# Tah Tong Textile Co., Ltd.
# Minutes of the 2026 General Meeting of Shareholders

◆ **Meeting time**： 9：30 a.m. on Monday, Jun 4, 2026.

◆ **Meeting location**：
15th Floor, No. 99, Fuxing North Road, Songshan District, Taipei City (Primasia Conference & Business Center).

◆ **Attendance**：
A total of 46,359,538 shares were represented by shareholders and shareholders' proxies present (including 3,021,898 shares with voting rights exercised electronically), accounting for 64.61% of the company's total issued shares of 71,744,387 shares.

◆ **Directors present**：
Chen, Shiou-Chung（Chairman）,

Chen, Chien-Choan,
EVER GLORY INVESTMENT COM, LTD.（representative：Wu Li-Wen）,
FOUNDATION EVER GLORY EDUCATION FOUNDATION（representative：Huang, Yung-Chang）

◆ **Independent directors present**：
Sun, Chin-Feng, Lin, Chien-Ping, Lin, Zheng-Yi.

◆ **Other Present**： PWC Lin, Ya-Hui CPA, Lawyer Julia S.H. Yu

◆ **Meeting chairman**：Chen, Shiou-Chung（Chairman） **Record**： Yang Shu-Hui

I. **Announcement of the meeting**：
The number of shares present has reached the statutory amount, and the chairman declares the meeting to be convened in accordance by law.

II. **Chairman's speech**： omitted

III. **Matters for Report**：

（I） **Annual business report of 2025**. (Appendix 1 for details)

（II） **Audit Committee's annual final accounts review report of 2025**. (Appendix 2 for details)

（III） **Private Equity Execution Report of 2025**.
Explanation： On May 28, 2025, the Shareholders' Meeting resolved to increase capital through private placement of ordinary shares to repay borrowings and improve the Company's financial structure. It will contribute to the stable growth of the Company's operations in the future and also contribute positively to shareholders' equity. Later, due to improvements in the company's financial structure and funding needs, no private placement of common stock was issued during 2025 June to 2026 May.

Shareholder statements:

Shareholder Account No. 93598's Statement Summary:

1. Explanation of the difference between non-operating income and expenses in the consolidated profit and loss statements for fiscal years 2024 and 2025.

2. The consolidated gross profit margin for fiscal year 2025 was 7%, while the individual financial statements showed a gross profit margin of 30%. Explain the reasons for the difference.

Chairman, Chief Financial Officer, Accountant, and General Manager's Response:

1. The nearly 300 million NTD in non-operating income and expenses in 2024 was mainly due to the disposal of land by Great Bell Printing & Dyeing Co., Ltd., an equity method investment. Tah Tong Company recognized investment income according to its shareholding ratio, and also received a profit distribution of 258 million NTD from Great Bell Printing & Dyeing Co., Ltd.

2. Tah Tong 's product mix changed, increasing the sales proportion of finished fabrics, which have a better gross profit margin. Tah Tong 's individual business involves outsourcing the processing of finished fabrics before selling them, resulting in a higher gross profit margin. The main factories and machinery depreciation and amortization are located in the Vietnam factory, and the unprofitable yarn business unit is also located in the Vietnam factory. Therefore, the consolidated gross profit margin is approximately 7%. The company will continue to strive to improve the overall gross profit margin.

Shareholder Account No. 55179's Statement Summary:

1. Reasons for the decrease in employee numbers from 2024 to 2025.

2. The 2025 yarn sales target achievement rate was only 48%. How will adjustments be made going forward?

3. Will the focus of sales remain on the Southeast Asian market? Are there any intentions to develop other markets?

Chairman and CFO's Response:

1. In 2025, the subsidiary KTD was dissolved, resulting in significant fluctuations in employee numbers.

2. Regarding the Vietnam factory, the main issue was losses in products competing with those in mainland China. The company discontinued production of these loss-making products. Currently, the yarn division is operating at only 60-70% capacity, primarily producing environmentally friendly yarn. In addition, the company still has to bear the depreciation costs of the first factory. The gross profit of the yarn division is still under control. The finished fabric division will continue to strive for growth. Given the current industry situation, the company prioritizes stability and is not considering reinvestment or developing other industries at this time.

3. Currently, the company's market is not limited to neighboring Southeast Asian countries, but rather it has formed strategic alliances with local manufacturers, leveraging supply chain cooperation to provide finished fabrics to well-known downstream brands, and exporting them to the US and Europe.

IV. **Matters for Admit** ：

（I） **Please acknowledge the 2025 business report and financial statements.**
【proposed by the BOD】

Explanation：

i. The company's business report for 2025 has been completed and submitted to the audit committee for review and approval, and was approved by the board of directors. The detail business report is as Annex 1.

ii. The company's parent company only financial statements and consolidated financial statements for 2025 have been reviewed by Lin Ya-Hui CPA and Lin, Yung-Chih CPA of PWC. After being submitted to the company's audit committee for review, they found that there were no discrepancies and issued a review report for the record. .

iii. Detailed accountant's audit report, balance sheet, comprehensive income statement, statement of changes in equity and cash flow statement for 2025 are as Annex 3.

Shareholder statements:

Shareholder Account No. 55179's Statement Summary:

Management of accounts receivable from related parties, overdue accounts, loans, and guarantees for the subsidiary, Tah Tong Vietnam.

Chairman's Reply:

Tah Tong Vietnam is a wholly-owned subsidiary of Tah Tong. However, due to the current industry situation, it is difficult for the Vietnam company to obtain loan amounts from banks independently, and the interest rates are also higher. Therefore, the parent company supports the subsidiary's finances and pays close attention to regulations and conducts regular reviews and improvements. This year, personnel have been sent to Vietnam several times to check inventory and accounts receivable and make adjustments.

**Resolution：**

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 46,359,538.

| Voting results | % of voting rights of shareholders present |
|---|---|
| Number of votes in agree： 45,327,502<br>(Including 1,989,866 voting rights exercised electronically) | 97.77% |
| Number of votes in objections： 163,595<br>(Including 163,595 voting rights exercised electronically) | 0.35% |
| Number of votes in Invalid： 0<br>(Including 0 voting rights exercised electronically) | 0.00% |
| Number of votes in abstentions/no voting： 868,441<br>(Including 868,437 voting rights exercised electronically) | 1.87% |

## （II） Please acknowledge the 2025 loss appropriation case

【proposed by the BOD】

Explanation：

Tah Tong Textile Co., Ltd.
loss appropriation of 2025

Unit：NTD

| Item | Amount |
|---|---|
| Opening losses to be made up | ($185,473,077) |
| Plus: 2025 remeasurement of defined benefit programs | 1,829,903 |
| Adjusted losses to be made up | (183,643,174) |
| Plus: net Income (loss) for the year | (31,312,948) |
| Closing losses to be made up | (214,956,122) |
| Closing losses to be made up (after appropriation) | (214,956,122) |

| Chaiman： | General Manager： | Accountant： |
|---|---|---|
| Chen, Shiou-Chung | Chen, Chien-Choan | Yang, Shao-Dong |

Shareholder statements: No shareholders spoke in this case

**Resolution：**

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 46,359,538.

| Voting results | % of voting rights of shareholders present |
|---|---|
| Number of votes in agree： 45,325,203<br>(Including 1,987,567 voting rights exercised electronically) | 97.76% |
| Number of votes in objections： 174,419<br>(Including 174,419 voting rights exercised electronically) | 0.37% |
| Number of votes in Invalid： 0<br>(Including 0 voting rights exercised electronically) | 0.00% |
| Number of votes in abstentions/no voting： 859,916<br>(Including 859,912 voting rights exercised electronically) | 1.85% |

## V. Matters for discussion

### (I) Plan to handle capital reduction case to make up for losses, proposed for discussion.

【proposed by the BOD】

Explanation：

i. As of December 31, 2025, the company recorded a cumulative loss of NT$214,956,122

ii. The Company currently has paid-in capital of NT$717,443,870, with a par value of NT$10 per share, for which 71,744,387 ordinary shares were issued. In order to improve the financial structure, it is proposed to reduce the paid-in capital by NT$100,000,000 according to Article 168 of the Company Act. 10,000,000 shares should be canceled to cover the losses.

iii. Sound operation plan: The Company plans to reduce capital to make up losses mainly to improve the financial structure, and intends to raise operating performance in the following aspects

1) Market business： The spinning business division will continue to develop high added value and functional and special yarn types according to trends; the fabric business division will develop customized products based on meeting the product needs of brand customers. and services, developing functional knitted fabrics, etc.
2) Manufacturing： Continue to improve production efficiency and control production costs, and strengthen cost competitiveness.
3) Financial structure： On the premise of maintaining a sound financial structure, timely raise funds required for operations.
4) Talent cultivation： Strengthen essential academic skills, attract outstanding talents and retain high-performing employees.
5) Sustainable management： sustainable environmental protection, fulfilling social responsibilities and adhering to corporate governance.

iv. The capital reduction will reduce every thousand shares held by the shareholders as recorded in the shareholder register on the date of capital reduction to about 861 shares by 13.94%. After the capital reduction, the Company's paid-in capital amounted to NT$617,443,870, with a par value of NT$10 per share, for which a total of 61,744,387 shares should be issued.

v. After the capital reduction, all shares will be issued without physical certificates. Any fractional shares will be converted into cash at a par value accurate to 1 NT$. The Chairman is authorized to appoint a specified person to purchase such fractional shares at par value. Shareholders of the new shares will have identical rights and obligations to those of the issued ordinary shares.

vi. Once the proposal for capital reduction is approved by the shareholders' meeting and presented to the competent authority for approval, the Board of Directors is authorized to determine the record date for capital reduction and handle matters related to capital reduction.

vii. The Chairman is to be authorized with full power and authority to deal with matters related to capital reduction that are subject to change pursuant to laws or regulations, or when adjustment is necessary.

Shareholder statements:
Shareholder Account No. 93598's Statement Summary:
Expected timing of the capital reduction: before or after the private placement of common stock. How to improve operational or production efficiency after the capital reduction to offset losses.
Chairman and Directors' Response:
The normal practice and procedure is to reduce capital first and then conduct a private placement. Therefore, the company will first reduce capital to improve its financial health and then increase capital as needed for operations. The company will strive to improve the operating performance of the fabric business unit.

**Resolution：**
The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.
The number of voting rights of shareholders present at the time of voting was 46,359,538.

| Voting results | % of voting rights of shareholders present |
|---|---|
| Number of votes in agree：45,287,889<br>(Including 1,950,253 voting rights exercised electronically) | 97.68% |
| Number of votes in objections：214,685<br>(Including 214,685 voting rights exercised electronically) | 0.46% |
| Number of votes in Invalid：0<br>(Including 0 voting rights exercised electronically) | 0.00% |
| Number of votes in abstentions/no voting：856,964<br>(Including 856,960 voting rights exercised electronically) | 1.84% |

（II） **Plan to handle private equity common stock case, proposed for discussion.**
【proposed by the BOD】

Explanation：

i. In order to enrich working capital, repay bank loans, improve financial structure and meet other capital needs for the company's future development, the company plans to, depending on the market conditions and the company's capital needs, at an appropriate time, in accordance with Article 43 of the Securities and Exchange Act 6 stipulates that for the issuance of ordinary shares through cash capital increase through private placement, the shareholders' regular meeting shall be requested to authorize the board of directors to issue in installments within one year from the date of the shareholders' regular meeting resolution on this private placement case, depending on the actual fund-raising situation. The number of times is expected to be no more than 3. The purpose of each private placement fund and the expected benefits are the same as the original planning of this case.

ii. Principles for authorizing the board of directors to handle private placement of ordinary shares：

1) Number of private placement shares： The number of issued shares shall not exceed 10 million shares.
2) Par value per share： NT$10
3) Total private placement amount： calculated based on the final private placement price.
4) Basis and rationality of determining the private placement price: The Company's private placement price is determined upon the reference price, which is the higher of (1) the arithmetic mean of the closing prices of the ordinary shares 1, 3, or 5 business days before the pricing date, less the ex-rights of the free shares and dividends, and plus the share price after capital reduction and anti-ex-rights purchase or (2) the arithmetic mean of the closing prices of the ordinary shares 30 business days before the pricing date, less the share price ex-right and dividends, and the share price after capital reduction and ex-rights reduction. The private placement price shall not be less than 80% of the reference price. The actual pricing date and the actual private placement price will be submitted to the shareholders' meeting for authorization, within the scope of the resolution, for the board of directors to determine based on future negotiations with specific parties and market conditions.

   The price of the Company's ordinary shares to be privately placed should be determined in accordance with applicable laws. However, given the basis for determining the price, the possibility of the price of such ordinary shares determined being below par value cannot be ruled out. In such a case, the impact on shareholders' equity will be the accumulated losses arising from the difference between the actual private placement price and the face value. Such accumulated losses will be made up depending on the Company's future operating conditions. An increase in accumulated losses may require a capital reduction.
5) Method of selecting specific persons for private placement：
   (1) The candidates for this offering of common shares must meet the applicant qualifications stipulated in Article 43-6 of the Securities and Exchange Act and other relevant laws and regulations and letters from the competent authority.
   (2) The purpose of selecting candidates： to enrich the company's working capital, improve the company's financial structure, and expand the operating territory. If they are insiders or related parties, they will enrich the company's working capital and understand the company, which will be beneficial to the company's future operations.
   (3) The list of insiders or related parties who intend to participate in the private placement is as follows：

| Investor | Purpose | Relative |
|---|---|---|
| Chen, Chien-Choan (5.42% shareholding) | To replenish the Company's working capital and improve its financial structure, thereby expanding the operating territories. | President of the Company |
| Chen, Shiou-Chung (3.85% shareholding) | | Chairman of the Company |
| Yen, Li-Rong (1.83% | | The spouse of the |

| | | |
|---|---|---|
| shareholding) | | chairperson of the Company |
| Chen, Chien-Ming (3.71% shareholding) | | Chairman's 1st-degree relative |

List of legal person applicants and matters to be disclosed：

| Legal investor | Top ten shareholder | Relative |
|---|---|---|
| EVER GLORY INVESTMENT COM, LTD. | Chen, Chien-Ming 23.41%; Chen, Shiou-Chung 22.13%; Yen, Li-Rong 17.90%; Chen, Hsiu-Yi 10.49%; Chen, Hsiu-Hsiung 13.52%; Chen, Chien-Choan 9.18%; Chen, Hung-Ru 0.50%; Chen, Hung-Wen 0.50%; Wang, Chih-Hung 0.50%; Wu, Hsin-Chang 0.50%. | The Company's major shareholders |
| Chien Yi Investment Co., Ltd. | Chen, Hsiu-Yi 23.38%; Chen, Chien-Choan 21.74%; Chen, Chien-Ming 18.20%; Chen,Wei-Ren 7.29%; Chen,Wei-Jhih 7.29%; Chen,Wei-Hong 6.82%; Chen,Wei-Bo 6.82%; Yen, Li-Rong 5.59%; Deng, Jhu-Jhen 1.81%; Chen, Shiou-Chung 1.07%. | Other related party |

6) Necessary reasons for private placement：

(1) Reasons for not adopting public offering： Considering factors such as timeliness, convenience, issuance cost and equity stability of raising capital, private placement is used to raise funds.

(2) Use of private placement funds and expected benefits： The use of private placement funds is to enrich the company's working capital, repay bank loans, and other capital needs to meet the company's future development. It is expected to improve the company's financial structure and help the company's stable growth. It will have positive benefits to shareholders' rights and interests, and the number of times is expected to be no more than three times. The purpose of each private placement fund and the expected benefits are the same as the original planning of this case.

7) The rights and obligations of this private placement of ordinary shares： In principle, they are the same as those of the company's issued ordinary shares. However, in accordance with Article 43-8 of the Securities and Exchange Act, this private placement of ordinary shares, unless certain circumstances are met, It will not be freely transferable until three years after the date of delivery or transfer, and three years after the date of delivery of the private placement ordinary shares, the board of directors is authorized to decide whether to apply to the competent authority for supplementary issuance and listing and trading of securities in accordance with the relevant regulations in accordance with the prevailing conditions. .

8) In order to cooperate with this private placement of securities, the shareholders' meeting is proposed to authorize the chairman or his designated person to sign, negotiate and change all contracts and documents related to the issuance of ordinary shares in the form of private placement on behalf of the company, and provide the company with Handle all matters related to the private placement of common shares.

9) Others： This private placement issuance of ordinary shares, in addition to the private placement pricing ratio, includes the actual issuance price, number of shares, issuance conditions and methods, planned projects, raised amount, expected progress, expected benefits and others If any unfinished matters are subsequently revised by the competent authority or need to be changed or revised based on operational assessment or

changes in objective environmental requirements or laws, it is proposed that the shareholders' meeting authorize the board of directors to handle them with full authority.

10) The company’s private placement of securities proposal, in accordance with the provisions of Article 43-6 of the Securities and Exchange Act, please refer to the Disclosure Information Observatory (website： https：//mops.twse.com.tw) and the company’s website for matters that should be explained. (Website： https://www.tahtong.com.tw).

Shareholder statements:
Shareholder Account No. 55179's Statement Summary:
Regarding the timeliness and schedule of the private placement, when is it expected to take place. Since the private placement is issued at a discount and below par value, will this lead to an increase in accumulated losses, requiring further capital reduction later.
Chairman and Directors' Reply:
1. Due to changes in the company's operating model, the scale of the yarn business will gradually decrease, while efforts will be made to improve the operation of the high-margin fabric business. The company will first improve its financial structure before investing in working capital. If the international situation does not change significantly this year, and the company's performance can adapt to the changes in operating strategy, the private placement will only be conducted within one year after the shareholders' meeting when working capital is needed. The ultimate goal is for the group's operating gross profit to reach the level of individual businesses in Taiwan, at which point the investment value will become apparent.
2. We expect improved operating performance in the second and third quarters of this year, at which point the stock price will react and rise. If a private placement is needed at that time, the improved stock price will provide better protection for investors' rights.

**Resolution：**
The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.
The number of voting rights of shareholders present at the time of voting was 46,359,538.

| Voting results | % of voting rights of shareholders present |
|---|---|
| Number of votes in agree： 45,329,778 (Including 1,992,142 voting rights exercised electronically) | 97.77% |
| Number of votes in objections： 165,494 (Including 165,494 voting rights exercised electronically) | 0.35% |
| Number of votes in Invalid： 0 (Including 0 voting rights exercised electronically) | 0.00% |
| Number of votes in abstentions/no voting： 864,266 (Including 864,262 voting rights exercised electronically) | 1.86% |

## VI. Matters for Election

### (I) The proposal for election of the Company's directors is submitted for election.
【proposed by the BOD】

Explanation：

i. The current directors of the Company will have their terms expire on May 21, 2026, and a general re-election is proposed at this year's annual general meeting of shareholders.

ii. According to the Articles of Incorporation, the Company should have 7 to 9 directors for a term of 3 years. The proposed board of directors consists of 7 members (including 4 independent directors), with a term of office from June 4, 2026 to June 3, 2029, following the re-election at the shareholders' meeting. An audit committee composed of all independent directors will be formed.

iii. In accordance with the Company's Articles of Association, the election of directors adopts a candidate nomination system. The list of director and independent director candidates approved by the Board of Directors on April 22, 2026 is as follows.

The brief introduction of the director candidates is as follows：

| Job Title | Name | Educational qualifications | Experience | Current position | Number of shares held |
|---|---|---|---|---|---|
| Director | Ever Glory Investment Co., Ltd.<br>Representative: Chen, Shiou-Chung | Department of Business Administration, Feng Chia University<br>- | 1. Chairman of Textile Extension Association<br>2. Chairman of Taiwan Spinning Industry Association | 1. Chairman, Tah Tong Textile Co., Ltd.<br>2. Independent director, Yi Jinn Industrial Co., Ltd.<br>3. Director, Great Bell Printing & Dyeing Co., Ltd.<br>4. Director, Kingtex Co.<br>5. Director, Hanbo Livestock & Farming Products Co., Ltd. | 17,388,482 shares |
| Director | Chen, Chien-Choan | MBA, University of Michigan, the U.S | 1. Magspin Textile Co.<br>2. A.T. KEARNEY<br>3. Grand Orient Securities Co.<br>4. Cef Holdings Ltd. | 1. President, Tah Tong Textile Co., Ltd.<br>2. Tah Tong Textile (Vietnam) Co., Ltd General Director<br>3. Chairman, InnoPeak Advanced Materials Co., Ltd. | 3,887,782 shares |
| Director | Foundation Taichung City Private Ever Glory Education Foundation | Not applicable. | Corporate Director, Tah Tong Textile Co., Ltd. | Corporate Director, Tah Tong Textile Co., Ltd. | 1,724,669 shares |
| Independent Director | Lin, Chien-Ping | Department of Finance, Tamkang University | 1. President, Niko Semiconductor Co., Ltd.<br>2. Vice President, USUN Company Ltd.<br>Vice President, ChuanYu SMT Enterprise | 1. Independent director, Tah Tong Textile Co., Ltd.<br>2. Independent director, Foreshot Industrial Corporation<br>3. Independent director, DIVA Laboratories Ltd.<br>Independent director, RBC Bioscience Corporation | 0 shares |
| Independent Director | Lin, Zheng-Yi | Department of Accounting, National Chung Hsing University | 1. KPMG Taiwan | 1. Independent director, Tah Tong Textile Co., Ltd.<br>2. CPA, Lee & Li Accounting Firm<br>3. Independent director, Bright LED electronics Corp.<br>1. Supervisor, Vimic Electronic Corp. | 0 shares |

| Job Title | Name | Educational qualifications | Experience | Current position | Number of shares held |
|---|---|---|---|---|---|
| Independent Director | Chen,Yao-Ming | University of Arizona International Management Master | 1. Chariman, Universal Textile Co., Ltd.<br>2. Chariman, Chien Ying Cpmpant Ltd.<br>1. 3. Chariman, JR Investment Co. | 1. Chariman, Universal Textile Co., Ltd.<br>2. Chariman, Chien Ying Cpmpant Ltd..<br>1. 3. Chariman, JR Investment Co. | 0 shares |
| Independent Director | Tsai,Yi-Fen | Master of Accounting, National Chengchi University | 1. Team Leader of Deloitte.<br>2. Special Assistant to the Director of TOLL SHORE CO., LTD.<br>3. Specialist of Taipei Exchange<br>3. 4. Deputy Director of the Financial and Economic Law Committee of The Taiwan Bar Association. | 1. lawyer of Aequitas Law Firm.<br>2. CPA, Jhen Yen CPA Firm.<br>3. Independent Director , Zhong Yang Technology Co., Ltd.<br>4. Independent Director , Anli International Co., Ltd.<br>4. 5. Director of Financial Securities and Mergers & Acquisitions Committee of The Taiwan Bar Association. | 0 shares |

Shareholder statements: No shareholders spoke in this case.

**Election results**： list of elected directors：

| Job Title | ID | Name | Number weights of elected |
|---|---|---|---|
| Director | 1 | Ever Glory Investment Co., Ltd. Representative: Chen, Shiou-Chung | 93,271,049 weight |
| Director | 8 | Chen, Chien-Choan | 58,256,746 weight |
| Director | 2 | Foundation Taichung City Private Ever Glory Education Foundation | 44,411,175 weight |
| Independent director | A12150**** | Lin, Chien-Ping | 34,079,206 weight |
| Independent director | F12201**** | Lin, Zheng-Yi | 30,535,520 weight |
| Independent director | R12126XXXX | Chen,Yao-Ming | 27,007,976 weight |
| Independent director | F22414XXXX | Tsai,Yi-Fen | 23,834,082 weight |

## VII. Other matters for discussion

### （I） The proposal for lifting non-competition restrictions on new directors and their representatives is submitted for discussion.

【proposed by the BOD】

Explanation：

i. Pursuant to Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."

ii. In order to make use of the expertise and relevant experience of the Company's directors, it is proposed to submit a motion to the shareholders' meeting for approval to lift non-competition restrictions on new directors and their representatives after they are elected.

iii. The company plans to lift the non-competition restrictions as follows：

| Name | Plan to lift non-compete content | Explanation |
|---|---|---|
| Director | Ever Glory Investment Co., Ltd.<br>Representative: | Independent director, Yi Jinn Industrial Co., Ltd.<br>Director, Great Bell Printing & |

| | | |
|---|---|---|
| | ● Chen, Shiou-Chung | Dyeing Co., Ltd.<br>Director, Kingtex Co. |
| Director | ● Chen, Chien-Choan | Chairman, InnoPeak Advanced Materials Co., Ltd. |
| Independent Director | ● Chen,Yao-Ming | Chariman, Universal Textile Co., Ltd. |

Shareholder statements: No shareholders spoke in this case

**Resolution：**

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 46,359,538.

| Voting results | % of voting rights of shareholders present |
|---|---|
| Number of votes in agree： 44,132,391<br>(Including 794,755 voting rights exercised electronically) | 95.19% |
| Number of votes in objections： 1,187,766<br>(Including 1,187,766 voting rights exercised electronically) | 2.56% |
| Number of votes in Invalid： 0<br>(Including 0 voting rights exercised electronically) | 0.00% |
| Number of votes in abstentions/no voting： 1,039,381<br>(Including 1,039,377 voting rights exercised electronically) | 2.24% |

**VIII. Provisional motion： None**

**IX. Meeting adjourned： 11：00 am**

(Appendix 1)

# Tah Tong Textile Co., Ltd.
# Business Report

All shareholding ladies and gentlemen,

In 2025, as the impact of the pandemic gradually subsided and the economy began to recover, the overall industry showed positive development and niche opportunities. Benefiting from the strong demand driven by the 2026 Winter Olympics and the FIFA World Cup, the global economy strived for recovery. However, the AI chip war ignited by the two superpowers, the US and China, the ever-present geopolitical tensions, the US tariff barriers on various countries, and the sluggish growth of Chinese consumption and unstable employment, along with the worsening of structural economic problems, all acted like a butterfly effect, touching sensitive nerves worldwide and bringing concerns about the global economic outlook. In the global textile market, the economies of Europe and the United States showed resilience, and in 2026, the textile markets in Europe and the Americas exhibited a trend of "overall caution with localized bursts." Due to major international sporting events and the transformation of sustainability regulations, the market maintained an upward growth trend.

Looking forward to 2026, after a turbulent and critical year, Tah Tong Textile will continue to optimize its product mix, with a focus on developing special yarn products, to reduce the proportion of cotton yarn and increase gross profit margin. Meanwhile, the Company will vertically integrate the supply chain, deepen the services provided by Fabrics Division, enhance marketing and sales, mainly serve brand customers, and expand the customer base of Fabrics Division, in the hope of effectively increasing the Group's overall revenue. Overall, the Company's operating strategy will gradually yield results.

The Company will adhere to its core values of "Integrity and Ethics, Self-transcendence, Unity of Excellence, and Outstanding Contributions", continue the established business strategies , and commit to provide customers with high-quality, diversified and innovative products for stable growth and profitability.

The business results for 2025 and the 2026 business plan are summarized as follows：

I. Business results for 2025

(I) Implementation results of the business plan：

| Unit： NT$ thousand | 2024 | 2025 | Difference | % |
|---|---|---|---|---|
| Consolidated revenue | 1,625,979 | 1,515,005 | -110,974 | -6.83% |
| Consolidated gross profit (loss) | -8,083 | 100,204 | 108,287 | -1339.69% |
| Consolidated operating income (loss) | -163,276 | -50,238 | 113,038 | -69.23% |
| Consolidated net income (loss) after tax | 101,452 | -31,815 | -133,267 | -131.36% |
| Net income (loss) after tax attributed to the Company | 112,419 | -31,314 | -143,733 | -127.85% |
| Earnings (loss) per share (NT$) | 1.63 | -0.45 | -2.08 | -127.61% |

(II) Achievement of budget：

| KNTD | Actual sales | Budget sales | Achievement rate |
|---|---|---|---|
| Yarn | 251,139 | 522,447 | 48.07% |
| Fabrics | 799,539 | 877,221 | 91.14% |

(III) Financial revenue and expense and profitability analysis

Unit： NT$ thousand; %

| Item | | 2024 | 2025 |
|---|---|---|---|
| Financial revenue | Operating revenue | 1,625,979 | 1,515,005 |
| | Gross profit (loss) | (8,083) | 100,204 |
| | Net operating profit (loss) | (163,276) | (50,238) |
| | Net income (loss) after tax | 101,452 | (31,815) |
| | Attributed to the parent company | 112,419 | (31,314) |
| | Non-controlling interests | (10,967) | (501) |
| Profitability analysis | Gross margin % | (0.50) | 6.61 |
| | Net profit margin (%) | 6.24 | (2.1) |
| | Return on equity (%) | 22.03 | (6.86) |
| | Earnings per share (NT$) | 1.63 | (0.45) |

Note 1： The aforesaid financial data for each year have been audited by CPAs

(IV) Research and development

R&D expenses for 2025

Unit： NT$ thousand

| Item | Amount |
|---|---|
| Research and development expenses | 4,307 |
| Net operating revenue | 1,515,005 |
| In net operating revenue (%) | 0.28% |

II. Summary of the 2025 business plan

In the face of the ever-changing post-epidemic era, there are many uncertainties and risks in the market. Dadong Textile still insists on continuously optimizing its product portfolio, focusing on special product development, and improving gross profit margin.

The company's 2025 business strategy and important production and sales policies are presented as follows：

(I) Operating strategy

Focus on product development in the textile industry and deepen cooperation with the industrial supply chain.

(1) Yarn Business Division

1. Continue to improve product quality, win strategic customers to place orders, and raise profitability.
2. Concentrate production capacity for environmental yarn, blended yarn and special yarn, and emphasizes differentiation in order to improve profitability.

(2) Fabrics Business Division

1. Continue to strengthen supply chain management strengths and increase orders from brand customers.
2. Strengthen research and development, provide better product mix, and expand market share.
3. Target new customers for business development, and cut to niche products.

(II) Expected sales amt

| MillionNTD | Budgeted sales |
|---|---|
| Yarn | 349 |
| Fabrics | 1,144 |

(III) Important production and sales policy

As textile products are developing towards functionality and comfort, the Yarn Business Division will continue to expand new markets and develop functional and special yarn types; the Fabric Business Division will develop customized products and services based on the needs of brand customers and develop the functional knitted fabrics.

III. How the Company's development strategy is affected by the competitive environment, the regulatory environment and the overall business environment is analyzed in the following aspects：

(I) Price of raw materials：

The international raw cotton price still accounts for a large proportion of the Company's product costs. Fluctuation in international raw cotton prices will have a significant impact on the Company's production costs. Therefore, the Company will continue to increase the proportion of blended yarn products to reduce the consumption of raw cotton and cope with the uncertain price fluctuations.

(II) Price of energy：

Fluctuations in international crude oil prices will affect the industrial electricity price and directly affect manufacturing costs.

(III) The downstream consumer market：

The Company's yarn and fabric products are mainly supplied in the from of semi-finished products to customers in Taiwan, Japan, Europe, America, mainland China, and the ASEAN, who will produce garments for sale in the global market.

We must pay more attention and observe the international political and economic situation, especially whether the US, mainland China, ASEAN, and the EU can maintain economic growth. Each country's political and economic situation, monetary policy and global inflation situation may affect the Company's sales and operating profit.

(IV) Competition with mainland China and ASEAN countries：

Functional fabrics produced in Mainland China and neighboring countries in Asia have significantly improved quality in recent years, posing competition with the Company's products. In order to differentiate in the market, the Company is currently developing higher value-added and special products to minimize the impact on the yearn supply chain system.

(V) ASEAN and CPTPP：

Under the framework of a FTA, member states of regional economies are entitled to trade liberalization and tariff reduction and exemption. Led by Japan, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed on March 8, 2018 by 11 countries including Vietnam and came into effect in 2019. Due to the advantages in infrastructure and an open policy to attract foreign investment, Vietnam will enjoy higher competitiveness among regional economies in the future. The Company has invested and expanded in Vietnam, and can expect reduced operating costs, more opportunities for export expansion, and industrial upgrades with preferential tariffs competitiveness.

Looking at 2026, the overall business environment remains complex. The Company will respond to changes in the external environment and make even harder efforts to expand operating results and gain sustainable operation competitiveness.

| Chaiman： | General Manager： | Accountant： |
| --- | --- | --- |
| Chen, Shiou-Chung | Chen, Chien-Choan | Yang, Shao-Dong |

(Annex 2)

# Audit Committee’s Review Report

The board of directors has submitted the Company's Business Report, Financial Statements (parent-only and consolidated included), and proposal for loss appropriation for the year ended December 31, 2025. Lin, Ya-Hui, CPA, and Lin, Yung-Chih, CPA from PwC Taiwan, have audited the said (parent-only and consolidated) financial statements and issued an unqualified opinion. The said business Report, financial statements and proposal for loss appropriation were audited by the Audit Committee and found to be satisfactory and are therefore submitted for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Regards

2026 Annual General Shareholders’ Meeting, Tah Tong Textile Co., Ltd.

Tah Tong Textile Co., Ltd.
Convener of the Audit Committee

March 11, 2026

[Annex 3]

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25003918

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

## *Opinion*

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

## *Basis for opinion*

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

## *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 parent company only financial statements are stated as follows:

**Assessment of allowance for inventory valuation losses (including inventories of subsidiaries**

**accounted for under the equity method)**

<u>Description</u>

Refer to Notes 4(9) and 4(11) for accounting policy on inventory valuation and investments accounted for under the equity method, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Notes 6(3) and 6(5) for details of inventories. As of December 31, 2025, the textile inventories and allowance for inventory valuation losses amounted to NT$34,436thousand and NT$7,791 thousand, respectively. As of December 31, 2025, the inventories and allowance for inventory valuation losses in the consolidated financial statements amounted to NT$327,688 thousand and NT$66,269 thousand, respectively. The Company is engaged in the sales of cotton yarn that was produced by the subsidiary in Vietnam and finished fabrics outsourced, etc. As textile products are subject to the fluctuations in raw material prices and the textile market is competitive, there is a higher risk of inventory losing value or becoming obsolete. The Company's and its subsidiary' s inventory are stated at the lower of cost and net realisable value, and the net realisable value of inventory over a certain age is evaluated based on the historical data on inventory clearance and discounts. The allowance for inventory valuation losses is presented in "inventories" and "investments accounted for under the equity method" in the parent company only financial statements.

As the Company and its Vietnam subsidiary operate in an industry where raw material prices fluctuate continuously, and the net realisable value used in evaluating obsolete inventories involves subjective judgement resulting in a high degree of uncertainty. Considering that the inventory and allowance for inventory valuation losses were material to the financial statements, we consider the Company's and its Vietnam subsidiary's assessment of allowance for inventory valuation losses a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures for allowance for valuation loss on inventories that were over a certain age and individually identified as obsolete and damaged:

1. Ascertained whether the policies on allowance for inventory valuation losses were reasonable and consistently applied in all the periods .
2. Verified the appropriateness of the system logic in calculating the ageing of inventories, and confirmed the information in the reports is consistent with the relevant policies .
3. Discussed with management the estimated net realisable value of individually identified obsolete and damaged inventories and obtained supporting documents to determine the reasonableness of allowance for inventory valuation losses.
4. Recalculated the net realisable value of individual inventory and calculated the required amount of the allowance for individual inventory valuation losses and compare it with the assessment result of the management.

**Subsidiaries accounted for under the equity method - impairment assessment of property, plant and equipment**

<u>Description</u>

Refer to Note 4(11) in the parent company only financial statements and Note 4(18) in the consolidated financial statements for accounting policies on investments accounted for under the equity method and impairment of non-financial assets, Note 5(2) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied on property, plant and equipment valuation, and Note 6(6) in the parent company only financial statements, Notes 6(6) in the consolidated financial statements for details of property, plant and equipment. As of December 31, 2025, the Company's property, plant and equipment in the consolidated financial statements amounted to NT$422,080 thousand

As the operation of the Vietnam subsidiary was not as expected due to the fluctuations in international cotton prices and the high competitiveness in quotations for downstream yarn spinning products, the management assessed the impairment of the assets held by the subsidiary and the assessment result may affect the amount of investments accounted for under the equity method. The management hired an external expert to evaluate the value of property, plant and equipment using the market method and the cost method and used it as reference of the fair value of these assets. The valuation method performed by the external appraiser involves the choice of comparable properties, the evaluation of asset utilisation and the adjustment factors, and they are subjective judgement resulting in a high degree of estimation uncertainty. Thus, we consider the impairment assessment of assets a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the Company's policies and procedures in relation to the property, plant and equipment impairment assessment, including collection of internal and external data, long-term and short-term business forecasts and industry changes, as well as obtained the asset impairment assessment reports that were assessed by the Company for cash-generating units.

2. Obtained the assets appraisal report issued by the appraiser and performed the following procedures :

   - Examined the appraiser's qualification and assessed his or her independence, objectiveness and competence.

   - Assessed whether the valuation method in the appraisal report was common industry practice and appropriate.

   - Ascertained whether the replacement costs, comparable properties and the asset utilisation used in the appraisal report were applied reasonably and were in accordance with the actuality.

   - Examined the reasonableness of the assumptions used in the appraisal report and ascertained the accuracy of the calculations.

## *Other matter – Reference to the audits of other auditors*

We did not audit the financial statements of certain investments which were prepared using a different financial reporting framework and were audited by other auditors. We have performed necessary audit procedures on the adjustments made on the transition of preparing financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission. Therefore, our opinion expressed herein, insofar as it relates to the unadjusted amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$201,172 thousand and NT$211,597 thousand, constituting 19.85% and 14.56% of the parent company only total assets as at December 31, 2025 and 2024, respectively, and the comprehensive gain(loss) recognised from associates and joint ventures accounted for under the equity method amounted to (NT$36,125) thousand and NT$311,130 thousand, constituting 41.72% and 242.3% of the parent company only total comprehensive loss for the years then ended, respectively.

### *Responsibilities of management and those charged with governance for the parent company only financial statements*

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## *Auditors' responsibilities for the audit of the parent company only financial statements*

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

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

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

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

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

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

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

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

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

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

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

Lin, Ya-Hui                                        Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11 , 2026

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The accompanying parent company only 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 parent company only 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.
Parent Company Only Balance Sheet
For the Years Ended December 31, 2025 and 2024

Unit：KNTD

| | Asset | Notes | December 31, 2025 Amount | % | December 31, 2024 Amount | % |
|---|---|---|---|---|---|---|
| | **Current assets** | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | $ 50,739 | 5 | $ 48,091 | 3 |
| 1170 | Net value of accounts receivable | 6(2) | 28,253 | 3 | 22,882 | 2 |
| 1180 | Accounts receivable - related parties, net | 7 | 55,758 | 6 | 319,517 | 22 |
| 1200 | Other receivables | | 3,605 | - | 1,722 | - |
| 1210 | Other receivables - related parties | 7 | 68,435 | 7 | 72,249 | 5 |
| 130X | Inventories | 6(3) | 26,645 | 3 | 68,186 | 5 |
| 1410 | Prepayments | | 1,957 | - | 4,365 | - |
| 1470 | Other current assets | 8 | 25,041 | 2 | 28,392 | 2 |
| 11XX | **Total current assets** | | 260,433 | 26 | 565,404 | 39 |
| | **Non-current assets** | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income- non-current | 6(4) | 39,797 | 4 | 47,975 | 3 |
| 1550 | Investment accounted for using the equity method | 6(5)、7 and 8 | 694,882 | 69 | 773,349 | 53 |
| 1600 | Property, Plant and Equipment | 6(6) | 3,097 | - | 2,552 | - |
| 1780 | Intangible assets | | 12,559 | 1 | 20 | - |
| 1840 | Deferred tax assets | 6(22) | 2,610 | - | 39,114 | 3 |
| 1975 | Net defined benefit assets - non-current | 6(11) | - | - | 14,937 | 1 |
| 1990 | Other non-current assets - others | | 68 | - | 10,319 | 1 |
| 15XX | **Total non-current assets** | | 753,013 | 74 | 888,266 | 61 |
| 1XXX | **Total assets** | | $ 1,013,446 | 100 | $ 1,453,670 | 100 |

(to next page)

# Tah Tong Textile Co., Ltd.
## Parent Company Only Balance Sheet
## For the Years Ended December 31, 2025 and 2024

Unit：KNTD

| | Liabilities and Equity | Notes | December 31, 2025 Amount | % | December 31, 2024 Amount | % |
|---|---|---|---|---|---|---|
| | **Current liabilities** | | | | | |
| 2100 | Short-term borrowings | 6(7) and 7 | $ 137,559 | 14 | $ 182,123 | 13 |
| 2150 | Notes payable | | 491 | - | 4,082 | - |
| 2170 | Accounts payable | 7 | 69,133 | 7 | 133,726 | 9 |
| 2200 | Other payables | 6(10) and 7 | 35,795 | 3 | 37,163 | 3 |
| 2230 | Income tax liability - Current | | - | - | 15,699 | 1 |
| 2320 | Long-term liabilities due within a year or one operating cycle | 6(9) and 7 | 38,296 | 4 | 243,261 | 17 |
| 2399 | Other current liabilities - other | | 358 | - | 1,715 | - |
| 21XX | **Total current liabilities** | | 281,632 | 28 | 617,769 | 43 |
| | **Non-current liabilities** | | | | | |
| 2530 | Corporate bonds payable | 6(9) and 7 | - | - | - | - |
| 2540 | Long-term borrowings | 6(9) and 7 | 268,066 | 26 | 198,462 | 13 |
| 2570 | Deferred tax liabilities | 6(22) | 69 | - | 68,807 | 5 |
| 2600 | Other non-current liabilities | | 39 | - | 39 | - |
| 25XX | **Total non-current liabilities** | | 268,174 | 26 | 267,308 | 18 |
| 2XXX | **Total Liabilities** | | 549,806 | 54 | 885,077 | 61 |
| | **Equity** | | | | | |
| | Share capital | 6(12) | | | | |
| 3110 | Common share capital | | 717,444 | 71 | 717,444 | 49 |
| | Capital reserve | 6(13) | | | | |
| 3200 | Capital reserve | | 26,394 | 3 | 44,752 | 3 |
| | Retained earnings | 6(14) | | | | |
| 3350 | Deficit yet to be compensated | | ( 214,957 ) | ( 21 ) | ( 185,472 ) | ( 13 ) |
| | Other equity | 6(15) | | | | |
| 3400 | Other equity | | ( 65,241 ) | ( 7 ) | ( 8,131 ) | - |
| 3XXX | **Total equity** | | 463,640 | 46 | 568,593 | 39 |
| | Significant Contingent Liabilities and Unrecognized Commitments | 9 | | | | |
| | Significant Events | 11 | | | | |
| 3X2X | **Total liabilities and equities** | | $ 1,013,446 | 100 | $ 1,453,670 | 100 |

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to。

Chairman: Chen, Shiou-Chung　　Manager: Chen, Chien-Choan　　Accounting supervisor: Yang, Shao-Dong

Tah Tong Textile Co., Ltd.
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

Unit：KNTD
(Except loss per share in NTD)

| | Liabilities and Equity | Notes | December 31, 2025 Amount | % | December 31, 2024 Amount | % |
|---|---|---|---|---|---|---|
| | **Current liabilities** | | | | | |
| 2100 | Short-term borrowings | 6(7) and 7 | $ 137,559 | 14 | $ 182,123 | 13 |
| 2150 | Notes payable | | 491 | - | 4,082 | - |
| 2170 | Accounts payable | 7 | 69,133 | 7 | 133,726 | 9 |
| 2200 | Other payables | 6(10) and 7 | 35,795 | 3 | 37,163 | 3 |
| 2230 | Income tax liability - Current | | - | - | 15,699 | 1 |
| 2320 | Long-term liabilities due within a year or one operating cycle | 6(9) and 7 | 38,296 | 4 | 243,261 | 17 |
| 2399 | Other current liabilities - other | | 358 | - | 1,715 | - |
| 21XX | **Total current liabilities** | | 281,632 | 28 | 617,769 | 43 |
| | **Non-current liabilities** | | | | | |
| 2530 | Corporate bonds payable | 6(9) and 7 | - | - | - | - |
| 2540 | Long-term borrowings | 6(9) and 7 | 268,066 | 26 | 198,462 | 13 |
| 2570 | Deferred tax liabilities | 6(22) | 69 | - | 68,807 | 5 |
| 2600 | Other non-current liabilities | | 39 | - | 39 | - |
| 25XX | **Total non-current liabilities** | | 268,174 | 26 | 267,308 | 18 |
| 2XXX | **Total Liabilities** | | 549,806 | 54 | 885,077 | 61 |
| | **Equity** | | | | | |
| | Share capital | 6(12) | | | | |
| 3110 | Common share capital | | 717,444 | 71 | 717,444 | 49 |
| | Capital reserve | 6(13) | | | | |
| 3200 | Capital reserve | | 26,394 | 3 | 44,752 | 3 |
| | Retained earnings | 6(14) | | | | |
| 3350 | Deficit yet to be compensated | | ( 214,957 ) | ( 21 ) | ( 185,472 ) | ( 13 ) |
| | Other equity | 6(15) | | | | |
| 3400 | Other equity | | ( 65,241 ) | ( 7 ) | ( 8,131 ) | - |
| 3XXX | **Total equity** | | 463,640 | 46 | 568,593 | 39 |
| | Significant Contingent Liabilities and Unrecognized Commitments | 9 | | | | |
| | Significant Events | 11 | | | | |
| 3X2X | **Total liabilities and equities** | | $ 1,013,446 | 100 | $ 1,453,670 | 100 |

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to。

Chairman: Chen, Shiou-Chung Manager: Chen, Chien-Choan Accounting supervisor: Yang, Shao-Dong

Tah Tong Textile Co., Ltd.

Parent Company Only Statement of changes in equity

For the Years Ended December 31, 2025 and 2024

Unit：KNTD

| | | | Additional paid-in capital | | | Other Equity | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Common Stock | Additional paid-in capital from Issuance premium | Additional paid-in capital from investee under equity method | Accumulated deficit | Cumulative translation adjustment | Unrealized gains and losses on financial assets at fair value through other comprehensive income | Other Equity-other | Total Equity |
| 2024 | | | | | | | | | |
| Opening balance at January 1 | | $ 632,952 | $ | $ 19,186 | ( $ 299,521 ) | ( $ 42,951 ) | $ 20,241 | $ 219 | $ 330,126 |
| Current net Income | | - | - | - | 112,419 | - | - | - | 112,419 |
| Other comprehensive income recognized for the period | 6(16) | - | - | - | 1,630 | 11,494 | 2,866 | - | 15,990 |
| Total comprehensive income for this period | | - | - | - | 114,049 | 11,494 | 2,866 | - | 128,409 |
| Changes in associated companies and joint ventures recognized using the equity method | | - | - | 10,058 | - | - | - | - | 10,058 |
| Cash capital increase | 6(13) | 84,492 | 15,508 | - | - | - | - | - | 100,000 |
| Ending balance on December 31 | | $ 717,444 | $ - | $ 29,244 | ( $ 185,472 ) | ( $ 31,457 ) | $ 23,107 | $ 219 | $ 568,593 |
| 2025 | | | | | | | | | |
| Opening balance at January 1 | | $ 717,444 | $ - | $ 29,244 | ( $ 185,472 ) | ( $ 31,457 ) | $ 23,107 | $ 219 | $ 568,593 |
| Current net Loss | | - | - | - | ( 31,314 ) | - | - | - | ( 31,314 ) |
| Other comprehensive income recognized for the period | 6(16) | - | - | - | 1,829 | ( 45,090 ) | ( 12,020 ) | - | ( 55,281 ) |
| Total comprehensive income for this period | | - | - | - | ( 29,485 ) | ( 45,090 ) | ( 12,020 ) | - | ( 86,595 ) |
| Changes in associated companies and joint ventures recognized using the equity method | | - | - | ( 18,358 ) | - | - | - | - | ( 18,358 ) |
| Ending balance on December 31 | | $ 717,444 | $ - | $ 10,886 | ( $ 214,957 ) | ( $ 76,547 ) | $ 11,087 | $ 219 | $ 463,640 |

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to。

Chairman: Chen, Shiou-Chung　　Manager: Chen, Chien-Choan　　Accounting supervisor: Yang, Shao-Dong

Tah Tong Textile Co., Ltd.
Parent-Only Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit：KNTD

| | Note | January 1, 2025 to December 31, 2025 | January 1, 2024 to December 31, 2024 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Net gain(loss) before income tax | | ( $ 63,998 ) | $ 148,806 |
| Adjustments | | | |
| Income/expenses items | | | |
| Depreciation expense | 6(21) | 147 | 966 |
| Amortization cost | 6(21) | 1,264 | 40 |
| Expected credit impairment reversed gains | 12(3) | ( 463 ) | 9,502 |
| Interest revenue | | ( 3,187 ) | ( 4,322 ) |
| Dividend income | 6(18) | ( 5,133 ) | ( 1,027 ) |
| Interest expenses | 6(20) | 13,742 | 19,140 |
| Disposal of real estate, plant and equipment losses | 6(19) | 120 | 1,448 |
| Loss Recovering Benefit | 6(6)(19) | - | ( 26,245 ) |
| Share of profits and losses of subsidiaries, affiliated enterprises and joint ventures using the equity method | | 60,419 | ( 139,546 ) |
| Gains on disposal of property, plant and equipment | | ( 1,291 ) | - |
| Reversal of gains from non-financial asset impairment | | ( 10,490 ) | - |
| Released gains from sales | | | ( 863 ) |
| Unrealized exchange (profit) losses | | | ( 14,612 ) |
| Gain from disposing non-current assets held for sale | | 5,582 | - |
| Loss from lease modification | | 250,788 | - |
| Changes in assets/debts having to do with business activities | | ( 818 ) | |
| Net changes in the assets related to the operating activities | | 41,541 | |
| Accounts receivable | | 5,759 | 3,297 |
| Accounts receivables - related parties (long-term included) | | 25,188 | 302,501 |
| Other receivables (long-term receivables included) | | | 1,041 |
| Inventories | | ( 3,591 ) | ( 24,092 ) |
| Other current assets | | ( 64,417 ) | ( 16,513 ) |
| Other non-current assets | | ( 3,794 ) | ( 1,855 ) |
| Net changes in the liabilities related to the operating activities | | ( 1,357 ) | |
| Notes payable | | - | ( 5,421 ) |
| Accounts payable | | 246,011 | 19,946 |
| Other payables | | 4,039 | 5,340 |
| Other current liabilities | | 5,133 | 810 |
| Other non-current liabilities | | ( 11,318 ) | ( 85 ) |
| Cash inflows (outflows) generated from operations | | ( 146 ) | 278,256 |
| Interest received | | 243,719 | 4,138 |
| Dividends received | | ( $ 63,998 ) | 1,027 |
| Interest paid | | | ( 16,125 ) |
| Income paid | | | ( 2,183 ) |
| Net cash inflow (outflow) from operating activities | | 147 | 265,113 |

(To next page)

Tah Tong Textile Co., Ltd.
Parent-Only Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit：KNTD

| | Note | January 1, 2025 to December 31, 2025 | January 1, 2024 to December 31, 2024 |
|---|---|---|---|
| Cash flows from investing activities | | | |
| Decrease (increase) in capital loaned to related parties | | ( $ 817 ) | $ 14,069 |
| Liquidation of investment using the equity method to return the stock proceeds | 6(5) | - | 76,232 |
| Purchase of property, plant and equipment | 6(6) | ( 812 ) | - |
| Disposal of real estate, factory buildings and equipment | | - | 60,867 |
| Purchase of intangible assets | 6(5) | ( 13,803 ) | - |
| Receiving dividends from equity-based companies | 6(5) | 8,872 | 258,969 |
| Acquiring equity-based investments | 6(5) | ( 56,794 ) | ( 512,980 ) |
| Net cash inflow (outflow) from investing activities | | ( 63,354 ) | ( 102,843 ) |
| Cash flows from financing activities | | | |
| Borrow short-term borrowings | | 273,947 | 1,112,141 |
| Repay short-term borrowings | | ( 318,511 ) | ( 1,044,842 ) |
| Repayments of long-term borrowings | | ( 184,261 ) | ( 29,805 ) |
| Repay from related parties borrowings | | ( 112,000 ) | ( 681,784 ) |
| Borrow from related parties borrowings | | 160,900 | 425,830 |
| Redeem company debt | 6(9) | - | ( 100,000 ) |
| Cash capital increase | 6(13) | - | 100,000 |
| Net cash inflow from financing activities | | ( 179,925 ) | ( 218,460 ) |
| Effect on foreign currency exchange differences | | 2,208 | 1,019 |
| Increase of cash and cash equivalents of the current term | | 2,648 | ( 55,171 ) |
| Cash and cash equivalents at the beginning of the year | | 48,091 | 103,262 |
| Cash and cash equivalents at the end of the year | | $ 50,739 | $ 48,091 |

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

Chairman: Chen Xiuzhong　　Manager: Chen Jianzhou　　Accounting supervisor: Yang, Shao-Dong

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25003919

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

## *Opinion*

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### *Basis for opinion*

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

## *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

**Allowance for inventory valuation losses**

Description

Refer to Note 4(11) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(3) for details of allowance for inventory valuation losses. As of December 31, 2025, the balances of inventories and allowance for inventory valuation losses were NT$327,886 thousand and NT$66,269 thousand, respectively.

The Group is engaged in the textile industry of manufacturing and sales of cotton yarn and finished fabrics. As textile products are subject to the fluctuations in raw material prices and the textile market is competitive, there is a higher risk of inventory losing value or becoming obsolete. The Group’s inventory is stated at the lower of cost and net realisable value, and the net realisable value of inventory over a certain age is evaluated based on the historical data on inventory clearance and discounts.

As the Group operates in an industry where raw material prices fluctuate continuously, and the net realisable value used in evaluating obsolete inventories involves subjective judgement resulting in a high degree of uncertainty. Considering that the inventory and allowance for inventory valuation losses were material to the financial statements, we consider the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures for allowance for valuation loss on inventories that were over a certain age and individually identified as obsolete and damaged:

1. Ascertained whether the policies on allowance for inventory valuation losses were reasonable and consistently applied in all the periods.

2. Verified the appropriateness of the system logic in calculating the ageing of inventories, and confirmed the information in the reports is consistent with the relevant policies.

3. Discussed with management the estimated net realisable value of individually identified obsolete and damaged inventories and obtained supporting documents to determine the reasonableness of allowance for inventory valuation losses.

4. Recalculated the net realisable value of individual inventory and calculated the required amount of the allowance for individual inventory valuation losses and compared it with the assessment result of the management.

**Impairment assessment of property, plant and equipment**

Description

Refer to Note 4(18) for accounting policies on impairment of non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on property, plant and equipment impairment valuation, and Note 6(6) for details of property, plant and equipment.

As of December 31, 2025, the Group's property, plant and equipment amounted to NT$422,080 thousand. As the operation of the Vietnam subsidiary was not as expected due to the recent fluctuations in international cotton prices and the high competitiveness in quotations for downstream yarn spinning products, the management assessed the impairment of the assets held by the subsidiary and the assessment result may affect the amount of impairment of non-financial assets. The management hired an external expert to evaluate the value of property, plant and equipment using the market method and the cost method and used it as reference of the fair value of these assets. The valuation method performed by the external appraiser involves the choice of comparable properties, the evaluation of asset utilisation and the adjustment factors, and they are subjective judgement resulting in a high degree of estimation uncertainty. Thus, we consider the impairment assessment of assets a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the Group's policies and procedures in relation to the property, plant and equipment impairment assessment, including collection of internal and external data, long-term and short-term business forecasts and industry changes, as well as obtained the asset impairment assessment reports that were assessed by the Company for cash-generating units.
2. Obtained the assets appraisal report issued by the appraiser and performed the following procedures:
   - Examined the appraiser's qualification and assessed his or her independence, objectiveness and competence.
   - Assessed whether the valuation method in the appraisal report was common industry practice and appropriate.
   - Ascertained whether the replacement costs, comparable properties and the asset utilisation used in the appraisal report were applied reasonably and were in accordance with the actuality.
   - Examined the reasonableness of the assumptions used in the appraisal report and ascertained the accuracy of the calculations.

## *Other matter – Reference to the audits of other auditors*

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were prepared using a different financial reporting framework and were audited by other auditors. We have performed necessary audit procedures on the adjustments made on the transition of preparing financial statements in accordance with the

Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission. Therefore, our opinion expressed herein, insofar as it relates to the unadjusted amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. The investment amount of the aforementioned company using the equity method as of December 31, 2025 and 2024 was NT$201,172 thousand and NT$211,597 thousand respectively, accounting for 14.40% and 10.61% of the consolidated total assets respectively. The comprehensive income recognized for the aforementioned company from January 1 to December 31, 2025 and 2024 was NT$36,125 thousand and NT$311,130 thousand respectively, accounting for 41.48% and 262.29% of the consolidated comprehensive income respectively.

## *Other matter – Parent company only financial reports*

We have audited and expressed an unqualified opinion and the Other matter section on the parent company only financial statements of TAH TONG TEXTILE CO., LTD. as at and for the years ended December 31, 2025 and 2024.

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

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

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

## *Auditors’ responsibilities for the audit of the consolidated financial statements*

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Ya-Hui　　　　Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

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

Unit：KNTD

| | Asset | Notes | December 31, 2025 Amount | % | December 31, 2024 Amount | % |
|---|---|---|---|---|---|---|
| | **Current assets** | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | $ 87,728 | 6 | $ 122,917 | 6 |
| 1170 | Net value of accounts receivable | 6(2) | 135,172 | 10 | 145,134 | 7 |
| 1200 | Other receivables | 7 | 8,405 | - | 7,508 | 1 |
| 130X | Inventories | 6(3) | 261,617 | 19 | 397,427 | 20 |
| 1410 | Prepayments | 6(8) | 72,096 | 5 | 64,870 | 3 |
| 1470 | Other current assets | 8 | 109,893 | 8 | 137,194 | 7 |
| 11XX | **Total current assets** | | 674,911 | 48 | 875,050 | 44 |
| | **Non-current assets** | | | | | |
| 1517 | Financial assets at fair value through other comprehensive income- non-current | 6(4) | 39,797 | 3 | 47,975 | 2 |
| 1550 | Investment accounted for using the equity method | 6(5)、7 and 8 | 201,172 | 15 | 211,597 | 11 |
| 1600 | Property, Plant and Equipment | 6(6) and 8 | 422,080 | 30 | 666,506 | 33 |
| 1755 | Right-of-use asset | 6(7) | 41,571 | 3 | 121,180 | 6 |
| 1780 | Intangible assets | | 14,966 | 1 | 3,477 | - |
| 1840 | Deferred tax assets | 6(23) | 2,610 | - | 39,114 | 2 |
| 1975 | Net defined benefit assets - non-current | 6(13) | - | - | 14,937 | 1 |
| 1990 | Other non-current assets - others | 6(8) | 109 | - | 13,972 | 1 |
| 15XX | **Total non-current assets** | | 722,305 | 52 | 1,118,758 | 56 |
| 1XXX | **Total assets** | | $ 1,397,216 | 100 | $ 1,993,808 | 100 |

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

Unit：KNTD

| | Liabilities and Equity | Notes | December 31, 2025 Amount | % | December 31, 2024 Amount | % |
|---|---|---|---|---|---|---|
| | **Current liabilities** | | | | | |
| 2100 | Short-term borrowings | 6(9) and 7 | $ 336,542 | 24 | $ 458,365 | 23 |
| 2150 | Notes payable | | 491 | - | 4,082 | - |
| 2170 | Accounts payable | 7 | 220,997 | 16 | 349,677 | 17 |
| 2200 | Other payables | 6(12) and 7 | 53,825 | 4 | 53,397 | 3 |
| 2230 | Income tax liability - Current | | - | - | 15,699 | 1 |
| 2320 | Long-term liabilities due within a year or one operating cycle | 6(11) and 7 | 38,296 | 2 | 243,261 | 12 |
| 2399 | Other current liabilities - other | 6(18) | 11,645 | 1 | 13,158 | 1 |
| 21XX | **Total current liabilities** | | 661,796 | 47 | 1,137,639 | 57 |
| | **Non-current liabilities** | | | | | |
| 2530 | Corporate bonds payable | 6(10) | - | - | - | - |
| 2540 | Long-term borrowings | 6(11) and 7 | 268,066 | 19 | 198,462 | 10 |
| 2570 | Deferred tax liabilities | 6(23) | 69 | - | 78,910 | 4 |
| 2600 | Other non-current liabilities | | 3,645 | 1 | 4,036 | - |
| 25XX | **Total non-current liabilities** | | 271,780 | 20 | 281,408 | 14 |
| 2XXX | **Total Liabilities** | | 933,576 | 67 | 1,419,047 | 71 |
| | **Equity attributable to owners of parent company** | | | | | |
| | Share capital | 6(14) | | | | |
| 3110 | Common share capital | | 717,444 | 51 | 717,444 | 36 |
| | Capital reserve | 6(15) | | | | |
| 3200 | Capital reserve | | 26,394 | 2 | 44,752 | 3 |
| | Retained earnings | 6(16) | | | | |
| 3350 | Deficit yet to be compensated | | ( 214,957 ) | ( 15 ) | ( 185,472 ) | ( 9 ) |
| | Other equity | 6(17) | | | | |
| 3400 | Other equity | | ( 65,241 ) | ( 5 ) | ( 8,131 ) | ( 1 ) |
| 31XX | **Total equity attributable to owners of parent company** | | 463,640 | 33 | 568,593 | 29 |
| 36XX | **Non-controlling interests** | | - | - | 6,168 | - |
| 3XXX | **Total equity** | | 463,640 | 33 | 574,761 | 29 |
| | Significant Contingent Liabilities and Unrecognized Commitments | 9 | | | | |
| | Significant Events | 11 | | | | |
| 3X2X | **Total liabilities and equities** | | $ 1,397,216 | 100 | $ 1,993,808 | 100 |

The appended notes to the consolidated financial statements are part of this consolidated financial report, please also refer to。

Chairman: Chen, Shiou-Chung　　Manager: Chen, Chien-Choan　　Accounting supervisor: Yang, Shao-Dong

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

Unit：KNTD
(Except loss per share in NTD)

| | Item | Notes | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|---|
| 4000 | Operating revenue | 6(18) and 7 | $ 1,515,005 | 100 | $ 1,625,979 | 100 |
| 5000 | Operating costs | 6(3)(21) and 7 | ( 1,414,801 ) | ( 93 ) | ( 1,634,062 ) | ( 100 ) |
| 5900 | Gross profit (gross loss) | | 100,204 | 7 | ( 8,083 ) | - |
| | Operating expenses | 6(21)(22) | | | | |
| 6100 | Selling expenses | | ( 63,233 ) | ( 4 ) | ( 58,904 ) | ( 4 ) |
| 6200 | Administrative expenses | | ( 83,216 ) | ( 6 ) | ( 87,398 ) | ( 6 ) |
| 6300 | Research and development expenses | | ( 4,307 ) | - | ( 5,555 ) | - ) |
| 6450 | Expected credit impairment gains | 12(3) | 314 | - | ( 3,336 ) | - |
| 6000 | Total operating expenses | | ( 150,442 ) | ( 10 ) | ( 155,193 ) | ( 10 ) |
| 6900 | Operating loss | | ( 50,238 ) | ( 3 ) | ( 163,276 ) | ( 10 ) |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest revenue | | 2,970 | - | 2,764 | - |
| 7010 | Other income | | 8,231 | - | 1,988 | - |
| 7020 | Other gains or losses | 6(19) | 42,030 | 3 | 35,032 | 2 |
| 7050 | Financial costs | 6(20) | ( 31,273 ) | ( 2 ) | ( 41,144 ) | ( 2 ) |
| 7055 | Expected credit impairment loss | 12(3) | ( 262 ) | - | ( 9,819 ) | ( 1 ) |
| 7060 | Share of the profit or loss of affiliates and joint ventures recognized using the equity method | 6(5) | ( 36,125 ) | ( 2 ) | 311,130 | 19 |
| 7000 | Total non-operating incomes and expenses | | ( 14,429 ) | ( 1 ) | 299,951 | 18 |
| 7900 | **Net loss before tax** | | ( 64,667 ) | ( 4 ) | ( 136,675 | 8 |
| 7950 | Income tax benefit | 6(23) | 32,852 | 2 | ( 35,223 ) | ( 2 ) |
| 8200 | **Current net loss** | | ( $ 31,815 ) | ( 2 ) | $ 101,452 | 6 |

(Continued on next page))

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

Unit：KNTD
(Except loss per share in NTD)

| Code | Item | Notes | 2025 Amount | 2025 % | 2024 Amount | 2024 % |
|---|---|---|---|---|---|---|
| | **Other comprehensive profit and loss (net)** | | | | | |
| | **Items not reclassified subsequently to profit or loss** | | | | | |
| 8311 | Remeasurement of defined benefit programs | 6(13) | $ 2,250 | - | $ 1,873 | - |
| 8316 | Unrealized equity instrument profit or loss measured at fair value through other comprehensive income | 6(4) | ( 8,178 ) | ( 1 ) | 2,113 | - |
| 8320 | Share of other comprehensive income of affiliates and joint ventures recognized with the equity method - items not reclassified subsequently to profit or loss | | ( 3,813 ) | - | 883 | - |
| 8349 | Income taxes related to the items not re-classified | 6(23) | ( 450 ) | - | ( 373 ) | - |
| 8310 | Total items not reclassified subsequently to profit or loss | | ( 10,191 ) | ( 1 ) | 4,496 | - |
| | **Items that may be reclassified subsequently to profit or loss** | | | | | |
| 8361 | Exchange differences on translation of the financial statements of foreign operations | | ( 45,038 ) | ( 3 ) | ( 12,657 | 1 |
| 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 | | ( 52 ) | - | 15 | - |
| 8360 | Total items that may be reclassified subsequently to profit or loss | | ( 45,090 ) | ( 3 ) | 12,672 | 1 |
| 8300 | **Other comprehensive profit and loss (net)** | | ( $ 55,281 ) | ( 4 ) | $ 17,168 | 1 |
| 8500 | **Total comprehensive income for this period** | | ( $ 87,096 ) | ( 6 ) | $ 118,620 | 7 |
| | Net loss attributable to: | | | | | |
| 8610 | Owners of the parent-company | | ( $ 31,314 ) | ( 2 ) | $ 112,419 | 7 |
| 8620 | Non-controlling interests | | ( 501 ) | - | ( 10,967 ) | ( 1 ) |
| | | | ( $ 31,815 ) | ( 2 ) | $ 101,452 | 6 |
| | Total comprehensive loss attributable to: | | | | | |
| 8710 | Owners of the parent-company | | ( $ 86,595 ) | ( 6 ) | $ 128,409 | 8 |
| 8720 | Non-controlling interests | | ( 501 ) | - | ( 9,789 ) | ( 1 ) |
| | | | ( $ 87,096 ) | ( 6 ) | $ 118,620 | 7 |
| | Loss per share | 6(24) | | | | |
| 9750 | Basic loss per share | | ( $ 0.45 ) | | $ 1.63 | |
| 9850 | Diluted loss per share | | ( $ 0.45 ) | | $ 1.63 | |

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to。

Chairman: Chen, Shiou-Chung　　Manager: Chen, Chien-Choan　　Accounting supervisor: Yang, Shao-Dong

<u>Tah Tong Textile Co., Ltd. and subsidiaries</u>
<u>Consolidated Statement of Changes in Equity</u>
<u>For the Years Ended December 31, 2025 and 2024</u>

Unit：KNTD

| | | Equity attributable to owners of parent company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Retained earnings | | Other equity | | | | | |
| | Notes | Common share capital | Capital reserve-Issue Premium | Capital reserve - recognized changes in equity ownership of subsidiaries | Retained earnings (losses to be compensated) | 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 | Total | Non-controlling interests | Total equity |
| 2024 | | | | | | | | | | | |
| Opening balance at January 1 | | $ 632,952 | $ | $ | ($ 299,521 ) | ($ 42,9[illegible] ) | $ 20,241 | $ [illegible] | $ 330,126 | $ 15,957 | $ 346,083 |
| Current net Income | | - | - | - | 112,419 | - | - | - | 112,419 | ( 10,967 ) | 101,452 - |
| Other comprehensive income recognized for the period | 6(17) | - | - | - | 1,630 | 11,494 | 2,866 | - | 15,990 | 1,178 | 17,168 - |
| Total comprehensive income for this period | | - | - | - | 114,049 | 11,494 | 2,866 | - | 128,409 | ( 9,789 ) | 118,620 - |
| Changes in associated companies and joint ventures recognized using the equity method | | - | - | 10,058 | - | - | - | - | 10,058 | - | 10,058 |
| Cash capital increase | 6(14) | 84,492 | 15,508 | - | - | - | - | - | 100,000 | - | 100,000 |
| Ending balance on December 31 | | $ 717,444 | $ | $ | ( $ 185,472 ) | ($ 31,4[illegible] ) | $ 23,107 | $ [illegible] | $ 568,593 | $ 6,186 | $ 574,761 |
| 2025 | | | | | | | | | | | |
| Opening balance at January 1 | | $ 717,444 | $ | $ | ($ 185,472 ) | ($ 31,4[illegible] ) | $ 23,107 | $ [illegible] | $ 568,593 | $ 6,168 | $ 574,761 |
| Current net loss | | - | - | - | ( 31,314 ) | - | - | - | ( 31,314 ) | ( 501 ) | ( 31,815 ) |
| Other comprehensive income recognized for the period | 6(17) | - | - | - | 1,829 | ( 45,090 ) | ( 12,020 ) | - | ( 55,281 ) | - | ( 55,281 ) |
| Total comprehensive income for this period | | - | - | - | ( 29,485 ) | ( 45,090 ) | ( 12,020 ) | - | ( 86,595 ) | ( 501 ) | ( 87,096 ) |
| Changes in associated companies and joint ventures recognized using the equity method | 6(5) | - | - | ( 18,358 ) | - | - | - | - | ( 18,358 ) | - | ( 18,358 ) |
| Loss on non-controlling interests | 4(3) | - | - | - | - | - | - | - | - | ( 5,667 ) | ( 5,667 ) |
| Ending balance on December 31 | | $ 717,444 | $ | $ | ($ 185,472 ) | ($ 76,5[illegible] ) | $ 11,087 | $ [illegible] | $ 463,640 | $ - | ($ 463,640 ) |

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to。

Chairman: Chen, Shiou-Chung　　Manager: Chen, Chien-Choan　　Accounting Officer: Yang, Shao-Dong

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

Unit：KNTD

| | Note | January 1, 2025to December 31, 2025 | January 1, 2024 to December 31, 2024 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Net loss before income tax | | ($ 64,667 ) | $ 136,675 |
| Adjustments | | | |
| Income/expenses items | | | |
| Depreciation expense | 6(22) | 69,744 | 94,220 |
| Amortization cost | 6(22) | 3,867 | 956 |
| Expected credit impairment reversed gains | 12(3) | ( 52 ) | 13,155 |
| Interest revenue | | ( 2,970 ) | ( 2,764 ) |
| Disposal of investment interests | 6(20) | ( 70,343 ) | - |
| Dividend income | | ( 5,133 ) | ( 1,027 ) |
| Interest expenses | 6(21) | 31,273 | 41,144 |
| Losses on disposal of property, plant and equipment | 6(20) | 268 | 2,134 |
| Loss Recovering Benefit | 6(6)(20) | - | ( 26,245 ) |
| Share of the profit or loss of affiliates and joint ventures using the equity method | 6(5) | 36,125 | ( 311,130 ) |
| Unrealized exchange gains | | 11,046 | ( 14,612 ) |
| Changes in assets/debts having to do with business activities | | | |
| Net changes in the assets related to the operating activities | | | |
| Notes receivable | | ( 22,826 ) | - |
| Accounts receivable | | ( 1,929 ) | ( 54,263 ) |
| Other receivables | | 108,593 | ( 13,022 ) |
| Inventories | | ( 24,866 ) | ( 78,143 ) |
| Prepayments | | 19,569 | ( 2,222 ) |
| Other current assets | | 14,937 | ( 36,570 ) |
| Other non-current assets | | | ( 4,353 ) |
| Net changes in the liabilities related to the operating activities | | ( 3,591 ) | |
| Notes payable | | 103,177 | ( 5,421 ) |
| Accounts payable | | 5,026 | 135,523 |
| Other payables | | ( 818 ) | 6,423 |
| Other current liabilities | | 206,430 | ( 13,224 ) |
| Cash outflows generated from operations | | 3,623 | ( 132,766 ) |
| Interest received | | 5,133 | 2,580 |
| Dividends received | | ( 30,183 ) | 1,027 |
| Interest paid | | ( 146 ) | ( 38,404 ) |
| Income paid | | 184,857 | ( 2,183 ) |
| Net cash outflow from operating activities | | ($ 64,667 ) | ( 169,746 ) |

(to next page)

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

Unit：KNTD

| | Note | January 1, 2025to December 31, 2025 | January 1, 2024 to December 31, 2024 |
|---|---|---|---|
| Cash flows from investing activities | | | |
| Decrease (increase) in capital loaned to related parties | | $ - | $ 14,069 |
| Financial assets at fair value through other comprehensive income - share payment refunded due to capital decrease | | - | 129 |
| Acquiring investments using the equity method | 6(5) | ( 56,794 ) | - |
| Liquidation of investment using the equity method to return the stock proceeds | 6(5) | - | 76,232 |
| Receiving dividends from equity-based companies | 6(5) | 8,872 | 258,969 |
| Purchase of property, plant and equipment | 6(25) | ( 5,514 ) | ( 5,811 ) |
| Disposal of real estate, factory buildings and equipment | | - | 60,867 |
| Increase in intangible assets | | ( 13,803 ) | - |
| Subsidiary company price | 6(25) | 72,611 | - |
| Decrease (increase) in other non-current assets | | 3,206 | ( 2,773 ) |
| Net cash inflow (outflow) from investing activities | | 8,578 | 401,682 |
| Cash flows from financing activities | | | |
| Borrow short-term borrowings | | 1,073,456 | 2,454,753 |
| Repay short-term borrowings | | ( 1,171,972 ) | ( 2,420,457 ) |
| Repayments of long-term borrowings | | ( 184,261 ) | ( 29,805 ) |
| Borrowings from related parties | | 160,900 | 425,830 |
| Repayments of loans to related parties | | ( 112,000 ) | ( 681,784 ) |
| Redeem company debt | 6(10) | - | ( 100,000 ) |
| Cash capital increase | 6(14) | - | 100,000 |
| Net cash inflow from financing activities | | ( 233,877 ) | ( 251,463 ) |
| Effect on foreign currency exchange differences | | 5,253 | 8,608 |
| Increase of cash and cash equivalents of the current term | | ( 35,189 ) | ( 10,919 ) |
| Cash and cash equivalents at the beginning of the year | | 122,917 | 133,836 |
| Cash and cash equivalents at the end of the year | | $ 87,728 | $ 122,917 |

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

Chairman: Chen, Shiou-Chung　　Manager: Chen, Chien-Choan　　Accounting supervisor: Yang, Shao-Dong