

**Kwong Lung Enterprise Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Kwong Lung Enterprise Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Kwong Lung Enterprise Co., Ltd. and its subsidiaries (collectively, the “Group”) as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2026 and 2025, the combined total assets of these non-significant subsidiaries were \$2,619,730 thousand and \$3,292,492 thousand, respectively, representing 26% and 30%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were \$609,969 thousand and \$1,621,657 thousand, respectively, representing 12% and 28%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2026 and 2025, the amounts of combined comprehensive income or loss of these subsidiaries were \$16,055 thousand and \$18,371 thousand, respectively, representing 23% and 17%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 14 to the consolidated financial statements, as of March 31, 2026 and 2025, the total carrying amounts of the investments accounted for using the equity method were \$289,022 thousand and \$357,991 thousand, respectively. For the three months ended March 31, 2026 and 2025, the share of profit (loss) of associates accounted for using the equity method was \$(10,467) thousand and \$(6,383) thousand, respectively. The amounts of the related equity-method investment as well as

the additional disclosures in Note 37 to the consolidated financial statements were based on the equity-method investees' unreviewed financial statements for the same reporting periods.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025 and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Ming-Hsien Liu and Yung-Hsiang Chao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2026

Notice to Readers

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

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 748,683	8	\$ 850,588	9	\$ 714,482	6
Financial assets at fair value through profit or loss - current (Note 7)	19,836	-	8,040	-	3,517	-
Financial assets at amortized cost - current (Note 9)	364,669	4	453,763	4	406,739	4
Notes receivable (Note 10)	16,434	-	70,430	1	25,032	-
Trade receivables (Notes 10 and 31)	619,442	6	644,622	6	747,481	7
Other receivables (Notes 10 and 31)	238,767	2	193,376	2	372,435	3
Inventories (Note 12)	2,046,097	21	1,637,699	17	3,105,155	28
Other current assets (Notes 11, 19 and 31)	<u>222,834</u>	<u>2</u>	<u>192,610</u>	<u>2</u>	<u>299,506</u>	<u>3</u>
Total current assets	<u>4,276,762</u>	<u>43</u>	<u>4,051,128</u>	<u>41</u>	<u>5,674,347</u>	<u>51</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	-	-	-	-	14	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	589,513	6	583,661	6	749,794	7
Investments accounted for using the equity method (Notes 14 and 31)	289,022	3	308,408	3	357,991	3
Property, plant and equipment (Note 15)	1,386,241	14	1,380,990	14	2,323,212	21
Right-of-use assets (Notes 16 and 31)	116,091	1	119,036	1	134,506	1
Investment properties, net (Notes 17 and 32)	3,008,196	30	3,076,145	32	1,632,205	15
Intangible assets (Note 18)	23,991	-	24,235	-	24,830	-
Deferred tax assets	67,305	1	70,085	1	55,704	1
Other non-current assets (Notes 11 and 19)	<u>178,603</u>	<u>2</u>	<u>181,751</u>	<u>2</u>	<u>122,512</u>	<u>1</u>
Total non-current assets	<u>5,658,962</u>	<u>57</u>	<u>5,744,311</u>	<u>59</u>	<u>5,400,768</u>	<u>49</u>
TOTAL	<u>\$ 9,935,724</u>	<u>100</u>	<u>\$ 9,795,439</u>	<u>100</u>	<u>\$ 11,075,115</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	\$ 2,023,659	21	\$ 1,980,962	20	\$ 1,802,301	16
Short-term bills payable (Notes 20 and 32)	105,591	1	105,861	1	164,870	2
Financial liabilities at fair value through profit or loss - current (Note 7)	3,404	-	170	-	5,405	-
Contract liabilities - current (Notes 24 and 31)	5,050	-	45,312	-	208,901	2
Notes payable	15,652	-	5,169	-	10,067	-
Trade payables	825,586	8	633,586	7	1,141,570	10
Other payables (Notes 21 and 31)	769,130	8	398,297	4	1,027,928	9
Current tax liabilities (Note 26)	72,104	1	91,091	1	64,723	1
Lease liabilities - current (Notes 16 and 31)	31,991	-	33,236	-	30,036	-
Current portion of long-term liabilities (Note 20)	79,483	1	75,194	1	257,716	3
Other current liabilities	<u>103,359</u>	<u>1</u>	<u>65,602</u>	<u>1</u>	<u>26,309</u>	<u>-</u>
Total current liabilities	<u>4,035,009</u>	<u>41</u>	<u>3,434,480</u>	<u>35</u>	<u>4,739,826</u>	<u>43</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	230	-	-	-	879	-
Long-term borrowings (Note 20)	730,965	7	753,856	8	732,146	7
Deferred tax liabilities	116,506	1	115,331	1	120,287	1
Lease liabilities - non-current (Notes 16 and 31)	47,193	1	48,575	1	63,350	-
Net defined benefit liabilities - non-current (Note 22)	2,849	-	2,968	-	4,064	-
Other non-current liabilities (Note 31)	<u>25,975</u>	<u>-</u>	<u>43,242</u>	<u>-</u>	<u>38,210</u>	<u>-</u>
Total non-current liabilities	<u>923,718</u>	<u>9</u>	<u>963,972</u>	<u>10</u>	<u>958,936</u>	<u>8</u>
Total liabilities	<u>4,958,727</u>	<u>50</u>	<u>4,398,452</u>	<u>45</u>	<u>5,698,762</u>	<u>51</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 23, 28 and 29)						
Share capital						
Ordinary shares	1,503,091	15	1,501,965	15	1,511,439	14
Preference shares	2,515	-	2,569	-	2,738	-
Advance receipts for ordinary shares	<u>705</u>	<u>-</u>	<u>1,891</u>	<u>-</u>	<u>49</u>	<u>-</u>
Total share capital	<u>1,506,311</u>	<u>15</u>	<u>1,506,425</u>	<u>15</u>	<u>1,514,226</u>	<u>14</u>
Capital surplus	<u>2,162,210</u>	<u>22</u>	<u>2,234,409</u>	<u>23</u>	<u>2,255,814</u>	<u>20</u>
Retained earnings						
Legal reserve	790,899	8	790,899	8	726,885	7
Special reserve	-	-	-	-	94,005	1
Unappropriated earnings	<u>774,157</u>	<u>8</u>	<u>1,124,303</u>	<u>12</u>	<u>718,561</u>	<u>6</u>
Total retained earnings	<u>1,565,056</u>	<u>16</u>	<u>1,915,202</u>	<u>20</u>	<u>1,539,451</u>	<u>14</u>
Treasury shares	<u>(35,403)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other equity interests						
Exchange differences on translation of the financial statements of foreign operations	(249,344)	(3)	(304,991)	(3)	(61,394)	-
Unrealized valuation gain on financial assets at fair value through other comprehensive income	<u>7,377</u>	<u>-</u>	<u>28,077</u>	<u>-</u>	<u>128,256</u>	<u>1</u>
Total other equity interests	<u>(241,967)</u>	<u>(3)</u>	<u>(276,914)</u>	<u>(3)</u>	<u>66,862</u>	<u>1</u>
Total equity attributable to owners of the Company	4,956,207	50	5,379,122	55	5,376,353	49
NON-CONTROLLING INTERESTS (Notes 23 and 29)	<u>20,790</u>	<u>-</u>	<u>17,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity	<u>4,976,997</u>	<u>50</u>	<u>5,396,987</u>	<u>55</u>	<u>5,376,353</u>	<u>49</u>
TOTAL	<u>\$ 9,935,724</u>	<u>100</u>	<u>\$ 9,795,439</u>	<u>100</u>	<u>\$ 11,075,115</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2026)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	\$ 1,446,336	100	\$ 1,668,488	100
OPERATING COSTS (Notes 12, 25 and 31)	<u>(1,275,953)</u>	<u>(88)</u>	<u>(1,437,733)</u>	<u>(86)</u>
GROSS PROFIT	<u>170,383</u>	<u>12</u>	<u>230,755</u>	<u>14</u>
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing expenses	(65,335)	(5)	(77,185)	(5)
General and administrative expenses	(93,548)	(6)	(99,484)	(6)
Research and development expenses	(11,253)	(1)	(13,150)	(1)
Expected credit gain (loss)	<u>752</u>	<u>-</u>	<u>(7,162)</u>	<u>-</u>
Total operating expenses	<u>(169,384)</u>	<u>(12)</u>	<u>(196,981)</u>	<u>(12)</u>
PROFIT FROM OPERATIONS	<u>999</u>	<u>-</u>	<u>33,774</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)				
Interest income	10,400	1	13,156	1
Other income	6,304	-	2,843	-
Other gains and losses	41,575	3	39,103	2
Finance costs	(14,560)	(1)	(11,534)	(1)
Share of loss of associates accounted for using the equity method	<u>(10,467)</u>	<u>(1)</u>	<u>(6,383)</u>	<u>-</u>
Total non-operating income and expenses	<u>33,252</u>	<u>2</u>	<u>37,185</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	34,251	2	70,959	4
INCOME TAX EXPENSE (Note 26)	<u>(8,066)</u>	<u>-</u>	<u>(19,621)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>26,185</u>	<u>2</u>	<u>51,338</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(1,149)	-	(16,069)	(1)
Unrealized (loss) gain on investments in equity instruments of associates at fair value through other comprehensive income	<u>(8,978)</u>	<u>(1)</u>	<u>1,417</u>	<u>-</u>
	<u>(10,127)</u>	<u>(1)</u>	<u>(14,652)</u>	<u>(1)</u>

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KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 55,646	4	\$ 58,937	3
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	<u>(10,573)</u>	<u>(1)</u>	<u>12,893</u>	<u>1</u>
	<u>45,073</u>	<u>3</u>	<u>71,830</u>	<u>4</u>
Other comprehensive income for the period, net of income tax	<u>34,946</u>	<u>2</u>	<u>57,178</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 61,131</u>	<u>4</u>	<u>\$ 108,516</u>	<u>6</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 26,241	2	\$ 51,338	3
Non-controlling interests	<u>(56)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,185</u>	<u>2</u>	<u>\$ 51,338</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 61,188	4	\$ 108,516	6
Non-controlling interests	<u>(57)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 61,131</u>	<u>4</u>	<u>\$ 108,516</u>	<u>6</u>
EARNINGS PER SHARE (Note 27)				
From continuing operations				
Basic	<u>\$ 0.17</u>		<u>\$ 0.33</u>	
Diluted	<u>\$ 0.17</u>		<u>\$ 0.33</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2026)

(Concluded)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent Company									Other Equity Interests				
	Share Capital				Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Share	Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Preference Shares	Advance Receipts for Ordinary Shares	Subtotal		Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE ON JANUARY 1, 2025	\$ 1,511,202	\$ 2,801	\$ 22	\$ 1,514,025	\$ 2,254,850	\$ 726,885	\$ 94,005	\$ 1,229,453	\$ (120,331)	\$ 130,015	\$ -	\$ 5,828,902	\$ 143,062	\$ 5,971,964
Appropriation of the 2024 earnings														
Cash dividends	-	-	-	-	-	-	-	(544,057)	-	-	-	(544,057)	-	(544,057)
Cash dividends of preference shares	-	-	-	-	-	-	-	(745)	-	-	-	(745)	-	(745)
Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	-	51,338	-	-	-	51,338	-	51,338
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	-	58,937	(1,759)	-	57,178	-	57,178
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	-	51,338	58,937	(1,759)	-	108,516	-	108,516
Convertible preference shares converted	63	(63)	-	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	-	-	-	(17,428)	-	-	-	(17,428)	(143,062)	(160,490)
Issuance of ordinary shares under employee share options	174	-	27	201	964	-	-	-	-	-	-	1,165	-	1,165
BALANCE ON MARCH 31, 2025	<u>\$ 1,511,439</u>	<u>\$ 2,738</u>	<u>\$ 49</u>	<u>\$ 1,514,226</u>	<u>\$ 2,255,814</u>	<u>\$ 726,885</u>	<u>\$ 94,005</u>	<u>\$ 718,561</u>	<u>\$ (61,394)</u>	<u>\$ 128,256</u>	<u>\$ -</u>	<u>\$ 5,376,353</u>	<u>\$ -</u>	<u>\$ 5,376,353</u>
BALANCE ON JANUARY 1, 2026	\$ 1,501,965	\$ 2,569	\$ 1,891	\$ 1,506,425	\$ 2,234,409	\$ 790,899	\$ -	\$ 1,124,303	\$ (304,991)	\$ 28,077	\$ -	\$ 5,379,122	\$ 17,865	\$ 5,396,987
Appropriation of the 2025 earnings														
Cash dividends	-	-	-	-	(75,142)	-	-	(375,709)	-	-	-	(450,851)	-	(450,851)
Cash dividends of preference shares	-	-	-	-	-	-	-	(678)	-	-	-	(678)	-	(678)
Net profit (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	-	26,241	-	-	-	26,241	(56)	26,185
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	-	-	55,647	(20,700)	-	34,947	(1)	34,946
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	-	26,241	55,647	(20,700)	-	61,188	(57)	61,131
Convertible preference shares converted	54	(54)	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares under employee share options	1,072	-	(1,186)	(114)	2,943	-	-	-	-	-	-	2,829	-	2,829
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	(35,403)	(35,403)	-	(35,403)
Non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	-	2,982	2,982
BALANCE ON MARCH 31, 2026	<u>\$ 1,503,091</u>	<u>\$ 2,515</u>	<u>\$ 705</u>	<u>\$ 1,506,311</u>	<u>\$ 2,162,210</u>	<u>\$ 790,899</u>	<u>\$ -</u>	<u>\$ 774,157</u>	<u>\$ (249,344)</u>	<u>\$ 7,377</u>	<u>\$ (35,403)</u>	<u>\$ 4,956,207</u>	<u>\$ 20,790</u>	<u>\$ 4,976,997</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2026)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 34,251	\$ 70,959
Adjustments for:		
Depreciation expense	41,787	42,491
Amortization expense	275	216
Expected credit (gain) loss	(752)	7,162
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	948	2,753
Finance costs	14,560	11,534
Interest income	(10,400)	(13,156)
Compensation costs of employee share options	29	356
Share of profit of associates accounted for using the equity method	10,467	6,383
Loss (gain) on disposal of property, plant and equipment	4	(34)
Gain on disposal of investment properties	(24,299)	-
Write-downs of inventories	13,745	14,162
Net gain on foreign currency exchange	(14,042)	(3,064)
Other gains and losses	-	(581)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	8,040	9,700
Notes receivable	53,996	20,662
Trade receivables	25,004	1,610
Other receivables	(35,951)	(45,090)
Inventories	(423,934)	(671,941)
Other current assets	(30,224)	(41,263)
Financial liabilities held for trading	(170)	(4,552)
Notes payable	10,483	(2,263)
Trade payables	190,400	102,609
Contract liabilities	(40,262)	6,587
Other payables	(103,753)	(32,569)
Other current liabilities	37,757	(3,308)
Net defined benefit liabilities	(119)	(617)
Cash used in operations	(242,160)	(521,254)
Interest received	2,028	13,112
Interest paid	(14,564)	(11,021)
Income tax paid	(23,098)	(10,063)
Net cash used in operating activities	(277,794)	(529,226)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(8,455)	-
Purchase of financial assets at amortized cost	-	(16,935)
Proceeds from disposal of financial assets at amortized cost	94,863	51,638

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KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
Purchase of financial assets at fair value through profit or loss	\$ (17,150)	\$ -
Acquisition of property, plant and equipment	(19,054)	(56,909)
Proceeds from disposal of property, plant and equipment	-	34
Acquisition of investment properties	(60,206)	(413)
Proceeds from disposal of investment properties	165,527	-
Increase in other non-current assets	-	(10,977)
Decrease in other non-current assets	3,848	-
Dividends received from associates	<u>-</u>	<u>5,262</u>
Net cash generated from (used in) investing activities	<u>159,373</u>	<u>(28,300)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	42,697	598,262
Proceeds from short-term bills payable	-	19,446
Repayments of short-term bills payable	(270)	-
Proceeds from long-term borrowings	-	17,147
Repayments of long-term borrowings	(18,520)	(759)
Repayments of the principal portion of lease liabilities	(8,861)	(7,944)
Increase in other non-current liabilities	2,733	6,281
Decrease in other non-current liabilities	(20,000)	-
Payments for buy-back of ordinary shares	(35,403)	-
Proceeds from share options exercised	2,800	809
Acquisition of additional interests in subsidiaries	-	(16,049)
Increase in non-controlling interests	<u>2,982</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(31,842)</u>	<u>617,193</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>48,358</u>	<u>25,730</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(101,905)	85,397
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>850,588</u>	<u>629,085</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 748,683</u>	<u>\$ 714,482</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2026)

(Concluded)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Kwong Lung Enterprise Co., Ltd. (the “Company”) was incorporated in February 1966 under the Company Act and related regulations of the Republic of China (ROC). The Company mainly manufactures and sells various feather products including apparel, down and bedding.

The Company’s shares have been trading on the Taipei Exchange (formerly known as Taiwan GreTai Securities Market) since April 1999.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 7, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of financial assets or the cost of an investment in an associate or a joint venture.

See Note 13, Table 6 and Table 7 for detailed information on the subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

For the summary of other material accounting policies, except the following accounting policies, refer to the consolidated financial statements for the year ended December 31, 2025.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2025 for the material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 1,994	\$ 1,494	\$ 1,918
Checking accounts and demand deposits	621,706	799,638	611,257
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>124,983</u>	<u>49,456</u>	<u>101,307</u>
	<u>\$ 748,683</u>	<u>\$ 850,588</u>	<u>\$ 714,482</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets at FVTPL - current</u>			
Mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 2,686	\$ 8,040	\$ 3,517
Domestic unlisted stock	<u>17,150</u>	<u>-</u>	<u>-</u>
	<u>\$ 19,836</u>	<u>\$ 8,040</u>	<u>\$ 3,517</u>

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ -	\$ 14
<u>Financial liabilities at FVTPL - current</u>			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 3,404	\$ 170	\$ 5,405
<u>Financial liabilities at FVTPL - non-current</u>			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ 230	\$ -	\$ 879
			(Concluded)

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2026</u>			
Buy	USD/NTD	2026.4.10	USD1,000/NTD31,870
Buy	USD/JPY	2026.4.20-2027.3.26	USD2,664/JPY408,606
Buy	EUR/USD	2026.4.9-2026.6.8	EUR450/USD528
Buy	EUR/JPY	2026.8.27-2027.6.21	EUR2,765/JPY504,327
Sell	USD/VND	2026.4.2-2026.5.6	USD6,000/VND156,451,000
Sell	USD/RMB	2026.4.8	USD100/RMB691
<u>December 31, 2025</u>			
Buy	EUR/JPY	2026.4.30	EUR158/JPY25,254
Buy	EUR/USD	2026.1.15-2026.2.12	EUR613/USD726
Buy	USD/JPY	2026.1.22-2026.10.20	USD3,861/JPY561,517
Sell	USD/VND	2026.1.30	USD1,000/VND26,390,000
Sell	USD/RMB	2026.1.30	USD200/RMB1,400
<u>March 31, 2025</u>			
Buy	EUR/NTD	2025.4.11	EUR84/NTD2,858
Buy	USD/NTD	2025.4.8-2025.5.23	USD2,710/NTD87,934
Buy	USD/JPY	2025.7.3-2026.8.20	USD5,587/JPY838,557
Buy	EUR/USD	2025.4.24-2025.8.21	EUR1,833/USD1,951
Buy	EUR/JPY	2025.10.17-2026.4.30	EUR2,492/JPY400,847
Sell	USD/NTD	2025.7.21	USD1,000/NTD32,831
Sell	USD/RMB	2025.4.24	USD400/RMB2,886

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Non-current</u>			
Investments in equity instruments (a)			
Domestic listed shares	\$ 64,978	\$ 57,672	\$ 210,651
Investments in debt instruments (b)			
Foreign corporate bonds	<u>524,535</u>	<u>525,989</u>	<u>539,143</u>
	<u>\$ 589,513</u>	<u>\$ 583,661</u>	<u>\$ 749,794</u>

- a. These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.
- b. The Group held foreign corporate bonds with coupon rates ranging from 1.375% to 5.35%.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Domestic investments			
Restricted assets - trust account*	\$ -	\$ 79,863	\$ 75
Time deposits with original maturities of more than 3 months	<u>364,669</u>	<u>373,900</u>	<u>406,664</u>
	<u>\$ 364,669</u>	<u>\$ 453,763</u>	<u>\$ 406,739</u>

- * The Group delivered the proceeds from the sale of a pre-sale house to a trust account managed by a financial institution. The trustee is responsible for managing the disbursement of construction payments in accordance with the trust agreement during the trust period.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 16,434	\$ 70,430	\$ 25,032
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,434</u>	<u>\$ 70,430</u>	<u>\$ 25,032</u>
<u>Trade receivables (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 648,390	\$ 673,622	\$ 765,899
Less: Allowance for impairment loss	<u>(28,948)</u>	<u>(29,000)</u>	<u>(18,418)</u>
	<u>\$ 619,442</u>	<u>\$ 644,622</u>	<u>\$ 747,481</u>
<u>Other receivables</u>			
Sale of raw materials	\$ 337,338	\$ 291,357	\$ 464,858
Tax refund receivable	36,810	33,651	46,218
Interest receivable	18,668	10,296	17,047
Others	4,700	16,601	2,730
Less: Allowance for impairment loss	<u>(158,749)</u>	<u>(158,529)</u>	<u>(158,418)</u>
	<u>\$ 238,767</u>	<u>\$ 193,376</u>	<u>\$ 372,435</u>

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

Except for losses recognized as actual credit loss of individual customer, the Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. Since there are different loss patterns for customer segments of various business units of the Group, the Group uses different provision matrixes based on operating segments and recognizes the allowance for impairment loss in accordance with the expected credit loss based on operating segments. For trade receivables that are over 150 days past due, the Group recognizes loss allowance at full amount.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging of trade receivables was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than 30 days	\$ 496,681	\$ 349,047	\$ 475,052
31-60 days	119,413	236,929	119,184
61-120 days	3,432	59,292	138,136
More than 121 days	<u>28,864</u>	<u>28,354</u>	<u>33,527</u>
	<u>\$ 648,390</u>	<u>\$ 673,622</u>	<u>\$ 765,899</u>

The above aging schedule was based on the number of overdue days from the posting date.

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 29,000	\$ 11,256
Add: Net remeasurement of loss allowance	-	7,162
Less: Net remeasurement of loss allowance	<u>(52)</u>	<u>-</u>
Balance on March 31	<u>\$ 28,948</u>	<u>\$ 18,418</u>

The movements of the loss allowance of other receivables were as follows:

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 158,529	\$ 158,254
Foreign exchange gains and losses	<u>220</u>	<u>164</u>
Balance on March 31	<u>\$ 158,749</u>	<u>\$ 158,418</u>

The Group reviews the recoverable amount of other receivables on an individual basis and evaluates whether there has been a significant increase in credit risk. An adequate allowance for expected credit loss is recognized when forward-looking information of irrecoverable amounts exists.

11. FINANCE LEASE RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Undiscounted lease payments</u>			
Year 1	\$ 85,991	\$ 86,691	\$ 87,167
Less: Unearned finance income	(4,683)	(4,683)	(4,787)
Less: Allowance for impairment loss	<u>(81,308)</u>	<u>(82,008)</u>	<u>(53,425)</u>
Net investment in leases (presented as finance lease receivables)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,955</u>

The Group entered into a finance lease arrangement for certain machinery equipment with a monthly fixed lease payment of \$1,689 thousand. All leases are denominated in New Taiwan dollars. The average term of the finance lease is 5 years.

The implied interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The range of implied interest rates inherent in the finance leases was approximately 9.44%-10.44% per annum as of March 31, 2026.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of March 31, 2025, part of finance lease receivables was past due. The Group has recognized a loss allowance of \$81,308 thousand for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Merchandise	\$ 45,986	\$ 57,977	\$ 44,602
Finished goods	534,402	472,125	696,407
Work in progress	649,304	532,646	898,633
Raw materials	724,057	368,158	765,438
Goods to subcontractor	27,558	9,847	409
Inventory in transit	64,790	147,960	178,840
Buildings and land held for sale	-	48,986	-
Lands and buildings under construction	-	-	520,826
	<u>\$ 2,046,097</u>	<u>\$ 1,637,699</u>	<u>\$ 3,105,155</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 included inventory write-downs of \$13,745 thousand and \$14,162 thousand, respectively.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Kwong Lung (B.V.I.) Ltd.	Overseas reinvested holding company	100.00	100.00	100.00	Major subsidiary
	Kwong Lung Meko Co., Ltd.	Processing and manufacturing of apparel, down and bedding	100.00	100.00	100.00	Major subsidiary
	Kwong Lung Japan Co., Ltd.	Selling of down and bedding	100.00	100.00	100.00	1)
	Bo Hsing Enterprise Co., Ltd.	Processing and manufacturing of apparel and bedding	100.00	100.00	100.00	Major subsidiary
	Toptex Garment Co., Ltd.	Processing and manufacturing of apparel	100.00	100.00	100.00	1)
	P&B Collection Co., Ltd.	Investment activities and product services	100.00	100.00	100.00	1)
	Kwong Lung-O Mon Company Limited	Processing and manufacturing of apparel	100.00	100.00	100.00	1)
	Manumech Corporation	Wholesale	100.00	100.00	100.00	1)
	Fuhua Garment Co., Ltd.	Processing and manufacturing of apparel and bedding	100.00	100.00	100.00	1)
	Gonglong Co., Ltd.	Real estate rental and leasing	100.00	100.00	100.00	1)
Gonglong Co., Ltd.	Koutou Co., Ltd.	Construction business	100.00	100.00	100.00	1), 2)
Kwong Lung (B.V.I.) Ltd.	Kwong Lung Feather (B.V.I.) Limited	Overseas reinvested holding company	100.00	100.00	100.00	1)
	Snowdown Merchandise (Suzhou) Co., Ltd.	Processing and manufacturing of down and bedding	100.00	100.00	100.00	1)
Kwong Lung Japan Co., Ltd.	Makoto Build Co., Ltd.	Construction business	70.00	70.00	-	1)
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	Overseas reinvested holding company	40.00	40.00	40.00	1)
Kwong Lung Meko Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	Overseas reinvested holding company	60.00	60.00	60.00	1)

- 1) It is a non-significant subsidiary; its financial statements have not been reviewed as of March 31, 2026 and 2025.
- 2) In January 2025, the Group acquired 5,952 thousand shares of Koutou Co., Ltd. in the amount of \$160,490 thousand. This acquisition resulted in an increase in shareholding from 60% to 100%. Refer to Note 29 for the details.

b. Subsidiaries excluded from the consolidated financial statements: None.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2026	December 31, 2025	March 31, 2025
Associates that are not individually material	<u>\$ 289,022</u>	<u>\$ 308,408</u>	<u>\$ 357,991</u>

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the investees' financial statements which have not been audited. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the investees' financial statements which have not been audited.

Refer to Table 6 for the nature of activities, principal place of business and country of incorporation of the associate.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>							
Balance on January 1, 2026	\$ 162,049	\$ 1,682,898	\$ 555,675	\$ 42,023	\$ 162,142	\$ 28,451	\$ 2,633,238
Additions	-	5,378	4,770	-	3,910	6,300	20,358
Disposals	-	-	(445)	-	(879)	-	(1,324)
Reclassification	3,366	-	-	-	-	-	3,366
Effects of foreign currency exchange differences	-	15,309	8,398	552	1,024	5	25,288
Balance on March 31, 2026	<u>\$ 165,415</u>	<u>\$ 1,703,585</u>	<u>\$ 568,398</u>	<u>\$ 42,575</u>	<u>\$ 166,197</u>	<u>\$ 34,756</u>	<u>\$ 2,680,926</u>
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2026	\$ -	\$ 617,567	\$ 474,389	\$ 28,581	\$ 131,711	\$ -	\$ 1,252,248
Depreciation expense	-	17,447	6,775	844	2,796	-	27,862
Disposals	-	-	(445)	-	(875)	-	(1,320)
Effects of foreign currency exchange differences	-	7,069	7,619	452	755	-	15,895
Balance on March 31, 2026	<u>\$ -</u>	<u>\$ 642,083</u>	<u>\$ 488,338</u>	<u>\$ 29,877</u>	<u>\$ 134,387</u>	<u>\$ -</u>	<u>\$ 1,294,685</u>
Carrying amount on March 31, 2026	<u>\$ 165,415</u>	<u>\$ 1,061,502</u>	<u>\$ 80,060</u>	<u>\$ 12,698</u>	<u>\$ 31,810</u>	<u>\$ 34,756</u>	<u>\$ 1,386,241</u>
<u>Cost</u>							
Balance on January 1, 2025	\$ 694,917	\$ 1,501,523	\$ 603,336	\$ 35,210	\$ 150,288	\$ 646,249	\$ 3,631,523
Additions	-	-	3,557	-	679	35,998	40,234
Disposals	-	-	(663)	(414)	(273)	-	(1,350)
Reclassification	-	208,701	(86)	-	9,222	(218,602)	(765)
Effects of foreign currency exchange differences	-	9,651	5,946	367	591	303	16,858
Balance on March 31, 2025	<u>\$ 694,917</u>	<u>\$ 1,719,875</u>	<u>\$ 612,090</u>	<u>\$ 35,163</u>	<u>\$ 160,507</u>	<u>\$ 463,948</u>	<u>\$ 3,686,500</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Property under Construction	Total
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2025	\$ -	\$ 663,719	\$ 506,566	\$ 27,101	\$ 127,154	\$ -	\$ 1,324,540
Depreciation expense	-	15,939	10,451	536	2,641	-	29,567
Disposals	-	-	(663)	(414)	(273)	-	(1,350)
Reclassification	-	-	(86)	-	-	-	(86)
Effects of foreign currency exchange differences	-	4,446	5,438	293	440	-	10,617
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 684,104</u>	<u>\$ 521,706</u>	<u>\$ 27,516</u>	<u>\$ 129,962</u>	<u>\$ -</u>	<u>\$ 1,363,288</u>
Carrying amount on March 31, 2025	<u>\$ 694,917</u>	<u>\$ 1,035,771</u>	<u>\$ 90,384</u>	<u>\$ 7,647</u>	<u>\$ 30,545</u>	<u>\$ 463,948</u>	<u>\$ 2,323,212</u>

(Concluded)

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Main buildings	5 to 51 years
Construction	5 to 20 years
Machinery equipment	2 to 10 years
Transportation equipment	4 to 7 years
Other equipment	
Office equipment	3 to 8 years
Air conditioning	5 to 10 years
Utilities equipment	6 to 10 years
Others	2 to 20 years
Leasehold improvements	2 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Land	\$ 43,072	\$ 42,801	\$ 46,949
Buildings	58,047	61,236	72,681
Machinery	2,620	1,618	2,250
Transportation equipment	<u>12,352</u>	<u>13,381</u>	<u>12,626</u>
	<u>\$ 116,091</u>	<u>\$ 119,036</u>	<u>\$ 134,506</u>
 For the Three Months Ended March 31			
	2026	2025	
Additions to right-of-use assets	<u>\$ 5,425</u>	<u>\$ 332</u>	
Depreciation charge for right-of-use assets			
Land	\$ 502	\$ 507	
Buildings	5,968	5,630	
Machinery	138	123	
Transportation equipment	<u>3,059</u>	<u>2,584</u>	
	<u>\$ 9,667</u>	<u>\$ 8,844</u>	

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Current	<u>\$ 31,991</u>	<u>\$ 33,236</u>	<u>\$ 30,036</u>
Non-current	<u>\$ 47,193</u>	<u>\$ 48,575</u>	<u>\$ 63,350</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1.28%	1.28%	1.28%
Buildings	0.37%-9.64%	0.37%-9.64%	0.37%-9.64%
Machinery	1.35%-5%	1.64%-5%	5%
Transportation equipment	1.60%-1.75%	0.77%-1.7%	0.77%-1.7%

c. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	<u>\$ 6,775</u>	<u>\$ 8,083</u>
Expenses relating to low-value asset leases	<u>\$ 290</u>	<u>\$ 265</u>
Total cash outflow for leases	<u>\$ (16,618)</u>	<u>\$ (16,997)</u>

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

	Land	Buildings	Investment Properties under Construction	Total
<u>Cost</u>				
Balance on January 1, 2026	\$ 2,062,626	\$ 600,621	\$ 551,175	\$ 3,214,422
Additions	-	471	81,185	81,656
Disposals	(73,849)	(67,379)	-	(141,228)
Reclassification	-	179,012	(179,012)	-
Transfers to property, plant and equipment	(3,366)	-	-	(3,366)
Effects of foreign currency exchange differences	<u>(421)</u>	<u>(300)</u>	<u>(74)</u>	<u>(795)</u>
Balance on March 31, 2026	<u>\$ 1,984,990</u>	<u>\$ 712,425</u>	<u>\$ 453,274</u>	<u>\$ 3,150,689</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2026	\$ -	\$ 138,277	\$ -	\$ 138,277
Depreciation expense	-	4,258	-	4,258
Effects of foreign currency exchange differences	<u>-</u>	<u>(42)</u>	<u>-</u>	<u>(42)</u>
Balance on March 31, 2026	<u>\$ -</u>	<u>\$ 142,493</u>	<u>\$ -</u>	<u>\$ 142,493</u>
Carrying amount at March 31, 2026	<u>\$ 1,984,990</u>	<u>\$ 569,932</u>	<u>\$ 453,274</u>	<u>\$ 3,008,196</u>
<u>Cost</u>				
Balance on January 1, 2025	\$ 1,026,537	\$ 518,219	\$ 96,982	\$ 1,641,738
Additions	-	413	-	413
Effects of foreign currency exchange differences	<u>18,886</u>	<u>13,479</u>	<u>-</u>	<u>32,365</u>
Balance on March 31, 2025	<u>\$ 1,045,423</u>	<u>\$ 532,111</u>	<u>\$ 96,982</u>	<u>\$ 1,674,516</u>
<u>Accumulated depreciation</u>				
Balance on January 1, 2025	\$ -	\$ 37,114	\$ -	\$ 37,114
Depreciation expense	-	4,080	-	4,080
Effects of foreign currency exchange differences	<u>-</u>	<u>1,117</u>	<u>-</u>	<u>1,117</u>
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 42,311</u>	<u>\$ -</u>	<u>\$ 42,311</u>
Carrying amount at March 31, 2025	<u>\$ 1,045,423</u>	<u>\$ 489,800</u>	<u>\$ 96,982</u>	<u>\$ 1,632,205</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings

10-50 years

The fair value was based on the valuations carried out by independent qualified professional valuers using the comparison approach and the income approach, and the assessed present value used by the management. The fair value as appraised was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value	<u>\$ 3,529,249</u>	<u>\$ 3,259,939</u>	<u>\$ 1,883,181</u>

Management of the Group had assessed and determined that there were no significant changes in the fair value of remaining investment properties as of March 31, 2026 and 2025, as compared to the fair values as of December 31, 2025 and 2024.

The investment properties pledged as collateral for bank borrowings are set out in Note 32.

18. INTANGIBLE ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Goodwill	\$ 22,022	\$ 22,022	\$ 22,022
Cost of computer software	914	1,150	1,611
Others	<u>1,055</u>	<u>1,063</u>	<u>1,197</u>
	<u>\$ 23,991</u>	<u>\$ 24,235</u>	<u>\$ 24,830</u>

The above intangible assets are amortized on a straight-line basis over their estimated useful lives of 1-5 years.

19. OTHER ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Overpaid tax retained for offsetting future tax payable	\$ 85,865	\$ 100,342	\$ 106,693
Prepayments	15,640	19,914	27,014
Finance lease receivables (Note 11)	-	-	28,955
Incremental costs of obtaining a contract	-	-	34,776
Prepayments for insurance	14,459	13,368	19,135
Current tax assets	14,304	13,493	5,387
Others	<u>92,566</u>	<u>45,493</u>	<u>77,546</u>
	<u>\$ 222,834</u>	<u>\$ 192,610</u>	<u>\$ 299,506</u>

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Non-current</u>			
Prepayments for land use rights	\$ 36,136	\$ 36,136	\$ 36,136
Refundable deposits	25,542	24,753	38,839
Prepayments for land and building	67,670	72,460	-
Others	<u>49,255</u>	<u>48,402</u>	<u>47,537</u>
	<u>\$ 178,603</u>	<u>\$ 181,751</u>	<u>\$ 122,512</u>
			(Concluded)

20. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 2,023,659</u>	<u>\$ 1,980,962</u>	<u>\$ 1,802,301</u>
Range of interest rates	<u>1.11%-1.86%</u>	<u>0.99%-1.83%</u>	<u>0.8%-1.9%</u>

b. Short-term bills payable

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper	\$ 106,000	\$ 106,000	\$ 165,500
Less: Unamortized discounts on bills payable	<u>(409)</u>	<u>(139)</u>	<u>(630)</u>
	<u>\$ 105,591</u>	<u>\$ 105,861</u>	<u>\$ 164,870</u>

Outstanding short-term bills payable were as follows:

March 31, 2026

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
China Bills Finance Corporation	<u>\$ 106,000</u>	<u>\$ 409</u>	<u>\$ 105,591</u>	3.138%	Investment properties	<u>\$ 556,761</u>

December 31, 2025

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
China Bills Finance Corporation	<u>\$ 106,000</u>	<u>\$ 139</u>	<u>\$ 105,861</u>	3.138%	Investment properties	<u>\$ 558,063</u>

March 31, 2025

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
China Bills Finance Corporation	<u>\$ 165,500</u>	<u>\$ 630</u>	<u>\$ 164,870</u>	3.09%-3.14%	Investment properties	<u>\$ 561,969</u>

The short-term bills payable secured by collateral of the investment properties of the Group are set out in Note 32.

c. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured borrowings			
Bank loans (1)	\$ 56,733	\$ 57,731	\$ 66,051
Unsecured borrowings			
Credit borrowings (2)	<u>753,715</u>	<u>771,319</u>	<u>923,811</u>
	810,448	829,050	989,862
Less: Current portions	<u>(79,483)</u>	<u>(75,194)</u>	<u>(257,716)</u>
Long-term borrowings	<u>\$ 730,965</u>	<u>\$ 753,856</u>	<u>\$ 732,146</u>
Range of interest rates	<u>1.58%-2.22%</u>	<u>1.46%-2.22%</u>	<u>0.5%-2.87%</u>

1) The bank borrowings are secured by the Group's freehold land and buildings (see Note 32).

2) In 2024, the Company obtained a policy loan from Fubon Bank for overseas investment. The loan matures on December 10, 2029, with a two-year grace period. Starting from the third year, the principal will be repaid in 36 monthly installments. As of March 31, 2026, the effective annual interest rate was 1.65%.

From the contract signing date of the aforementioned loan, the Company shall maintain the following financial ratios, which shall be assessed annually based on the consolidated financial statements audited by an accountant:

- A maximum debt ratio (Liabilities/Tangible net worth) of 100% should be maintained.
- A minimum current ratio (Current Assets/Current Liabilities) of 100% should be maintained.
- A minimum times interest earned ratio ((Earnings Before Tax + Interest Expense + Depreciation + Amortization)/Interest Expense) of 10 should be maintained.

The aforementioned financial ratios shall be reviewed annually in May. If the ratios are not met, the credit facility will be reassessed. In the event of any violation of the loan approval conditions or misuse of loan proceeds, the entire loan shall be deemed immediately due and payable in full.

21. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Payables for payroll and employee benefit	\$ 119,173	\$ 177,792	\$ 135,067
Payables for compensation of employees	29,630	22,130	43,380
Payables for remuneration of directors	16,036	14,000	28,731
Payables for purchase of equipment and construction	45,148	22,394	12,661
Payables for fabrication expense	28,211	31,139	35,178
Payables for dividends	451,529	-	544,802
Payables for VAT	5,363	8,135	1,987
Payables for investment	-	-	144,441
Others	<u>74,040</u>	<u>122,707</u>	<u>81,681</u>
	<u>\$ 769,130</u>	<u>\$ 398,297</u>	<u>\$ 1,027,928</u>

22. RETIREMENT BENEFIT PLANS

Employee benefit expenses for the three months ended March 31, 2026 and 2025 in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2025 and 2024. The Group recognized pension amount of \$26 thousand and \$40 thousand for the three months ended March 31, 2026 and 2025, respectively.

23. EQUITY

a. Share capital

Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Shares authorized	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>150,309</u>	<u>150,197</u>	<u>151,144</u>
Shares issued	<u>\$ 1,503,091</u>	<u>\$ 1,501,965</u>	<u>\$ 1,511,439</u>
Number of shares representing advance receipts for ordinary shares	<u>18,500</u>	<u>46,250</u>	<u>1,000</u>
Advance receipts for ordinary shares	<u>\$ 705</u>	<u>\$ 1,891</u>	<u>\$ 49</u>

The change in the Company's share capital is mainly due to the exercise of employee share options and converted preference shares. In the first quarter of 2026, the total number of employee share options exercised and preference shares converted were 60,950 and 5,437 shares, respectively. The Company has not registered with the Ministry of Economic Affairs as of the date of approval for issuance of the financial statements.

Since the delivery of shares has not been settled at the end of the reporting period, advances received from the exercise of employee share options were recognized as advance receipts for ordinary shares.

Preference shares

The board of directors resolved to issue preference shares A on September 25, 2018. The issuance of preference shares A was approved under the Rule No. 1070337798 issued by FSC on October 25, 2018. The total amount of preference share A issued was \$910,000 thousand, consisting of 18,200 thousand shares sold at \$50, with a par value of \$10. The record date of the capital increase was December 20, 2018. The payment of all issued preference shares was received, and the relevant statutory registration procedures were completed. The preference shares are classified as equity.

The rights and obligations of the preference shares A are as follows:

- 1) The preference shares are perpetual.
- 2) The dividends of preference shares A is capped at 5% per annum on the issue price. The dividend rate will be set as 5-year IRS + (fixed rate). The fixed rate will be reset after one business day when 7-year is due.
- 3) The fiscal year-end earnings of the Company shall be applied to the following in order: Payments of taxes, adjustments per financial and accounting principle, making-up of deficit, legal reserve, special reserve by law or reversal, and the remaining shall be paid to holders of preference shares as the current year's dividends. The Company has discretion over the dividend distribution of preference shares A. The Company may decide not to distribute dividends of preference shares in the following circumstances: (a) there are no earnings in a fiscal year, and (b) the earnings are insufficient to distribute dividends of preference shares. The cancellation of dividend payment should not constitute an event of default. The preference shares are noncumulative, and the preference shareholders do not have the right to claim any of the unpaid or omitted dividends in the future. Preference shares dividends will be paid in cash every year. The board will decide on a payment record date for distributing the dividend. Preference shares dividend on the issued year and redeemed year will be calculated based on actual number of days issued.
- 4) Preference shareholders are not entitled to receive ordinary shares' cash or share dividends derived from earnings or capital reserve.
- 5) Preference shares may be redeemed in whole or in part at issue price anytime after five years of issuance at the original issued price. Unredeemed preference shares shall continue to have the rights and obligations of issuance terms prescribed in this Article. Preference shares dividend on the redeemed year will be calculated based on actual number of days issued.
- 6) The order of claim for distribution of property is prior to ordinary shares. The claim of all series of preference shareholders is equal, but subordinate to the holders of debts. The repayment shall be capped at the respective issue amount of preference shares upon liquidation.
- 7) Preference shareholders do not have voting rights or suffrage. However, they have voting rights with respect to agendas related to the rights and obligations of preference shares in shareholders' meetings.

- 8) Preference shares cannot be converted to ordinary shares within one year after the preference share issuance. The actual conversion period will be subjected to the terms approved by the chairman. Preference shareholders A then can convert partially or wholly into ordinary shares based on the approved conversion terms and period. (conversion ratio 1:1) Once preference shareholders A are converted to ordinary shares, it has the same rights as ordinary shareholders. The preference shares dividend will be distributed based on the actual number of days issued. Preference shareholders A are not entitled to preference share dividend if the preference shares are converted to ordinary share prior to the ex-dividend record date, but are entitled to ordinary shares dividend derived from earnings and capital reserve.
- 9) Preference shareholders have the same pre-emptive rights as ordinary shareholders for newly issued shares.

As of March 31, 2026, a total of 17,948 thousand shares of the Company's preferred share A have been converted to the Company's ordinary shares.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or <u>transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 1,493,104	\$ 1,564,532	\$ 1,553,565
Conversion of bonds	640,431	640,431	640,431
Treasury share transactions	-	-	29,284
Expire options	21,851	21,851	21,801
<u>May only be used to offset a deficit (2)</u>			
Share of changes in capital surplus of associates	2,460	2,460	2,460
Changes in net assets of affiliated companies recognized under the equity method	1,221	1,221	1,221
<u>May not be used for any purpose</u>			
Employee share options	<u>3,143</u>	<u>3,914</u>	<u>7,052</u>
	<u>\$ 2,162,210</u>	<u>\$ 2,234,409</u>	<u>\$ 2,255,814</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as legal reserve, unless and until the legal reserve has reached the Company's paid-in capital, in which case no further appropriation is required, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit (after priority distribution to preferred shareholders, if any) together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for the distribution of dividends and bonuses to shareholders. In accordance with Article 240 of the Company Act, the Board of Directors is authorized by the Company to resolve the distribution of dividends and bonuses or legal reserve and capital reserve, in whole or in part, in the form of cash by the resolution adopted by the majority vote at its meeting attended by two-thirds of the total number of directors, which shall also be reported at the shareholders' meeting. The above distribution is not subject to the requirement for approval by the shareholders as set forth in the preceding paragraph. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 25(g).

The Company's dividends policy is designed to meet the future operating budget and measure funding requirements. When there is no cumulative loss, the Company shall set aside share dividends at no less than 50% of the net profit. Dividends may be distributed in the form of cash or shares, where cash dividends shall not be less than 30% of the total dividends distributed. If there are no retained earnings to be appropriated, or if the earnings to be appropriated are significantly lower than the prior year's actual appropriation of the earnings, or based on the consideration of the Company's financial, business, and operational factors, then part of or all of the Company's reserve can be appropriated according to the law or the competent authority.

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2025 and 2024 were approved by the board of directors in their meetings on March 9, 2026 and March 11, 2025, respectively, were as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Legal reserve	\$ 40,964	\$ 64,014
Special reserve	\$ 276,914	\$ (94,005)
Ordinary share dividends	\$ 375,709	\$ 544,057
Preference share dividends*	\$ 678	\$ 745
Ordinary share dividends per share (NT\$)	\$ 2.5	\$ 3.6
Preference share dividends per share (NT\$)	\$ 2.6514	\$ 2.7075

* Since December 21, 2019, the conversion rights of the Company's preference shares can be exercised. Preference shareholders are not entitled to a preference share dividend if preference shares are converted to ordinary shares prior to the ex-dividend date. As of July 29, 2025, a total of 269 thousand preference shares of the Company had not been converted on the ex-dividend date. Since the board of directors resolved to distribute preference share dividends of 2.7075 per share, the Company distributed \$728 thousand for preference share dividends.

The Company's Board of Directors also resolved on March 9, 2026, to distribute cash in the amount of \$75,142 thousand from capital surplus.

The above 2025 and 2024 appropriations for cash dividends had been resolved by the Company's board of directors on March 9, 2026 and March 11, 2025, respectively; the other proposed appropriations for 2024 had been resolved by the shareholders in their meeting on May 27, 2025. The other proposed appropriations for 2025 will be resolved by the shareholders in their meeting to be held on May 29, 2026.

d. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 17,865	\$ 143,062
Share in loss for the year	(56)	-
Exchange differences on translating the financial statements of foreign entities	(1)	-
Acquisition of non-controlling interests in subsidiaries (Note 29)	-	(143,062)
Issuance of ordinary shares for cash	<u>2,982</u>	<u>-</u>
Balance on March 31	<u>\$ 20,790</u>	<u>\$ -</u>

e. Treasury shares

Purpose of Buy-back	Shares Cancelled (In Thousands of Shares)
Number of shares on January 1, 2026	-
Increase during the period	<u>747</u>
Number of shares on March 31, 2026	<u>747</u>

To maintain the Company's credit and shareholders' equity, the Company's board of directors resolved on March 9, 2026, to buy back up to 2,000 thousand ordinary shares with the buyback price ranging from \$35.00 to \$49.00 from March 10, 2026 to May 8, 2026 on the Taipei Exchange. As of March 31, 2026, the Company had bought back a total of 747 thousand ordinary shares amounting to a total of NT\$35,403 thousand.

As of March 31, 2026, the Company had bought back a total of 747 thousand ordinary shares. The purpose of the buyback was to maintain the Company's credit and shareholders' equity, and in accordance with the regulations, the shares shall be cancelled within six months from the buyback date.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

24. REVENUE

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes receivable and trade receivables (Note 10)	<u>\$ 635,876</u>	<u>\$ 715,052</u>	<u>\$ 772,513</u>	<u>\$ 803,008</u>
Contract liabilities				
Sale of raw materials and textile	\$ 5,050	\$ 4,565	\$ 62,704	\$ 60,332
Sale of land and buildings	<u>-</u>	<u>40,747</u>	<u>146,197</u>	<u>141,982</u>
Contract liabilities - current	<u>\$ 5,050</u>	<u>\$ 45,312</u>	<u>\$ 208,901</u>	<u>\$ 202,314</u>

b. Assets related to contract costs

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Incremental costs of obtaining a contract	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,776</u>

c. Disaggregation of revenue

	For the Three Months Ended March 31	
	2026	2025
Type of goods or services		
Sale of textile	\$ 1,380,482	\$ 1,655,968
Sale of land and buildings	55,379	-
Other income	<u>10,475</u>	<u>12,520</u>
	<u>\$ 1,446,336</u>	<u>\$ 1,668,488</u>

25. NET PROFIT

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	\$ 4,415	\$ 6,354
Investments in debt instruments measured at FVTOCI	5,985	6,655
Net investments in leases	<u>-</u>	<u>147</u>
	<u>\$ 10,400</u>	<u>\$ 13,156</u>

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income	\$ 6,264	\$ 2,816
Others	<u>40</u>	<u>27</u>
	<u>\$ 6,304</u>	<u>\$ 2,843</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Foreign exchange gains	\$ 61,461	\$ 44,651
Foreign exchange losses	(47,550)	(40,338)
Loss on financial assets and liabilities designated as at FVTPL	(1,155)	(889)
(Loss) Gain on disposal of property, plant and equipment	(4)	34
Gain on disposal of investment properties	24,299	-
Others	<u>4,524</u>	<u>35,645</u>
	<u>\$ 41,575</u>	<u>\$ 39,103</u>

d. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	\$ 13,868	\$ 13,285
Interest on lease liabilities	692	705
Less: Amounts included in the cost of qualifying assets	<u>-</u>	<u>(2,456)</u>
	<u>\$ 14,560</u>	<u>\$ 11,534</u>

Information about capitalized interest is as follows:

	For the Three Months Ended March 31, 2025
Capitalized interest amount	\$ 2,456
Capitalization rate	1.718%-2.865%

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
An analysis of depreciation by function		
Operating costs	\$ 20,771	\$ 24,283
Operating expenses	18,060	15,975
Other gains and losses	<u>2,956</u>	<u>2,233</u>
	<u>\$ 41,787</u>	<u>\$ 42,491</u>
An analysis of amortization by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>275</u>	<u>216</u>
	<u>\$ 275</u>	<u>\$ 216</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Post-employment benefits		
Defined contribution plans	\$ 3,423	\$ 3,419
Defined benefit plans	<u>26</u>	<u>40</u>
	3,449	3,459
Share-based payments		
Equity-settled	29	356
Other employee benefits	<u>289,065</u>	<u>290,622</u>
Total employee benefits expense	<u>\$ 292,543</u>	<u>\$ 294,437</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 178,262	\$ 189,200
Operating expenses	<u>114,281</u>	<u>105,237</u>
	<u>\$ 292,543</u>	<u>\$ 294,437</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the three months ended March 31, 2026 and 2025 are as follows:

Amount

	For the Three Months Ended March 31	
	2026	2025
	Cash	Cash
Compensation of employees	\$ 7,500	\$ 11,250
Remuneration of directors	2,036	3,731

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of compensation of employees and remuneration of directors for 2025 and 2024 that were resolved by the board of directors on March 9, 2026 and March 11, 2025, respectively, are as shown below:

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	\$ 22,130	\$ 32,130
Remuneration of directors	14,000	25,000

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current period	\$ 4,111	\$ 18,599
Deferred tax		
In respect of the current period	<u>3,955</u>	<u>1,022</u>
Income tax expense recognized in profit or loss	<u>\$ 8,066</u>	<u>\$ 19,621</u>

b. Income tax assessments

The income tax returns of the Company through 2023 have been assessed by the tax authorities, and the Company agrees with the assessment.

27. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2026	2025
Profit for the period attributable to owners of the Company	\$ 26,241	\$ 51,338
Less: Declared dividends on preference shares	<u>(667)</u>	<u>(741)</u>
Earnings used in the computation of earnings per share	<u>\$ 25,574</u>	<u>\$ 50,597</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	150,172	151,128
Effect of potentially dilutive ordinary shares:		
Employee share options	110	107
Compensation of employees	507	627
Convertible preference shares	<u>254</u>	<u>275</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>151,043</u>	<u>152,137</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

- a. In June, 2022, the Company issued 2,000 employee stock options, which were granted to qualified employees of the Company and its subsidiaries in June, 2022 and March, 2023. Each option entitles the holder to subscribe for 1,000 ordinary shares of the Company. The options are valid for five years, and the holders may exercise a certain percentage of the options granted starting from two years after the grant date. The exercise price of the options is the closing price of the Company's ordinary shares on the grant date. After the issuance of the options, if there is any change in the Company's ordinary shares, capital reduction not resulting from cancellation of treasury shares, or distribution of cash dividends on ordinary shares, the exercise price shall be adjusted in accordance with the prescribed formula and relevant laws and regulations.

	For the Three Months Ended March 31							
	2026				2025			
	Granted 2023		Granted 2022		Granted 2023		Granted 2022	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)
Balance on January 1	292	\$ 44.9	319	\$ 33.5	371	\$ 48.4	951	\$ 36.1
Options exercised	(12)	44.9	(67)	33.5	(13)	48.4	(4)	36.1
Options forfeited	-	44.9	-	33.5	(8)	48.4	-	36.1
Balance on March 31	<u>280</u>	44.9	<u>252</u>	33.5	<u>350</u>	48.4	<u>947</u>	36.1
Options exercisable, end of period	<u>280</u>		<u>252</u>		<u>164</u>		<u>194</u>	

Compensation cost recognized were \$29 thousand and \$356 thousand for the three months ended March 31, 2026 and 2025, respectively.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In January 2025, the Group acquired 40% equity interest in Koutou Co., Ltd. from non-controlling interests, and the Group's shareholding in Koutou Co., Ltd. increased from 60% to 100%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	Koutou Co., Ltd.
Consideration paid	\$ (160,490)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>143,062</u>
Differences recognized from equity transactions	<u>\$ (17,428)</u>
<u>Line items adjusted for equity transactions</u>	
Retained earnings	<u>\$ (17,428)</u>

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Group's management believes that the carrying amounts of the financial assets and financial liabilities that are not measured at fair value approximate their fair value or the fair value cannot be reliably measured.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 64,978	\$ -	\$ -	\$ 64,978
Investment in debt instruments				
Foreign corporate bonds	<u>524,535</u>	<u>-</u>	<u>-</u>	<u>524,535</u>
	<u>\$ 589,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,513</u>

Financial assets at FVTPL

Derivative financial assets	\$ -	\$ 2,686	\$ -	\$ 2,686
Domestic unlisted stock	<u>-</u>	<u>-</u>	<u>17,150</u>	<u>17,150</u>
	<u>\$ -</u>	<u>\$ 2,686</u>	<u>\$ 17,150</u>	<u>\$ 19,836</u>

Financial liabilities at FVTPL

Derivative financial liabilities	<u>\$ -</u>	<u>\$ 3,634</u>	<u>\$ -</u>	<u>\$ 3,634</u>
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December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 57,672	\$ -	\$ -	\$ 57,672
Investment in debt instruments				
Foreign corporate bonds	<u>525,989</u>	<u>-</u>	<u>-</u>	<u>525,989</u>
	<u>\$ 583,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,661</u>

Financial assets at FVTPL

Derivative financial assets	<u>\$ -</u>	<u>\$ 8,040</u>	<u>\$ -</u>	<u>\$ 8,040</u>
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Financial liabilities at FVTPL

Derivative financial liabilities	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ -</u>	<u>\$ 170</u>
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March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 210,651	\$ -	\$ -	\$ 210,651
Investment in debt instruments				
Foreign corporate bonds	<u>539,143</u>	<u>-</u>	<u>-</u>	<u>539,143</u>
	<u>\$ 749,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 749,794</u>

Financial assets at FVTPL

Derivative financial assets	<u>\$ -</u>	<u>\$ 3,531</u>	<u>\$ -</u>	<u>\$ 3,531</u>
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Financial liabilities at FVTPL

Derivative financial liabilities	<u>\$ -</u>	<u>\$ 6,284</u>	<u>\$ -</u>	<u>\$ 6,284</u>
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There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 19,836	\$ 8,040	\$ 3,531
Financial assets at amortized cost (1)	1,951,185	2,179,128	2,219,951
Financial assets at FVTOCI	589,513	583,661	749,794
<u>Financial liabilities</u>			
FVTPL			
Held for trading	3,634	170	6,284
Amortized cost (2)	4,385,227	3,759,003	4,929,420

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables and other receivables.

- 2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans (including current portion), short-term bills payable, notes payable, trade payables and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, other receivables, trade payables, other payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below) and interest rates (refer to (b) below). The Group entered into forward foreign exchange contracts to manage its exposure to foreign currency risk.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the period are set out in Note 35.

The carrying amounts of the Group's financial assets and financial liabilities with derivatives exposed to foreign currency risk at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Assets</u>			
EUR	\$ -	\$ 750	\$ 1,612
USD	2,686	7,290	1,919
<u>Liabilities</u>			
EUR	900	168	357
USD	2,734	2	5,927

Sensitivity analysis

The Group is mainly exposed to the USD, VND and EUR.

The following table details the Group's sensitivity to a 3% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate of 3% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, and their adjusted translation at the end of the reporting period for a 3% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar weakening by 3% against the relevant currency. For a 3% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	USD Impact		EUR Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2026	2025	2026	2025
Profit or loss*	\$ 36,113	\$ 25,111	\$ 12	\$ (822)
			VND Impact	
			For the Three Months Ended	
			March 31	
			2026	2025
Profit or loss*			\$ (1,002)	\$ (1,774)

* This was mainly attributable to the exposure on outstanding foreign currency cash, trade receivables, other receivables, borrowings, trade payables, and other payables, that were not hedged at the end of the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	\$ 478,652	\$ 923,345	\$ 500,926
Financial liabilities	241,508	356,365	371,739
Cash flow interest rate risk			
Financial assets	596,786	376,196	644,269
Financial liabilities	2,777,374	2,661,319	2,698,681

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would have decreased/increased by \$2,726 thousand and decreased/increased by \$2,568 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. The Group does not actively trade these investments. The Group's equity price risk was mainly concentrated on equity instruments operating in the ROC.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher/lower, the pre-tax other comprehensive income for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$6,498 thousand and \$21,065 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with good credit ratings assigned by international credit-rating agencies.

Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

Counterparties of trade receivables consisted of a large number of different customers, spread across apparel, down material, home textile industry and geographical areas. Ongoing credit evaluation is performed on the customers' financial condition. The Group's concentration of credit risk by geographical location was mainly in the United States and Japan.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had available unutilized bank loan facilities in the amounts of \$5,863,142 thousand, \$5,365,205 thousand and \$5,136,789 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables detailed the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

March 31, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 760,739	\$ 325,169	\$ 524,460	\$ -	\$ -
Undiscounted lease	3,094	6,188	24,746	46,023	2,955
Borrowings	<u>529,935</u>	<u>1,228,119</u>	<u>471,095</u>	<u>703,178</u>	<u>57,394</u>
	<u>\$ 1,293,768</u>	<u>\$ 1,559,476</u>	<u>\$ 1,020,301</u>	<u>\$ 749,201</u>	<u>\$ 60,349</u>

Additional information about the maturity analysis for lease liabilities is as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 34,028</u>	<u>\$ 46,023</u>	<u>\$ 1,597</u>	<u>\$ 1,358</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 590,439	\$ 399,128	\$ 47,485	\$ -	\$ -
Undiscounted lease	3,156	5,956	25,872	48,333	2,907
Borrowings	621,036	997,482	623,080	746,851	13,888
Other long-term liabilities	<u>42</u>	<u>81</u>	<u>377</u>	<u>21,090</u>	<u>-</u>
	<u>\$ 1,214,673</u>	<u>\$ 1,402,647</u>	<u>\$ 696,814</u>	<u>\$ 816,274</u>	<u>\$ 16,795</u>

Additional information about the maturity analysis for lease liabilities is as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 34,984</u>	<u>\$ 48,333</u>	<u>\$ 1,571</u>	<u>\$ 1,336</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 1,119,868	\$ 347,030	\$ 712,667	\$ -	\$ -
Undiscounted lease	2,949	5,485	24,115	63,526	3,433
Borrowings	502,669	1,624,274	118,493	699,898	64,571
Other long-term liabilities	<u>41</u>	<u>84</u>	<u>375</u>	<u>20,750</u>	<u>-</u>
	<u>\$ 1,625,527</u>	<u>\$ 1,976,873</u>	<u>\$ 855,650</u>	<u>\$ 784,174</u>	<u>\$ 68,004</u>

Additional information about the maturity analysis for lease liabilities is as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 32,549</u>	<u>\$ 63,526</u>	<u>\$ 1,702</u>	<u>\$ 1,731</u>	<u>\$ -</u>	<u>\$ -</u>

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis or on the undiscounted gross outflows on those derivatives that require gross settlement.

March 31, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 Year to 5 Year
<u>Gross settled - outflows</u>				
Foreign exchange forward contracts	<u>\$ 173,295</u>	<u>\$ 72,895</u>	<u>\$ 148,951</u>	<u>\$ 33,367</u>

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 Year to 5 Year
<u>Gross settled - outflows</u>				
Foreign exchange forward contracts	<u>\$ 50,650</u>	<u>\$ 17,591</u>	<u>\$ 110,349</u>	<u>\$ -</u>

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 Year to 5 Year
<u>Gross settled - outflows</u>				
Foreign exchange forward contracts	<u>\$ 106,543</u>	<u>\$ 43,011</u>	<u>\$ 258,579</u>	<u>\$ 69,605</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related parties and relationships

Related Parties	Relationships with the Group
Pt. Tactical Garment Garut	Associate
Daquan Hanshi Co., Ltd.	Associate
Gong Tong Zu Lin Co., Ltd.	Associate
BBL Premium Co., Ltd.	Associate (became non-related party in April 2025 after disposal)
Snowdown Merchandise Corporation	Related party in substance
Kai Sheng Investment Co., Ltd.	Related party in substance
Cave & Wine Co., Ltd.	Related party in substance
Huang Lu Investment Co., Ltd.	Related party in substance
Fortune Phoenix Insurance Brokerage Service Corporation	Related party in substance
Da Fu Investment Co., Ltd.	Related party in substance
Li Chiou Investment Co., Ltd.	Related party in substance
Yueh Sheng Investment Co., Ltd.	Related party in substance
Modern Boutique Investment Co., Ltd.	Related party in substance
Zhonglu Investment Co., Ltd.	Related party in substance
Ou Li Investment Co., Ltd.	Related party in substance
JHAN, CI-JHE	Related party in substance
HSU, LI-HONG	Related party in substance
LI, HSIN-YEN	Related party in substance

b. Sales of goods

Related Party Name/Category	For the Three Months Ended March 31	
	2026	2025
Associates		
Daquan Hanshi Co., Ltd.	\$ 56	\$ -
BBL Premium Co., Ltd.	-	140
Related party in substance		
Li Chiou Investment Co., Ltd.	19,947	-
Yueh Sheng Investment Co., Ltd.	12,900	-
Huang Lu Investment Co., Ltd.	23,729	-
Snowdown Merchandise Corporation	<u>2,895</u>	<u>3,676</u>
	<u>\$ 59,527</u>	<u>\$ 3,816</u>

The sales of goods to related parties were made at cost plus.

c. Contract liabilities

Related Party Category	March 31, 2026	December 31, 2025	March 31, 2025
Related party in substance	<u>\$ -</u>	<u>\$ 40,747</u>	<u>\$ 17,770</u>

d. Receivables from related parties (not including loans to related parties)

Related Party Name/Category	March 31, 2026	December 31, 2025	March 31, 2025
<u>Trade receivables</u>			
BBL Premium Co., Ltd.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,091</u>
<u>Other receivables</u>			
Associates	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,759</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2026 and 2025, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties (not including loans from related parties)

Related Party Name/Category	March 31, 2026	December 31, 2025	March 31, 2025
<u>Other payables</u>			
Associates	\$ 913	\$ 992	\$ 210
Related party in substance			
Snowdown Merchandise Corporation	-	-	144,441
Cave & Wine Co., Ltd.	<u>20</u>	<u>-</u>	<u>-</u>
	<u>\$ 933</u>	<u>\$ 992</u>	<u>\$ 144,651</u>

The outstanding trade payables to related parties are unsecured.

f. Other current assets

Related Party Name	March 31, 2026	December 31, 2025	March 31, 2025
<u>Temporary payments</u>			
Pt. Tactical Garment Garut	<u>\$ 18,987</u>	<u>\$ -</u>	<u>\$ -</u>

g. Lease arrangements

Related Party Name	For the Three Months Ended March 31	
	2026	2025
<u>Acquisition of right-of-use assets</u>		
Gong Tong Zu Lin Co., Ltd.	<u>\$ 2,030</u>	<u>\$ -</u>

Account	Related Party Name	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities	Gong Tong Zu Lin Co., Ltd.	<u>\$ 12,415</u>	<u>\$ 13,285</u>	<u>\$ 15,282</u>

Related Party Name	For the Three Months Ended March 31	
	2026	2025
<u>Interest expense</u>		
Gong Tong Zu Lin Co., Ltd.	<u>\$ 52</u>	<u>\$ 67</u>

h. Acquisition of financial assets

For the three months ended March 31, 2026: None.

For the three months ended March 31, 2025

Related Party Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Snowdown Merchandise Corporation	Investments accounted for using the equity method	5,952,449	Koutou Co., Ltd.	<u>\$ 160,490</u>

i. Non-current liabilities

Related Party Name	March 31, 2026	December 31, 2025	March 31, 2025
Zhonglu Investment Co., Ltd.	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

j. Other income

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Associates	\$ -	\$ 205
Related party in substance	<u>31</u>	<u>29</u>
	<u>\$ 31</u>	<u>\$ 234</u>

k. Expenses

Related Party Category	For the Three Months Ended March 31	
	2026	2025
Related party in substance	\$ 1,085	\$ 969
Associates	<u>600</u>	<u>805</u>
	<u>\$ 1,685</u>	<u>\$ 1,774</u>

The expenses included rents, other expenses, etc.

l. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 19,727	\$ 20,071
Post-employment benefits	153	125
Share-based payments	-	109
Long-term employee benefits	<u>3,504</u>	<u>8,959</u>
	<u>\$ 23,384</u>	<u>\$ 29,264</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, letters of credit, and performance guarantees for contractual deliveries:

	March 31, 2026	December 31, 2025	March 31, 2025
Investment properties	<u>\$ 646,391</u>	<u>\$ 648,398</u>	<u>\$ 664,056</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2026 and 2025 were as follows:

- a. Unused letters of credit for purchases of raw materials as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
USD	\$ 3,155	\$ 8,065	\$ 8,717
EUR	\$ -	\$ -	\$ 38

- b. As of March 31, 2026 and 2025, guarantees issued by financial institutions for purchases from suppliers both amounted to \$3,000 thousand.

- c. Unrecognized commitments have not paid were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant and equipment	\$ 65,163	\$ 104,396	\$ 99,121

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 83,644	31.995 (USD:NTD)	\$ 2,676,190
USD	1,426	6.9119 (USD:RMB)	45,625
USD	25,550	26,225 (USD:VND)	817,472
VND	32,648,952	0.000038 (VND:USD)	39,832
Non-monetary items			
Investments in associates accounted for using equity method			
CAD	2,743	22.96 (CAD:NTD)	62,984
IDR	67,671,239	0.00188 (IDR:NTD)	127,222

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 65,208	31.995 (USD:NTD)	\$ 2,086,330
USD	465	6.9119 (USD:RMB)	14,878
USD	6,354	26,225 (USD:VND)	203,296
USD	969	159.58 (USD:JPY)	31,003
VND	60,046,573	0.000038 (VND:USD)	73,257
			(Concluded)

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 60,139	31.43 (USD:NTD)	\$ 1,890,169
USD	1,643	6.9907 (USD:RMB)	51,639
USD	31,311	26,192 (USD:VND)	984,105
VND	34,477,741	0.000038 (VND:USD)	41,373
EUR	6	36.9 (EUR:NTD)	221
Non-monetary items			
Investments in associates accounted for using equity method			
CAD	2,763	22.94 (CAD:NTD)	63,381
IDR	73,358,059	0.00188 (IDR:NTD)	137,913

Financial liabilities

Monetary items			
USD	61,550	31.43 (USD:NTD)	1,934,517
USD	652	6.9907 (USD:RMB)	20,492
USD	6,319	26,192 (USD:VND)	198,606
USD	3,276	156.524 (USD:JPY)	102,965
VND	75,871,891	0.000038 (VND:USD)	91,046
EUR	2	1.174 (EUR:USD)	74

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 74,950	33.205 (USD:NTD)	\$ 2,488,715
USD	745	7.2611 (USD:RMB)	24,738
USD	24,595	25,542 (USD:VND)	816,677
VND	22,063,136	0.000039 (VND:USD)	28,682
Non-monetary items			
Investments in associates accounted for using equity method			
CAD	2,992	23.16 (CAD:NTD)	69,298
IDR	84,136,750	0.00203 (IDR:NTD)	170,798

Financial liabilities

Monetary items			
USD	56,421	33.205 (USD:NTD)	1,873,459
USD	2,037	7.2611 (USD:RMB)	67,639
USD	15,952	25,542 (USD:VND)	529,686
USD	672	149.10 (USD:JPY)	22,314
VND	67,550,843	0.000039 (VND:USD)	87,816
EUR	774	35.97 (EUR:NTD)	27,841

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended March 31				
Foreign Currency	2026		2025	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
VND	0.00121 (VND:NTD)	\$ 6,448	0.00129 (VND:NTD)	\$ (4,203)
NTD	1 (NTD:NTD)	10,176	1 (NTD:NTD)	6,939
USD	31.631 (USD:NTD)	(299)	32.908 (USD:NTD)	329
RMB	4.568 (RMB:NTD)	(808)	4.510 (RMB:NTD)	(334)
JPY	0.2016 (JPY:NTD)	<u>(1,606)</u>	0.2156 (JPY:NTD)	<u>1,582</u>
		<u>\$ 13,911</u>		<u>\$ 4,313</u>

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 6) Intercompany relationships and significant intercompany transactions (Table 5)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

Apparel department - manufacturing, developing, designing and selling of apparel.

Down material department - manufacturing, developing and selling of down.

Home textile department - manufacturing, developing, designing and selling of bedding.

Others.

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	<u>Segment Revenue</u>		<u>Segment Profit (Loss)</u>	
	<u>For the Three Months Ended</u>		<u>For the Three Months Ended</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Apparel department	\$ 857,752	\$ 856,629	\$ 17,545	\$ (12,946)
Down material department	351,432	482,426	(4,356)	21,750
Home textile department	198,032	338,428	(17,083)	23,704
Others	<u>65,854</u>	<u>12,520</u>	<u>4,893</u>	<u>1,266</u>
Segment revenue	1,473,070	1,690,003	999	33,774
Eliminations	<u>(26,734)</u>	<u>(21,515)</u>	<u>-</u>	<u>-</u>
Segment revenue or segment income	<u>\$ 1,446,336</u>	<u>\$ 1,668,488</u>	999	33,774
Interest income			10,400	13,156
Other income			6,304	2,843
Other gains and losses			41,575	39,103
Finance costs			(14,560)	(11,534)
Share of profit or loss of associates			<u>(10,467)</u>	<u>(6,383)</u>
Profit before tax			<u>\$ 34,251</u>	<u>\$ 70,959</u>

Segment profit represented the profit before tax earned by each segment without allocation of share of profit or loss of associates, other income, other gains and losses, and finance costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amount (Note 4)	Reasons for Short-term Financing (Note 5)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 6)	Aggregate Financing Limit (Note 6)	Note
													Item	Value			
1	P&B Collection Co., Ltd.	Koutou Co., Ltd.	Other receivables from related parties	Yes	\$ 95,500	\$ 87,500	\$ 87,500	2.0-2.2	2	\$ -	Operating capital	\$ -	N/A	\$ -	\$ 100,233 (Note 6, a)	\$ 100,233 (Note 6, b)	
		Manumech Corporation	Other receivables from related parties	Yes	12,000	10,550	10,550	2	2	-	Operating capital	-	N/A	-	100,233 (Note 6, a)	100,233 (Note 6, b)	

Note 1: The numbers denote the following:

- a. 0 is the issuer.
- b. Investees are listed by names and numbered starting with 1.

Note 2: Fill in the name of account in which the loans are recognized, such as receivables-related parties, current account with shareholders, prepayments, temporary payments, etc.

Note 3: Purpose of fund financing for the borrower:

- a. For those companies with business transactions, please fill in 1.
- b. For those companies with short-term financing needs, please fill in 2.

Note 4: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 5: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

- Note 6:
- a. Individual loans should not exceed 40% of the lender’s net equity of the prior year. For No. 1: \$250,583 (net worth) × 40% = \$100,233.
 - b. Total loans should not exceed 40% of the lender’s net equity of the prior year. For No. 1: \$250,583 (net worth) × 40% = \$100,233.

TABLE 2

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Kwong Lung Enterprise Co., Ltd.	<u>Ordinary shares</u> J&B International Inc.	-	Financial assets at FVTOCI - non-current	223,000	\$ 13,915	0.69	\$ 13,915	
Gonglong Co., Ltd.	<u>Ordinary shares</u> Speed Tech Corporation	-	Financial assets at FVTOCI - non-current	300,000	10,200	0.17	10,200	
	Taihan Precision Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	8,370	0.77	8,370	
Kwong Lung (B.V.I.) Ltd.	<u>Ordinary shares</u> J&B International Inc.	-	Financial assets at FVTOCI - non-current	520,718	32,493	1.62	32,493	
	<u>Financial bonds</u> Foxconn (Far East) Limited	-	Financial assets at FVTOCI - non-current	-	29,329	-	29,329	
	Shinhan Card Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	31,780	-	31,780	
	TSMC Global Ltd.	-	Financial assets at FVTOCI - non-current	-	28,138	-	28,138	
	United Health Group Inc.	-	Financial assets at FVTOCI - non-current	-	92,718	-	92,718	
	American Express	-	Financial assets at FVTOCI - non-current	-	179,781	-	179,781	
	Chilean government international bonds	-	Financial assets at FVTOCI - non-current	-	4,448	-	4,448	
	Broadcom Corporation	-	Financial assets at FVTOCI - non-current	-	158,341	-	158,341	

TABLE 3

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Trade Receivables (Payables)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Account	Ending Balance	% of Total	
Kwong Lung Enterprise Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	Subsidiary	Purchase	\$ 259,046	26	T/T 30-180 days	No significant difference	No significant difference	Trade payables	\$ 633,195	34	
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	259,046	89	T/T 30-180 days	No significant difference	No significant difference	Trade receivables	633,195	90	
Kwong Lung Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	Subsidiary	Purchase	308,690	30	T/T 30-180 days	No significant difference	No significant difference	Trade payables	619,944	33	
Kwong Lung Meko Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	308,690	74	T/T 30-180 days	No significant difference	No significant difference	Trade receivables	619,944	91	
Kwong Lung Enterprise Co., Ltd.	Fuhua Garment Co., Ltd.	Subsidiary	Purchase	128,859	13	Prepayment or T/T 30-180 days	No significant difference	No significant difference	Trade payables	74,688	4	
Fuhua Garment Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	128,859	95	Sales revenue received in advance or T/T 30-180 days	No significant difference	No significant difference	Trade receivables	74,688	96	

Note: The aforementioned intercompany transactions have been eliminated from consolidation.

TABLE 4

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Receivables from Relates Parties Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
			Account	Ending Balance		Amount	Actions Taken		
Kwong Lung Enterprise Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	Subsidiary	Other receivables	\$ 193,068	-	\$ -	-	\$ 63,646	\$ -
	Kwong Lung Meko Co., Ltd.	Subsidiary	Other receivables	206,506	-	-	-	32,052	-
	Fuhua Garment Co., Ltd.	Subsidiary	Other receivables	242,687	-	-	-	29,856	-
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	633,195	1.51	-	-	115,058	-
Kwong Lung Meko Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	619,944	1.98	-	-	81,581	-

Note: The aforementioned intercompany transactions have been eliminated from consolidation.

TABLE 5

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Kwong Lung Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	a	Sales revenue	\$ 21,757	No significant difference	2
			a	Cost of goods sold	308,690	No significant difference	21
			a	Trade receivables	22,129	No significant difference	-
			a	Trade payables	619,944	No significant difference	6
			a	Other receivables	206,506	-	2
		Kwong Lung Japan Co., Ltd.	a	Sales revenue	13,446	No significant difference	1
			a	Trade receivables	13,748	No significant difference	-
		Toptex Garment Co., Ltd.	a	Cost of goods sold	5,220	No significant difference	-
			a	Trade payables	11,021	No significant difference	-
		Bo Hsing Enterprise Co., Ltd.	a	Cost of goods sold	259,046	No significant difference	18
			a	Trade payables	633,195	No significant difference	6
			a	Other receivables	193,068	-	2
		Fuhua Garment Co., Ltd.	a	Cost of goods sold	128,859	No significant difference	9
			a	Trade payables	74,688	No significant difference	1
			a	Other receivables	242,687	-	2
		Snowdown Merchandise (Suzhou) Co., Ltd.	a	Cost of goods sold	40,897	No significant difference	3
			a	Trade payables	45,447	No significant difference	-
			a	Other receivables	5,506	-	-
1	Kwong Long-O Mon Company Limited	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	8,004	No significant difference	1
			c	Trade receivables	5,127	No significant difference	-
		Fuhua Garment Co., Ltd.	c	Trade receivables	7,026	No significant difference	-
2	Bo Hsing Enterprise Co., Ltd.	Fuhua Garment Co., Ltd.	c	Processing revenue	6,219	No significant difference	-
			c	Trade receivables	37,718	No significant difference	-
			c	Other receivables	8,797	-	-
3	Kwong Lung Meko Co., Ltd.	Snowdown Merchandise (Suzhou) Co., Ltd.	c	Sales revenue	8,899	No significant difference	1
			c	Trade receivables	9,040	No significant difference	-
		Fuhua Garment Co., Ltd.	c	Trade receivables	10,003	No significant difference	-
4	Fuhua Garment Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	6,354	No significant difference	-
5	Toptex Garment Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	18,403	No significant difference	1
			c	Trade receivables	12,251	No significant difference	-
		Fuhua Garment Co., Ltd.	c	Trade receivables	11,243	No significant difference	-

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
6	P&B Collection Co., Ltd	Manumech Corporation Koutou Co., Ltd.	c c	Other receivables	\$ 10,550	-	-
				Other receivables	87,500	-	1
7	Koutou Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	b	Other receivables	36,228	-	-

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage to the consolidated total assets as of March 31, 2026. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenue for the three months ended March 31, 2026.

Note 4: The aforementioned intercompany transactions have been eliminated upon consolidation.

Note 5: Kwong Lung (Suzhou) Co., Ltd. was renamed Snowdown Merchandise (Suzhou) Co., Ltd. on February 26, 2025.

(Concluded)

TABLE 6

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Shares	%	Carrying Amount			
Kwong Lung Enterprise Co., Ltd.	Kwong Lung (B.V.I.) Ltd.	British Virgin Islands	Investment holding company	\$ 660,552	\$ 660,552	18,000	100	\$ 1,021,908	\$ 10,975	\$ 10,975	Subsidiary
	Kwong Lung Meko Co., Ltd.	Vietnam	Processing and manufacturing of apparel, down and bedding	198,399	198,399	-	100	1,688,786	(5,087)	(5,366)	Subsidiary
	Kwong Lung Japan Co., Ltd.	Japan	Selling of down and bedding	280,977	280,977	10,500	100	388,702	2,849	2,849	Subsidiary
	Bo Hsing Enterprise Co., Ltd.	Vietnam	Manufacturing of apparel and bedding	386,911	386,911	-	100	1,239,409	(4,797)	(4,797)	Subsidiary
	Toptex Garment Co., Ltd.	Vietnam	Manufacturing of apparel	191,809	191,809	-	100	74,135	(950)	(950)	Subsidiary
	P&B Collection Co, Ltd.	Taiwan	Investment activities and product services	260,000	260,000	21,600,000	100	244,875	364	1,517	Subsidiary
	Manumech Corporation	Taiwan	Wholesale	103,319	103,319	1,899,235	100	(10,192)	508	508	Subsidiary
	Kwong Lung-O Mon Company Limited	Vietnam	Manufacturing of apparel	69,799	69,799	-	100	43,189	(5,245)	(5,245)	Subsidiary
	Fuhua Garment Co., Ltd.	Vietnam	Manufacturing of apparel and bedding	93,135	93,135	-	100	69,679	23,823	23,823	Subsidiary
	Gonglong Co., Ltd.	Taiwan	Real estate rental and leasing	429,178	429,178	42,200,000	100	483,557	5,492	662	Subsidiary
	Pt. Tactical Garment Garut	Indonesia	Manufacturing of apparel	210,443	210,443	6,750	45	127,222	(23,758)	(10,691)	Associate
Kwong Lung (B.V.I.) Ltd.	Kwong Lung Feather (B.V.I.) Limited	British Virgin Islands	Investment holding company	-	-	1	100	129,858	3,562	NA	Sub-subsiidary
Kwong Lung Japan Co., Ltd.	Makoto Build Co., Ltd.	Japan	Construction business	49,029	42,071	24,500	70	48,511	(187)	NA	Sub-subsiidary
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	British Virgin Islands	Investment holding company	60,180	60,180	2,000,000	40	58,748	1,975	NA	Sub-subsiidary
Kwong Lung Meko Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	British Virgin Islands	Investment holding company	92,880	92,880	3,000,000	60	98,963	1,975	NA	Sub-subsiidary
Gonglong Co., Ltd.	Koutou Co., Ltd.	Taiwan	Construction business	240,442	240,442	14,881,122	100	162,301	6,145	NA	Sub-subsiidary
P&B Collection Co, Ltd.	Gong Tong Zu Lin Co., Ltd.	Taiwan	Leasing business	27,300	27,300	7,020,000	39	86,745	1,479	NA	Associate of subsidiary
	Daquan Hanshi Co., Ltd.	Taiwan	Food service activities	5,513	5,513	780,000	39	12,071	264	NA	Associate of subsidiary
Kwong Lung Meko (B.V.I.) Ltd.	Lyon Ventures Holdings Ltd.	Canada	Selling of home products	18,231	18,231	90,000	49	7,952	(312)	NA	Associate of Sub-subsiidary
	O’casa Lk Pacific Group Inc.	Canada	Real estate investment	67,114	67,114	289,100	49	55,032	(618)	NA	Associate of Sub-subsiidary

Note: Refer to Table 7 for investments in mainland China.

TABLE 7

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward	Inward						
Snowdown Merchandise (Suzhou) Co., Ltd. (Note 5)	Processing and manufacturing of down and bedding	US\$ 5,000 (Including registration)	b. 1)	\$ 149,546	\$ -	\$ -	\$ 149,546	\$ (4,109)	100	\$ (4,109) b. 3)	\$ 214,565	\$ -

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Kwong Lung Enterprise Co., Ltd.	\$ 598,186 (Note 3)	\$ 600,875 (US\$ 20,000)	\$ 2,986,198 (Note 4)

Note 1: The way of investment in mainland China is as follows:

- a. The investment was made directly in China.
- b. The investment was made through a company registered in a third region.
 - 1) Through Kwong Lung (B.V.I.) Ltd.

Note 2: Net income (loss) of the investee:

- a. If it is in preparation, there is no investment loss, it should be noted.
- b. Recognition of gains or losses was based on the following three information:
 - 1) Financial statements which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm.
 - 2) Financial statements which were audited by the parent company’s accounting firm.
 - 3) Not been reviewed.

Note 3: The Group disposed of the subsidiary Snowdown Merchandise (Suzhou) Co., Ltd. (formerly a sister company of Kwong Lung (Suzhou) Co., Ltd.) in December 2021. The original investment amount of \$448,640 thousand had not been remitted to the Company as of March 31, 2026.

Note 4: The maximum allowable limit on investment was 60% of the consolidated net asset value of the Company \$4,976,997 (consolidated net worth) × 60% = \$2,986,198.

Note 5: Kwong Lung (Suzhou) Co., Ltd. was renamed Snowdown Merchandise (Suzhou) Co., Ltd. on February 26, 2025.

TABLE 8

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)**

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Note/Trade Receivables (Payables)		Unrealized Gain
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Snowdown Merchandise (Suzhou) Co., Ltd. (Note 1)	Purchase	\$ 40,897	4	Normal	Prepayment or T/T 30-180 days	No significant difference	Trade payables \$ 45,447	2	\$ -

- Note 1: Kwong Lung (Suzhou) Co., Ltd. was renamed Snowdown Merchandise (Suzhou) Co., Ltd. on February 26, 2025.
- Note 2: As of March 31, 2026, the Company had transactions with Snowdown Merchandise (Suzhou) Co., Ltd. for processing of materials and purchasing materials amounted to \$5,506 thousand of the Company’s other receivables.
- Note 3: The aforementioned intercompany transactions have been eliminated from consolidation.