and 2025 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 2026 and 2025, 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 2026 and 2025 by NT\$1,542 and NT\$1,570 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 :

	2026/3/31	2025/12/31	2025/3/31
not overdue	\$ 93,282	\$ 103,076	\$ 114,292
witnin 90 days	47,186	34,623	47,482
91 ~ 180 days	854	2,073	14,729
over 181 days	678	869	6,309
	<u>\$ 142,000</u>	<u>\$ 140,641</u>	<u>182,812</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, 2026 and March 31, 2025, the Group's claims that were written off and still had recourse activities amounted to both are \$15,087,
- F. The Group has adopts 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, 2026、December 31, 2025 and March 31, 2025 is presented as follows:

	not overdue	within 90 days	91 ~ 180 days	over 181 days	Total
<u>2026/3/31</u>					
Rate	1.79%	4.85%	48.36%	100.00%	
Account Receivable	\$ 93,282	\$ 47,186	\$ 854	\$ 678	\$ 142,000
Allowance	\$ 1,666	\$ 2,287	\$ 413	\$ 678	\$ 5,044
<u>2025/12/31</u>					
Rate	1.85%	4.87%	48.58%	100.00%	
Account Receivable	\$ 103,076	\$ 34,623	\$ 2,073	\$ 869	\$ 140,641
Allowance	\$ 1,907	\$ 1,686	\$ 1,007	\$ 869	\$ 5,469
<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	\$ 2,335	\$ 2,485	\$ 7,670	\$ 6,309	\$ 18,799

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	
	2026	2025	2026	2025
1/1	\$ 5,469	\$ 10,192	\$ 10,081	\$ 9,819
Turn around	( 498 )	10,403	-	130
Exchange effect	73	( 1,796 )	-	-
3/31	\$ 5,044	\$ 18,799	\$ 10,081	\$ 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, 2026、December 31,2025 and March 31,2025, 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:

	<u>Within 1 Year</u>	<u>1 ~2 Year</u>	<u>2 ~ 5 Year</u>	<u>Total</u>
2026/3/31				
Long term loan	\$ 39,406	\$ 71,403	\$ 188,823	\$ 299,632
2025/12/31				
Long term loan	\$ 39,161	\$ 81,318	\$ 188,852	\$ 309,331
2025/3/31				
Long term loan	\$ 222,647	\$ 79,999	\$ 149,285	\$ 451,931

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, 2026、December 31, 2025 and March 31, 2025, financial instruments at Level 3 valuation were \$37,901、\$39,797 and \$47,975 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	<u>Open Market Stock</u> 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 2026 and 2025, there was no transfer between Level 1 and Level 2.

6. Changes in Level 3 in the first quarter of 2026 and 2025 are presented below:

	<u>Equity Securities</u>	
	<u>2026</u>	<u>2025</u>
1/1	<u>\$ 39,797</u>	<u>\$ 47,975</u>
Losses recognized in other comprehensive income or loss	( 1,896 )	

3/31

\$ 37,901    \$ 47,975

7. In the first quarter of 2026 and 2025, 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:

	<u>2026/3/31 fair Value</u>	<u>Model</u>	<u>Significant unobservable input</u>	<u>Weighted average</u>	<u>Input quality and fair value relationship</u>
non-derivative equity instruments					
Non-Open market company	\$ 37,901	asset	N/A	N/A	N/A
	<u>2025/12/31 fair Value</u>	<u>Model</u>	<u>Significant unobservable input</u>	<u>Weighted average</u>	<u>Input quality and fair value relationship</u>
non-derivative equity instruments					
Non-Open market company	\$ 39,797	analogy	Price-to-book ratio	1.35	The higher the share price to fair value ratio, the higher the fair value
			Market capitalization base debt ratio	0.0029	The lower the market value basis debt ratio, the higher the fair value
			liquidity discount	30.00%	The higher the liquidity discount, the lower the fair value
	<u>2025/3/31 fair Value</u>	<u>Model</u>	<u>Significant unobservable input</u>	<u>Weighted average</u>	<u>Input quality and fair value relationship</u>
non-derivative equity instruments					

	2026/3/31 fair Value	Model	Significant unobservable input	Weighted average	Input quality and fair value relationship
Non-Open market company	\$ 47,975	analogy	Price-to-book ratio	1.49	The higher the share price to fair value ratio, the higher the fair value
			Market capitalization base debt ratio	0.21	The lower the market value basis debt ratio, the higher the fair value
			liquidity discount	30.00%	The higher the liquidity discount, the lower the fair 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 Assets	Input	Change	2025/12/31 recognized in other comprehensive income	
			favorable	unfavorable
equity instruments	Price-to-book ratio	± 1%	\$ 267	(\$ 267)
	Market capitalization base debt ratio	± 1%	1	( 1)
	liquidity discount	± 1%	59	( 59)
Financial Assets	Input	Change	2025/3/31 recognized in other comprehensive income	
			favorable	unfavorable
equity instruments	Price-to-book ratio	± 1%	\$ 357	(\$ 357)
	Market capitalization base debt ratio	± 1%	98	( 98)
	liquidity discount	± 1%	71	( 71)

### 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:

2026/1/1-3/31			
Yarn	Fabric	Adjustment	Total

Revenue				
From Outside	\$ 86,745	\$ 202,382	\$ -	\$ 289,127
Total Revenue	\$ 86,745	\$ 202,382	\$ -	\$ 289,127
Departmental profit or loss	(\$ 49,392 )	\$ 4,615	\$ -	(\$ 44,777 )
Including				
Depreciation amortization	\$ 15,609	\$ 2,239	\$ -	\$ 17,848
Interest income	\$ 201	\$ 470	\$ -	\$ 671
Interest expenditure	\$ 2,624	\$ 6,122	\$ -	\$ 8,746

	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

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, 2026 to March 31, 2025

Appendix 1

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

No. (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 to individual borrowers	Limits on total loans	Remarks
													Name	Value			
0	Tah Tong Textile Co., Ltd.	TAH TONG TEXTILE (VIETNAM) CO., LTD.	Other receivables	Y	\$ 80,000	\$ 80,000	\$ 64,000	3.20%~3.27%	Short-term Financing	\$ -	used for the subsidiary's operation and purchase of materials	\$ -	-	-	\$ 170,236	\$ 170,236	Note 3、4
0	Tah Tong Textile Co., Ltd.	InnoPeak Advanced Materials Co., Ltd.	Other receivables	Y	14,700	14,700	14,700	3.0770%	Short-term Financing	-	used for the subsidiary's operation and purchase of materials	-	mechanical equipment	22,183	170,236	170,236	Note 3、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: Amount does not include interest payable.

Tah Tong Textile Co., Ltd. and subsidiaries  
Endorsements/guarantees provided  
January 1, 2026 to March 31, 2026

Appendix 2

													Unit: NTS thousand (except for specified otherwise)		
No. (Note 1)	Guarantor	Principal		Relationship (Note 2)	Limits on the endorsement/guarantee to a principal (Note 3)	Maximum balance of the endorsement/guarantee for the year	Ending balance of the endorsement/guarantee	Amount actually drawn	Amount of the endorsement/guarantee secured by property	Accumulated endorsement/guarantee amount as a percentage of net worth in the latest financial statements (%)	Maximum limits on the endorsement/guarantee (Note 3)	Endorsement/guarantee provided by the parent company to a subsidiary	Endorsement/guarantee provided by a subsidiary to the parent company	Endorsement/guarantee provided to a subsidiary in Mainland China	Remarks
		Name of the Company													
0	Tah Tong Textile Co., Ltd.	TAH TONG TEXTILE (VIETNAM) CO., LTD.		2	\$ 851,180	\$ 308,357	\$ 224,000	\$ 201,198	\$ -	52.63%	851,180	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, 2026

Appendix 3

Unit: NTS thousand  
 (except for specified otherwise)

Holder	Type of securities	Name of securities	Relationship with Issuer	Item (Note 1)	Ending		Shareholding percentage (%)	Fair value	Remarks
					No. of shares	Carrying amount			
Tah Tong Textile Co., Ltd.	Ordinary shares	KINGTEX CORPORATION	The Company is a director of the company	1	171,095	37,475	13.58	37,475	
Tah Tong Textile Co., Ltd.	Ordinary shares	Ubn 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 NTS100 million or 20% of the paid-in capital.  
 March 31, 2026

Appendix 4

Payee	Counterparty	Relationship	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Amount subsequently recovered		Unit: NTS thousand (except for specified otherwise) Provision for bad debts	
					Amount	Solution				
Tah Tong Textile Co., Ltd.	TAH TONG TEXTILE (VIETNAM) CO., LTD.	Subsidiary	\$ 110,435	-	\$ 40,496	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, 2026 to March 31, 2026

Appendix 5

Unit: NTS thousand  
(except for specified otherwise)

No. (Note 1)	Trader	Counterparty	Relationship with the Trader (Note 2)	Trading details (Note 3)			As a percentage of consolidated 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 parties (Note 5)	\$ 110,435	(Note 6)	8%

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 NTS100 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, 2026 to March 31, 2026

Appendix 6

Investor	Investee	Location	Main business activities	Initial investment amount		Held at the end of the year			Unit: NTS thousand (except for specified otherwise) 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	Profit or loss of the investee			
Tah Tong Textile Co., Ltd.	Great Bell Printing & Dyeing Co., Ltd.	Taiwan	Printing, dyeing, finishing, processing and sales of textiles	\$ 133,280	\$ 133,280	10,646,509	17.74	\$ 182,755	(\$ 39,937)	(\$ 7,085)	Affiliate	
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	95,000	95,000	6,416,667	33.73	7,645	( 10,926)	( 3,687)	Affiliate	
Tah Tong Textile Co., Ltd.	GLOUCESTER CO., LTD.	Samoan Islands	General investment	2,091,174	2,091,174	67,455,000	100.00	470,906	( 31,680)	( 31,680)	Subsidiary	
GLOUCESTER CO., LTD.	DAYSTAR LIMITED	Mauritius	General investment	166,190	166,190	5,300,000	100.00	2,091	( 276)	( 276)	Subsidiary	
GLOUCESTER CO., LTD.	ROSEGATE HOLDING CORP.	British Virgin Islands	General investment	1,844,004	1,844,004	59,000,000	100.00	468,416	( 31,423)	( 31,423)	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	468,416	( 31,423)	( 31,423)	Subsidiary	

Tah Tong Textile Co., Ltd. and subsidiaries  
Information on Investments in Mainland China – Basic Information  
January 1, 2026 to March 31, 2026

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	\$ 169,600	Note 1	\$ 41,600	\$ -	\$ -	\$ 41,600	(\$ 276)	100.00	(\$ 276)	\$ 1,895	\$ -	Note 4、5

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.	\$ 41,600	\$ 96,000	\$ 255,354

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.

Note 5: The registered capital has been changed to US\$5,300,000 and the capital injection has been completed. The funds were directly transferred by Gloucester.