TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2026 AND 2025

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Tainan Spinning Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Tainan Spinning Co., Ltd. and its subsidiaries (the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these 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 Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 explained in Note 4(3), the financial statements and related information disclosed in Note 13 of certain insignificant consolidated subsidiaries as of and for the three-month periods ended March 31, 2026 and 2025 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT$9,111,106 thousand and NT$11,152,507 thousand, constituting 19.89% and 23.29% of the consolidated total assets as of March 31, 2026 and 2025, respectively, total liabilities amounted to NT$1,571,759 thousand and NT$2,253,756 thousand, constituting 8.85% and 11.85% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively, and the total comprehensive income amounted to NT$82,750 thousand and NT$86,005 thousand, constituting 16.08% and (86.21%) of the consolidated total comprehensive income (loss) for the three-month periods then ended, respectively. As explained in Note 6(8), the financial statements of certain investments accounted for under equity method as of and for the three-month periods ended March 31, 2026 and 2025 were not reviewed by independent auditors. The share of (loss) profit of associates and joint ventures accounted for under equity method amounted to (NT$4,114) thousand and NT$868 thousand, constituting (0.80%) and (0.87%) of the consolidated total comprehensive income (loss) for the three-month periods ended March 31, 2026 and 2025, respectively, and the balance of these investments accounted for under equity method amounted to NT$184,019 thousand and NT$303,711 thousand, constituting 0.40% and 0.63% of the consolidated total assets as of March 31, 2026 and 2025, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and certain investments accounted for under equity method been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Tien Chung-Yu

Independent Accountants

Hsu Huei-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

May 11, 2026

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	March 31, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 4,400,648	10	$ 4,992,099	11	$ 4,745,665	10
1110	Financial assets at fair value through profit or loss - current	6(2)	47,425	-	47,568	-	83,867	-
1136	Financial assets at amortised cost - current	6(1)(3) and 8	2,782,749	6	2,597,551	6	2,382,422	5
1150	Notes receivable, net	6(4)	70,539	-	80,217	-	71,800	-
1170	Accounts receivable, net	6(4)(5)	1,278,944	3	1,140,768	3	1,404,948	3
1200	Other receivables		459,334	1	446,215	1	339,482	1
1210	Other receivables - related parties	7	145,566	-	-	-	142,291	-
1220	Current income tax assets	6(29)	54,011	-	65,449	-	59,476	-
130X	Inventories	6(6)	3,118,644	7	3,248,468	7	4,271,829	9
1410	Prepayments		204,340	-	147,586	-	103,311	-
11XX	**Total current assets**		12,562,200	27	12,765,921	28	13,605,091	28
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	334,122	1	348,724	1	335,342	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(7)	5,180,139	11	4,787,434	10	4,908,405	10
1550	Investments accounted for under equity method	6(8) and 8	4,234,220	9	4,279,140	9	4,263,774	9
1600	Property, plant and equipment	6(9) and 8	19,433,946	42	19,608,011	43	20,414,236	43
1755	Right-of-use assets	6(10)	358,004	1	356,943	1	403,700	1
1760	Investment property, net	6(11)(12) and 8	3,100,827	7	3,104,379	7	3,115,231	6
1780	Intangible assets		248	-	287	-	567	-
1840	Deferred income tax assets	6(29)	39,296	-	45,101	-	279,591	1
1915	Prepayments for equipment	6(9)	201,325	1	213,032	-	266,000	-
1920	Guarantee deposits paid		8,250	-	9,679	-	12,101	-
1975	Net defined benefit asset - non-current	6(17)	342,180	1	338,983	1	273,284	1
1990	Other non-current assets		4,348	-	4,385	-	4,500	-
15XX	**Total non-current assets**		33,236,905	73	33,096,098	72	34,276,731	72
1XXX	**Total assets**		$ 45,799,105	100	$ 45,862,019	100	$ 47,881,822	100

(Continued)

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	March 31, 2025 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13) and 8	$ 5,866,840	13	$ 6,419,547	14	$ 6,610,735	14
2110	Short-term notes and bills payable	6(14)	50,000	-	50,000	-	-	-
2130	Current contract liabilities	6(22)	414,549	1	214,285	1	274,481	1
2150	Notes payable		838	-	111,597	-	3,684	-
2170	Accounts payable		1,929,218	4	1,954,850	4	1,728,411	4
2200	Other payables	6(15)(20)	1,094,669	3	626,981	2	1,212,638	2
2230	Current income tax liabilities	6(29)	7,221	-	34,018	-	72,505	-
2280	Lease liabilities - current	6(10)	14,481	-	14,187	-	15,039	-
2310	Advance receipts		6,732	-	3,912	-	4,236	-
2320	Long-term liabilities, current portion	6(16) and 8	455,655	1	455,656	1	1,557,093	3
2399	Other current liabilities		6,533	-	2,879	-	10,267	-
21XX	**Total current liabilities**		9,846,736	22	9,887,912	22	11,489,089	24
	Non-current liabilities							
2540	Long-term borrowings	6(16) and 8	3,989,879	9	4,025,007	9	3,414,727	7
2570	Deferred income tax liabilities	6(29)	3,600,487	8	3,607,902	8	3,753,843	8
2580	Lease liabilities - non-current	6(10)	265,030	-	264,500	-	297,205	1
2645	Guarantee deposits received		56,965	-	54,266	-	55,340	-
2670	Other non-current liabilities		10,486	-	10,486	-	10,486	-
25XX	**Total non-current liabilities**		7,922,847	17	7,962,161	17	7,531,601	16
2XXX	**Total liabilities**		17,769,583	39	17,850,073	39	19,020,690	40
	Equity attributable to owners of parent							
	Share capital							
3110	Common stock	6(18)	16,568,159	36	16,568,159	36	16,568,159	35
3200	Capital surplus	6(8)(19)	69,088	-	69,088	-	72,685	-
	Retained earnings	6(20)						
3310	Legal reserve		3,221,370	7	3,221,370	7	3,221,370	7
3320	Special reserve		4,391,668	9	4,391,668	10	4,391,668	9
3350	Unappropriated retained earnings		2,798,977	6	3,374,172	7	3,494,775	7
3400	Other equity interest	6(7)(8)(21)	620,130	2	38,154	-	780,918	1
31XX	**Equity attributable to owners of the parent**		27,669,392	60	27,662,611	60	28,529,575	59
36XX	Non-controlling interest		360,130	1	349,335	1	331,557	1
3XXX	**Total equity**		28,029,522	61	28,011,946	61	28,861,132	60
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 45,799,105	100	$ 45,862,019	100	$ 47,881,822	100

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for loss per share)

			For the three-month periods ended March 31, 2026 AMOUNT	2026 %	2025 AMOUNT	2025 %
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(11)(12)(22) and 7	$ 3,372,657	100	$ 4,192,369	100
5000	Operating costs	6(6)(10)(12)(17)(27)(28)	(3,078,389)	(91)	(3,919,755)	(94)
5900	Net operating margin		294,268	9	272,614	6
	Operating expenses	6(10)(17)(27)(28) and 7				
6100	Selling expenses		(221,662)	(7)	(241,325)	(6)
6200	General and administrative expenses		(192,135)	(6)	(179,105)	(4)
6300	Research and development expenses		(9,887)	-	(7,913)	-
6000	Total operating expenses		(423,684)	(13)	(428,343)	(10)
6900	Operating loss		(129,416)	(4)	(155,729)	(4)
	Non-operating income and expenses					
7100	Interest income	6(3)(23)	40,904	1	48,312	1
7010	Other income	6(7)(24) and 7	50,866	2	58,588	2
7020	Other gains and losses	6(2)(25) and 12	(8,383)	-	15,016	-
7050	Finance costs	6(5)(10)(26)	(66,374)	(2)	(98,286)	(2)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	47,628	1	39,269	1
7000	Total non-operating income and expenses		64,641	2	62,899	2
7900	**Loss before income tax**		(64,775)	(2)	(92,830)	(2)
7950	Income tax (expense) benefit	6(29)	(8,778)	-	22,770	1
8200	**Loss for the period**		($ 73,553)	(2)	($ 70,060)	(1)
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	6(7)(21)	$ 391,982	11	($ 156,205)	(4)
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(8)(21)	(8,030)	-	6,136	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	143,174	4	80,160	2
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(8)(21)	61,048	2	40,202	1
8300	**Other comprehensive income (loss) for the period**		$ 588,174	17	($ 29,707)	(1)
8500	**Total comprehensive income (loss) for the period**		$ 514,621	15	($ 99,767)	(2)
	(Loss) profit attributable to:					
8610	Owners of the parent		($ 78,150)	(2)	($ 77,761)	(1)
8620	Non-controlling interest		4,597	-	7,701	-
			($ 73,553)	(2)	($ 70,060)	(1)
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 503,826	15	($ 109,639)	(2)
8720	Non-controlling interest		10,795	-	9,872	-
			$ 514,621	15	($ 99,767)	(2)
	Loss per share (in dollars)	6(30)				
9750	Basic		($ 0.05)		($ 0.05)	
9850	Diluted		($ 0.05)		($ 0.05)	

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
			Capital Reserves			Retained Earnings			Other Equity Interest				
	Notes	Share capital - common stock	Treasury stock transactions	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
For the three-month period ended March 31, 2025													
Balance at January 1, 2025		$ 16,568,159	$ 35,983	$ 16,471	$ 20,231	$ 3,221,370	$ 4,391,668	$ 4,069,581	($ 321,470)	$ 1,134,266	$ 29,136,259	$ 321,685	$ 29,457,944
Net (loss) income for the three-month period ended March 31, 2025		-	-	-	-	-	-	(77,761)	-	-	(77,761)	7,701	(70,060)
Other comprehensive income (loss) for the three-month period ended March 31, 2025	6(21)	-	-	-	-	-	-	-	118,187	(150,065)	(31,878)	2,171	(29,707)
Total comprehensive (loss) income for the three-month period ended March 31, 2025		-	-	-	-	-	-	(77,761)	118,187	(150,065)	(109,639)	9,872	(99,767)
Distribution of 2024 earnings:													
Cash dividends	6(20)	-	-	-	-	-	-	(497,045)	-	-	(497,045)	-	(497,045)
Balance at March 31, 2025		$ 16,568,159	$ 35,983	$ 16,471	$ 20,231	$ 3,221,370	$ 4,391,668	$ 3,494,775	($ 203,283)	$ 984,201	$ 28,529,575	$ 331,557	$ 28,861,132
For the three-month period ended March 31, 2026													
Balance at January 1, 2026		$ 16,568,159	$ 35,983	$ 16,471	$ 16,634	$ 3,221,370	$ 4,391,668	$ 3,374,172	($ 802,918)	$ 841,072	$ 27,662,611	$ 349,335	$ 28,011,946
Net (loss) income for the three-month period ended March 31, 2026		-	-	-	-	-	-	(78,150)	-	-	(78,150)	4,597	(73,553)
Other comprehensive income for the three-month period ended March 31, 2026	6(21)	-	-	-	-	-	-	-	198,024	383,952	581,976	6,198	588,174
Total comprehensive (loss) income for the three-month period ended March 31, 2026		-	-	-	-	-	-	(78,150)	198,024	383,952	503,826	10,795	514,621
Distribution of 2025 earnings:													
Cash dividends	6(20)	-	-	-	-	-	-	(497,045)	-	-	(497,045)	-	(497,045)
Balance at March 31, 2026		$ 16,568,159	$ 35,983	$ 16,471	$ 16,634	$ 3,221,370	$ 4,391,668	$ 2,798,977	($ 604,894)	$ 1,225,024	$ 27,669,392	$ 360,130	$ 28,029,522

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 64,775)	($ 92,830)
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss		28,475	(13,551)
Reversal of allowance for inventory market price decline	6(6)	(65,298)	(89,562)
Share of profit of associates and joint ventures accounted for under equity method	6(8)	(47,628)	(39,269)
Depreciation	6(9)(10)(12)(27)	238,368	259,254
Gain on disposal of property, plant and equipment	6(25)	(50)	(57)
Reclassification of prepayments for equipment to expenses		21,141	-
Amortisation	6(27)	39	111
Interest income	6(23)	(40,904)	(48,312)
Dividend income	6(24)	-	(3,077)
Interest expense	6(26)	66,374	98,286
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(5,727)	(4,663)
Notes receivable		9,678	19,930
Accounts receivable		(138,176)	(224,499)
Other receivables		(20,687)	(28,147)
Inventories		192,929	917,863
Prepayments		(56,754)	49,842
Net defined benefit assets - non-current		(3,197)	(3,680)
Changes in operating liabilities			
Current contract liabilities		200,264	64,218
Notes payable		(110,759)	(65,747)
Accounts payable		(25,632)	(263,789)
Other payables		(23,212)	(25,317)
Advance receipts		2,820	(3,751)
Other current liabilities		3,654	7,491
Cash inflow generated from operations		160,943	510,744
Interest received		59,910	64,780
Dividends received	6(31)	-	3,077
Interest paid		(69,973)	(94,389)
Income tax paid		(25,747)	(48,845)
Net cash flows from operating activities		125,133	435,367

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TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31, 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in financial assets at amortised cost		($ 185,198)	$ 124,683
Acquisition of financial assets at fair value through profit or loss - non-current		(8,003)	(12,986)
Cash paid for acquisition of property, plant and equipment	6(31)	(11,548)	(10,715)
Proceeds from disposal of property, plant and equipment		264	3,926
Increase in prepayments for equipment		(8,709)	(36,133)
Decrease in guarantee deposits paid		1,429	1,300
Decrease in other non-current assets		37	48
Net cash flows (used in) from investing activities		(211,728)	70,123
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(32)	5,847,006	4,978,176
Repayments of short-term borrowings	6(32)	(6,426,106)	(5,469,916)
Repayments of lease principal	6(32)	(4,030)	(4,146)
Proceeds from long-term borrowings	6(32)	3,300,000	3,110,000
Repayments of long-term borrowings	6(32)	(3,335,129)	(3,276,190)
Increase in guarantee deposits received	6(32)	2,699	196
Net cash flows used in financing activities		(615,560)	(661,880)
Effect of foreign exchange rate changes on cash and cash equivalents		110,704	145,196
Net decrease in cash and cash equivalents		(591,451)	(11,194)
Cash and cash equivalents at beginning of period	6(1)	4,992,099	4,756,859
Cash and cash equivalents at end of period	6(1)	$ 4,400,648	$ 4,745,665

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

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) Tainan Spinning Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China and other relevant laws and regulations in March 1955. The Company and its subsidiaries (the "Group") are primarily engaged in manufacturing, processing, sale of textile products, woven textile products and synthetic fiber materials, construction of public housing, the rental and sale of commercial property and operation of department store.

(2) The common shares of the Company have been listed on the Taiwan Stock Exchange since October 1989.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 11, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

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

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

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

IFRS 18, 'Presentation and disclosure in financial statements':

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit assets recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) March 31, 2026	Ownership (%) December 31, 2025	Ownership (%) March 31, 2025	Description
Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Manufacturing and sales of cotton, yarn etc.	100.00	100.00	100.00	—
	Nan Fan Development Co., Ltd.	Land development	100.00	100.00	100.00	—
	Tainan Spinning Holding (Cayman Islands) Ltd.	Professional investments	100.00	100.00	100.00	—
	Nan Fan International Investment (Cayman Islands) Co., Ltd.	Professional investments	—	—	100.00	(Note 1)
	Tainan Spinning Retail and Distribution Co., Ltd.	Operating department stores	100.00	100.00	100.00	—

Name of investor	Name of subsidiary	Main business activities	Ownership (%) March 31, 2026	Ownership (%) December 31, 2025	Ownership (%) March 31, 2025	Description
Tainan Spinning Co., Ltd.	Tainan Spinning (Singapore) Pte. Ltd.	Professional investments	100.00	100.00	100.00	—
	Nan Fan Housing Development Co., Ltd.	Commissioned to build public housing and the rental and sale of commercial property	99.99	99.99	99.99	—
Tainan Spinning Co., Ltd. (Vietnam)	Tainan Textile Co., Ltd.	Manufacturing and sales of cotton, yarn etc.	—	—	85.00	(Note 2)
Tainan Spinning (Singapore) Pte. Ltd.	Tainan Textile Co., Ltd.	Manufacturing and sales of cotton, yarn etc.	100.00	100.00	15.00	(Note 2)
	Tainan Spinning Trading Pte. Ltd.	International trade, etc.	—	—	100.00	(Note 3)
Nan Fan Housing Development Co., Ltd.	Federal Holding Limited	Professional investments	100.00	100.00	100.00	—
Federal Holding Limited	United Investment Pte. Ltd.	Professional investments	100.00	100.00	100.00	—
United Investment Pte. Ltd.	Namtex Co., Ltd.	Businesses related to weaving, dyeing and sorting of yarns	50.00	50.00	50.00	(Note 4)

Note 1: Due to the adjustment of the Group's business strategy, Nan Fan International Investment (Cayman Island) Co., Ltd. was subjected to dissolution and liquidation.This process was completed in December 2025.

Note 2: In June and December 2025, Tainan Spinning (Singapore) Pte. Ltd. acquired all equity interest in Tainan Textile Co., Ltd. from Tainan Spinning Co., Ltd. (Vietnam).

Note 3: In order to meet the Group's future development needs and to align with the government's southbound policy, the Board of Directors resolved to establish Tainan Spinning Trading Pte. Ltd. through the subsidiary of the Group, Tainan Spinning (Singapore) Pte. Ltd., with an authorized capital of US$1 million. However, due to the adjustment of the Group's business strategy, the company was subjected to dissolution and liquidation, which was completed on May 29, 2025.

Note 4: The Group has substantive control over the company, hence, it is a subsidiary included in the consolidated financial statements.

Except for Tainan Spinning Co., Ltd. (Vietnam), Tainan Textile Co., Ltd. and Namtex Co., Ltd. for the three-month period ended March 31, 2026 and Tainan Spinning Co., Ltd. (Vietnam) and Tainan Textile Co., Ltd. for the three-month period ended March 31, 2025, the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. For detailed information, refer to Note 5 of the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash:			
Cash on hand	$ 10,393	$ 10,174	$ 13,279
Checking accounts and demand deposits	1,806,010	1,723,285	1,631,575
	1,816,403	1,733,459	1,644,854
Cash equivalents:			
Time deposits	2,284,245	2,958,469	2,568,041
Commercial paper	300,000	300,171	532,770
	2,584,245	3,258,640	3,100,811
	$ 4,400,648	$ 4,992,099	$ 4,745,665

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group recognized its time deposits with maturities ranging from three months to one year and pledged time deposits as

"Financial assets at amortised cost - current". Details of the Group's time deposits pledged as collateral are provided in Note 8.

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

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ -	$ -	$ 49,797
Beneficiary certificates	47,425	47,568	34,070
	$ 47,425	$ 47,568	$ 83,867
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 334,122	$ 348,724	$ 335,342

A. The Group recognized net (loss) gain on financial assets mandatorily measured at fair value through profit or loss (listed as "Other gains and losses") amounting to ($27,553) and $14,015 for the three-month periods ended March 31, 2026 and 2025, respectively.

B. The Group has no financial assets at fair value through profit or loss pledged to others as of March 31, 2026, December 31, 2025 and March 31, 2025.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost - current

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits over three months	$ 2,781,249	$ 2,596,051	$ 2,380,922
Pledged time deposits	1,500	1,500	1,500
	$ 2,782,749	$ 2,597,551	$ 2,382,422

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

	For the three-month periods ended March 31,	
	2026	2025
Interest income	$ 22,789	$ 26,287

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the book value.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025 are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 70,539	$ 80,217	$ 71,800
Accounts receivable	$ 1,278,944	$ 1,140,768	$ 1,404,948

A. The aging analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	March 31, 2026		December 31, 2025	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 70,539	$ 1,278,944	$ 80,217	$ 1,140,768

	March 31, 2025	
	Notes receivable	Accounts receivable
Not past due	$ 71,800	$ 1,404,948

The above aging analysis was based on past due date.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was the book value.

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to $1,272,179.

D. The Group does not hold any collateral pledged for notes and accounts receivable as of March 31, 2026, December 31, 2025 and March 31, 2025.

E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(5) Transfer of financial assets

Transferred financial assets that are derecognized in their entirety

A. The Group has entered into a factoring agreement with several banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable, and the related information is as follows:

For the three-month period ended March 31, 2026				
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
Mizuho Bank	$ 1,708	$ 1,708	$ 1,708	4.42%

For the year ended December 31, 2025				
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
CTBC Bank	$ 71,657	$ 71,657	$ 71,657	4.38%～5.05%
Mizuho Bank	58,428	58,428	58,428	4.48%～5.02%
E. Sun Bank	14,065	14,065	14,065	5.08%
	$ 144,150	$ 144,150	$ 144,150	

For the three-month period ended March 31, 2025				
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Amount advanced	Interest rate of amount advanced
CTBC Bank	$ 29,616	$ 22,209	$ 22,209	4.86%
Mizuho Bank	14,065	14,065	14,065	5.08%
	$ 43,681	$ 36,274	$ 36,274	

B. The Group recognized finance expense (listed as “Finance costs”) arising from transferred accounts receivable amounting to $18 and $394 for the three-month periods ended March 31, 2026 and 2025, respectively.

(6) Inventories

	March 31, 2026		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 48,156	$ -	$ 48,156
Raw materials	840,049	(15,593)	824,456
Raw materials in transit	239,472	-	239,472
Supplies	580,896	(6,464)	574,432
Work in progress	339,088	(1,808)	337,280
Finished goods	950,362	(90,000)	860,362
Land held for construction	233,401	-	233,401
Building and land held for sale	2,451	(1,366)	1,085
	$ 3,233,875	($ 115,231)	$ 3,118,644

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 51,197	$ -	$ 51,197
Raw materials	768,353	(36,861)	731,492
Raw materials in transit	297,257	-	297,257
Supplies	583,621	(6,354)	577,267
Work in progress	312,119	(1,067)	311,052
Finished goods	1,179,432	(133,715)	1,045,717
Land held for construction	233,401	-	233,401
Building and land held for sale	2,451	(1,366)	1,085
	$ 3,427,831	($ 179,363)	$ 3,248,468

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 58,398	$ -	$ 58,398
Raw materials	1,496,650	(95,918)	1,400,732
Raw materials in transit	137,601	-	137,601
Supplies	662,423	(93)	662,330
Work in progress	375,213	(827)	374,386
Finished goods	1,479,874	(75,978)	1,403,896
Land held for construction	233,401	-	233,401
Building and land held for sale	2,451	(1,366)	1,085
	$ 4,446,011	($ 174,182)	$ 4,271,829

The cost of inventories recognized as expense for the period:

	For the three-month periods ended March 31,	
	2026	2025
Cost of goods sold	$ 2,972,117	$ 3,847,492
Reversal of allowance for inventory market price decline (Note 1)	(65,298)	(89,562)
Revenue from sale of scraps	(7,200)	(7,171)
Gain on physical inventory	-	(15)
Underapplied overhead (Note 2)	68,042	62,161
	$ 2,967,661	$ 3,812,905

Note 1: For the three-month periods ended March 31, 2026 and 2025, as the Group used inventories for which a valuation loss was recognized in the prior year, a reduction in cost of sales was recognized.

Note 2: Due to the slowdown of inventory clearance in the downstream cloth factory caused by increasing inflation, the global economic downturn and industry competition, the Group's actual production capacity did not reach its normal level.

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

Items	March 31, 2026	December 31, 2025	March 31, 2025
Equity instruments			
Listed stocks	$ 2,289,125	$ 1,894,165	$ 2,040,727
Unlisted stocks	2,891,014	2,893,269	2,867,678
	$ 5,180,139	$ 4,787,434	$ 4,908,405

A. The Group has elected to classify equity investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the book value.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended March 31,	
	2026	2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income		
Still held at the end of the period	$ 391,982	($ 156,205)
Dividend income recognized in profit or loss		
Still held at the end of the period	$ -	$ 3,077

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as of March 31, 2026, December 31, 2025 and March 31, 2025.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(8) Investments accounted for under equity method

	For the three-month periods ended March 31,	
	2026	2025
At January 1	$ 4,279,140	$ 4,320,458
Share of profit of investments accounted for under equity method	47,628	39,269
Earnings distribution of investments accounted for under equity method	(145,566)	(142,291)
Change in other equity	53,018	46,338
At March 31	$ 4,234,220	$ 4,263,774

A. The basic information of the associate that is material to the Group is as follows:

		Shareholding ratio			
Company name	Principal place of business	March 31, 2026	December 31, 2025	Nature of relationship	Method of measurement
Nantex Industry Co., Ltd.	R.O.C	26.99%	26.99%	Cross-industry investment	Equity method

Company name	Principal place of business	Shareholding ratio March 31, 2025	Nature of relationship	Method of measurement
Nantex Industry Co., Ltd.	R.O.C	26.99%	Cross-industry investment	Equity method

B. The summarized financial information of the associate that is material to the Group is as follows:

Consolidated balance sheet

	Nantex Industry Co., Ltd. and its subsidiaries		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 14,271,694	$ 13,777,847	$ 13,936,408
Non-current assets	4,588,088	4,579,736	4,363,501
Current liabilities	(1,850,566)	(1,290,712)	(1,689,956)
Non-current liabilities	(553,475)	(586,703)	(594,345)
Non-controlling interest	(2,156,407)	(2,043,519)	(1,406,781)
Total net assets	$ 14,299,334	$ 14,436,649	$ 14,608,827
Share in associate's net assets	$ 3,859,390	$ 3,896,452	$ 3,942,922
Carrying amount of the associate	$ 3,881,384	$ 3,917,286	$ 3,960,063

Consolidated statement of comprehensive income

	Nantex Industry Co., Ltd and its subsidiaries	
	For the three-month periods ended March 31,	
	2026	2025
Revenue	$ 2,595,684	$ 2,271,211
Profit for the period from continuing operations	$ 279,461	$ 238,494
Other comprehensive income, net of tax	188,529	177,435
Total comprehensive income	$ 467,990	$ 415,929
Dividends received from the associate	$ 132,912	$ 132,912

C. The carrying amount of the Group’s interest in all individually immaterial associates and the Group’s share of the operating results are summarized below:

As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount of the Group’s individually immaterial associates amounted to $352,836, $361,854 and $303,711, respectively.

	For the three-month periods ended March 31,	
	2026	2025
Profit for the period from continuing operations	$ 3,636	$ 867
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 3,636	$ 867
Dividends received from the associate	$ 12,654	$ 9,379

D. The Group’ s investment, Nantex Industry Co., Ltd., has quoted market prices. As of March 31, 2026, December 31, 2025 and March 31, 2025, the fair values were $3,409,191, $3,116,785 and $3,914,257, respectively.

E. The Group is the single largest shareholder of Nantex Industry Co., Ltd. with a 26.99% equity interest. As the Group does not hold more than half of the voting rights in substance, does not have substantial control or control through potential voting rights, and has not obtained control through a combination of contractual agreements, voting rights and potential voting rights, which indicates that the Group does not have the actual ability to direct the relevant activities, therefore, the Group only has significant influence, over the investee.

F. As of March 31, 2026, December 31, 2025 and March 31, 2025, information about the Group's investments accounted for under equity method that were pledged to others as collateral is provided in Note 8.

(9) Property, plant and equipment

	Land	Buildings	Machinery	Facility	Office equipment	Miscellaneous equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2026								
Cost	$ 9,188,695	$ 10,324,467	$ 14,966,690	$ 4,872,941	$ 284,851	$ 2,114,026	$ 68,274	$ 41,819,944
Accumulated depreciation	-	(3,723,721)	(12,357,478)	(3,231,835)	(257,252)	(1,792,700)	-	(21,362,986)
Accumulated impairment	-	(599,283)	(168,533)	(49,041)	(5,053)	(27,037)	-	(848,947)
	$ 9,188,695	$ 6,001,463	$ 2,440,679	$ 1,592,065	$ 22,546	$ 294,289	$ 68,274	$ 19,608,011
For the three-month period ended March 31, 2026								
At January 1	$ 9,188,695	$ 6,001,463	$ 2,440,679	$ 1,592,065	$ 22,546	$ 294,289	$ 68,274	$ 19,608,011
Additions	-	-	-	-	737	1,404	6,861	9,002
Transferred from prepayments for equipment	-	-	302	-	-	-	-	302
Depreciation	-	(52,336)	(108,206)	(21,451)	(2,512)	(45,147)	-	(229,652)
Disposals-cost	-	-	(63,450)	-	(249)	(2,676)	-	(66,375)
-accumulated depreciation	-	-	63,337	-	249	2,575	-	66,161
Net exchange differences	-	12,291	29,128	1,747	146	3,185	-	46,497
At March 31	$ 9,188,695	$ 5,961,418	$ 2,361,790	$ 1,572,361	$ 20,917	$ 253,630	$ 75,135	$ 19,433,946
At March 31, 2026								
Cost	$ 9,188,695	$ 10,350,675	$ 15,005,359	$ 4,882,370	$ 286,987	$ 2,127,641	$ 75,135	$ 41,916,862
Accumulated depreciation	-	(3,789,974)	(12,475,036)	(3,260,968)	(261,018)	(1,846,974)	-	(21,633,970)
Accumulated impairment	-	(599,283)	(168,533)	(49,041)	(5,052)	(27,037)	-	(848,946)
	$ 9,188,695	$ 5,961,418	$ 2,361,790	$ 1,572,361	$ 20,917	$ 253,630	$ 75,135	$ 19,433,946

	Land	Buildings	Machinery	Facility	Office equipment	Miscellaneous equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2025								
Cost	$ 9,188,695	$ 10,430,063	$ 14,649,238	$ 4,899,543	$ 279,094	$ 2,187,719	$ 57,975	$ 41,692,327
Accumulated depreciation	-	(3,568,602)	(12,401,167)	(3,070,173)	(256,835)	(1,809,554)	-	(21,106,331)
Accumulated impairment	-	(599,283)	(168,533)	(49,041)	(5,053)	(27,037)	-	(848,947)
	$ 9,188,695	$ 6,262,178	$ 2,079,538	$ 1,780,329	$ 17,206	$ 351,128	$ 57,975	$ 19,737,049
For the three-month period ended March 31, 2025								
At January 1	$ 9,188,695	$ 6,262,178	$ 2,079,538	$ 1,780,329	$ 17,206	$ 351,128	$ 57,975	$ 19,737,049
Additions	-	-	285	-	-	163	4,693	5,141
Transferred from prepayments for equipment	-	9,201	836,985	13,173	10,818	35,634	-	905,811
Depreciation	-	(53,345)	(118,551)	(27,840)	(2,668)	(47,776)	-	(250,180)
Disposals-cost	-	-	(15,665)	-	(716)	(24,956)	-	(41,337)
-accumulated depreciation	-	-	11,798	-	714	24,956	-	37,468
Net exchange differences	-	5,547	12,081	978	59	1,619	-	20,284
At March 31	$ 9,188,695	$ 6,223,581	$ 2,806,471	$ 1,766,640	$ 25,413	$ 340,768	$ 62,668	$ 20,414,236
At March 31, 2025								
Cost	$ 9,188,695	$ 10,450,351	$ 15,513,185	$ 4,916,725	$ 289,897	$ 2,205,014	$ 62,668	$ 42,626,535
Accumulated depreciation	-	(3,627,487)	(12,538,181)	(3,101,044)	(259,432)	(1,837,209)	-	(21,363,353)
Accumulated impairment	-	(599,283)	(168,533)	(49,041)	(5,052)	(27,037)	-	(848,946)
	$ 9,188,695	$ 6,223,581	$ 2,806,471	$ 1,766,640	$ 25,413	$ 340,768	$ 62,668	$ 20,414,236

A. The Group's property, plant and equipment are all occupied by the owner for operating purpose as of March 31, 2026, December 31, 2025 and March 31, 2025.

B. The Group has not capitalised any interest for the three-month periods ended March 31, 2026 and 2025

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements－lessee

A. The Group's leases pertain to land. Rental contracts are typically made for periods of 30 to 35 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise rental cars.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
	Carrying amount	Carrying amount	Carrying amount
Land	$ 358,004	$ 356,943	$ 403,700

	For the three-month periods ended March 31,	
	2026	2025
	Depreciation charge	Depreciation charge
Land	$ 5,164	$ 5,522

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended March 31,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,440	$ 2,730
Expense on short-term lease contracts	1,158	1,434

E. For the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases was $7,628 and $8,310, respectively.

(11) Leasing arrangements – lessor

A. The Group leases various assets including land, buildings and structures (listed as "Investment property - net"). Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. The Group has no overdue lease receivables from the lessee, and the amount of loss arising from credit risk is assessed to be insignificant.

C. Gain arising from operating lease agreements for the three-month periods ended March 31, 2026 and 2025 are as follows (listed as "Operating revenue"):

	For the three-month periods ended March 31,	
	2026	2025
Rental income	$ 58,400	$ 55,733

D. The maturity analysis of the lease payments under the operating leases is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Within next 1 year	$ 201,305	$ 174,598	$ 222,275
Next 1~5 years	359,893	318,138	366,432
Over next 5 years	240,396	262,747	284,902
	$ 801,594	$ 755,483	$ 873,609

(12) Investment property - net

	Land	Buildings	Total
At January 1, 2026			
Cost	$ 2,605,656	$ 882,202	$ 3,487,858
Accumulated depreciation	-	(291,384)	(291,384)
Accumulated impairment	-	(92,095)	(92,095)
	$ 2,605,656	$ 498,723	$ 3,104,379
For the three-month period ended March 31, 2026			
At January 1	$ 2,605,656	$ 498,723	$ 3,104,379
Depreciation	-	(3,552)	(3,552)
At March 31	$ 2,605,656	$ 495,171	$ 3,100,827
At March 31, 2026			
Cost	$ 2,605,656	$ 882,202	$ 3,487,858
Accumulated depreciation	-	(294,936)	(294,936)
Accumulated impairment	-	(92,095)	(92,095)
	$ 2,605,656	$ 495,171	$ 3,100,827

	Land	Buildings	Total
At January 1, 2025			
Cost	$ 2,605,656	$ 882,202	$ 3,487,858
Accumulated depreciation	-	(276,980)	(276,980)
Accumulated impairment	-	(92,095)	(92,095)
	$ 2,605,656	$ 513,127	$ 3,118,783
For the three-month period ended March 31, 2025			
At January 1	$ 2,605,656	$ 513,127	$ 3,118,783
Depreciation	-	(3,552)	(3,552)
At March 31	$ 2,605,656	$ 509,575	$ 3,115,231
At March 31, 2025			
Cost	$ 2,605,656	$ 882,202	$ 3,487,858
Accumulated depreciation	-	(280,532)	(280,532)
Accumulated impairment	-	(92,095)	(92,095)
	$ 2,605,656	$ 509,575	$ 3,115,231

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	For the three-month periods ended March 31,	
	2026	2025
Rental income from investment property	$ 58,400	$ 55,733
Direct operating expenses arising from the investment property that generated rental income during the period	$ 17,726	$ 13,717
Direct operating expenses arising from the investment property that did not generate rental income during the period	$ -	$ -

B. The fair values of the investment property held by the Group as of March 31, 2026, December 31, 2025 and March 31, 2025 were $11,549,803, $11,553,355 and $11,175,321, respectively, which were valued by independent valuers. Valuations were based on most recent transaction prices of similar and comparable properties and official price, which is categorized within Level 3 in the fair value hierarchy.

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, information about the investment property that was pledged to others as collateral is provided in Note 8.

(13) Short-term borrowings

Type of borrowings	March 31, 2026	Interest rate range	Collateral
Bank borrowings			
Secured bank borrowings	$ 125,000	1.95%～2.00%	Refer to Note 8, ‘Pledged assets’.
Unsecured bank borrowings	5,741,840	1.82%～5.45%	None
	$ 5,866,840		

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Secured bank borrowings	$ 110,000	1.95%～1.98%	Refer to Note 8, ‘Pledged assets’.
Unsecured bank borrowings	6,309,547	1.78%～5.45%	None
	$ 6,419,547		

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured bank borrowings	$ 6,610,735	1.80%～7.00%	None

For interest expense recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025, refer to Note 6(26).

(14) Short-term notes and bills payable

Type of borrowings	March 31, 2026	Interest rate range	Collateral
Commercial paper payable	$ 50,000	1.90%	None

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Commercial paper payable	$ 50,000	1.90%	None

As of March 31, 2025, there was no such situation.

A. The above commercial papers were issued and secured by Mega Bills Finance Co., Ltd. etc.

B. For interest expense recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025, refer to Note 6(26).

(15) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Dividends payable	$ 497,045	$ -	$ 497,045
Salaries and bonuses payable	131,436	223,457	170,267
House and land value tax payable	85,167	39,134	84,490
Utilities expense payable	32,748	35,441	46,536
Payable for equipment	27,047	29,593	35,272
Annual maintenance payable	22,797	36,316	67,083
Other payables (individually less than 5%)	298,429	263,040	311,945
	$ 1,094,669	$ 626,981	$ 1,212,638

(16) Long-term borrowings

Type of borrowings	Maturity period	Interest rate range	Collateral	March 31, 2026
Long-term bank borrowings				
Secured borrowings	4.21.2026～7.13.2028	1.85%～1.90%	Refer to Note 8, 'Pledged assets'	$ 2,386,666
Unsecured borrowings	4.13.2026～7.14.2030	1.88%～1.98%	None	2,058,868
				4,445,534
Less: Current portion				(455,655)
				$ 3,989,879

Type of borrowings	Maturity period	Interest rate range	Collateral	December 31, 2025
Long-term bank borrowings				
Secured borrowings	4.30.2026～7.13.2028	1.85%～1.91%	Refer to Note 8, 'Pledged assets'	$ 2,383,334
Unsecured borrowings	3.31.2026～7.14.2030	1.88%～1.98%	None	2,097,329
				4,480,663
Less: Current portion				(455,656)
				$ 4,025,007

Type of borrowings	Maturity period	Interest rate range	Collateral	March 31, 2025
Long-term bank borrowings				
Secured borrowings	8.27.2025～6.20.2029	1.85%～6.68%	Refer to Note 8, 'Pledged assets'	$ 2,556,106
Unsecured borrowings	7.25.2025～11.24.2027	1.84%～1.98%	None	2,415,714
				4,971,820
Less: Current portion				(1,557,093)
				$ 3,414,727

For interest expense recognized in profit or loss for the three-month periods ended March 31, 2026 and 2025, refer to Note 6(26).

(17) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. The information on the Company's defined benefit pension plan is as follows:

(a) For the aforementioned pension plan, the Company recognized pension benefits of $895 and $485 for the three-month periods ended March 31, 2026 and 2025, respectively.

(b) Expected contributions to the defined benefit pension plan of the Company for the next year amount to $13,656.

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Group for the three-month periods ended March 31, 2026 and 2025 were $4,691 and $5,446, respectively.

(18) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows:

(Units: in thousand shares)

	For the three-month periods ended March 31,	
	2026	2025
Beginnng and ending balance	1,656,816	1,656,816

B. As of March 31, 2026, the Company's authorized capital was $20,000,000, and the paid-in capital was $16,568,159, with a par value of $10 (in dollars) per share. The 1,656,816 thousand shares were issued over several installments. All proceeds from shares issued have been collected.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Retained earnings

A. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. In accordance with the Company's Articles of Incorporation, as the Company operates in a mature industry with intense competition, the Board of Directors must determine earnings appropriation based on the Company's future capital expenditures and demand for capital, as well as the necessity of using retained earnings to meet capital needs, and set the amount of dividends to be distributed to stockholders and the portion of dividends to be paid in cash. The Company's current year earnings shall first be used to pay all taxes and offset prior years' operating losses, and then 10% of the remaining earnings shall be set aside as legal reserve, and a special reserve is set aside or reversed in accordance with relevant laws and regulations. The remaining balance along with the unappropriated earnings at the beginning of the period constitute the accumulated distributable earnings. Total dividends shall account for at least 20% of the distributable earnings of the current year. Cash dividends must account for at least 30% of total dividends distributed. Dividend payments are proposed by the Board of Directors and resolved by the stockholders. The Board of Directors is authorised by the Company to distribute whole or a part of the dividends and bonuses in the form of cash through special resolution, and such distribution shall be submitted to the shareholders during their meeting. The requirement for approval by the shareholders is not applicable for the above distribution.

C. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land. As of March 31, 2026, the balance of special reserve that was set aside on initial application of IFRSs was $1,971,155.

D. The Company recognized dividends distributed to owners from 2025 and 2024 earnings both amounting to $497,045 (NT$0.30 (in dollars) per share). As of March 31, 2026 and 2025, the cash dividends have not yet been distributed (listed as "Other payables").

(21) Other equity items

	For the three-month period ended March 31, 2026		
	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1	($ 802,918)	$ 841,072	$ 38,154
Revaluation-gross			
–Group	-	391,982	391,982
–Associates	-	(8,030)	(8,030)
Currency translation differences			
–Group	136,976	-	136,976
–Associates	61,048	-	61,048
At March 31	($ 604,894)	$ 1,225,024	$ 620,130

	For the three-month period ended March 31, 2025		
	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1	($ 321,470)	$ 1,134,266	$ 812,796
Revaluation-gross			
–Group	-	(156,201)	(156,201)
–Associates	-	6,136	6,136
Currency translation differences			
–Group	77,985	-	77,985
–Associates	40,202	-	40,202
At March 31	($ 203,283)	$ 984,201	$ 780,918

(22) Operating revenue

	For the three-month periods ended March 31,	
	2026	2025
Revenue from contracts with customers	$ 3,314,257	$ 4,136,636
Rental income from commercial building	58,400	55,733
	$ 3,372,657	$ 4,192,369

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

For the three-month period ended March 31, 2026	Sales revenue from textile products	Counters rental income	Department stores revenue	Management income of public area	Total
Revenue from contracts with customers	$ 2,897,846	$ 271,940	$ 109,735	$ 34,736	$ 3,314,257
Timing of revenue recognition					
At a point in time	$ 2,897,846	$ -	$ 109,735	$ 16,958	$ 3,024,539
Over time	-	271,940	-	17,778	289,718
	$ 2,897,846	$ 271,940	$ 109,735	$ 34,736	$ 3,314,257

For the three-month period ended March 31, 2025	Sales revenue from textile products	Counters rental income	Department stores revenue	Management income of public area	Total
Revenue from contracts with customers	$ 3,749,966	$ 252,045	$ 104,537	$ 30,088	$ 4,136,636
Timing of revenue recognition					
At a point in time	$ 3,749,966	$ -	$ 104,537	$ 13,550	$ 3,868,053
Over time	-	252,045	-	16,538	268,583
	$ 3,749,966	$ 252,045	$ 104,537	$ 30,088	$ 4,136,636

B. The Group has recognized the following revenue-related contract liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities:				
Receipts in advance	$ 414,549	$ 214,285	$ 274,481	$ 210,263

Revenue recognized that was included in the contract liability balance at the beginning of the period:

	For the three-month periods ended March 31,	
	2026	2025
Contract liabilities	$ 114,164	$ 104,472

(23) Interest income

	For the three-month periods ended March 31,	
	2026	2025
Interest income from bank deposits	$ 18,115	$ 22,025
Interest income from financial assets at amortised cost	22,789	26,287
	$ 40,904	$ 48,312

(24) Other income

	For the three-month periods ended March 31,	
	2026	2025
Directors' remuneration and transportation allowance income	$ 7,319	$ 12,652
Rental income	4,951	6,029
Dividend income	-	3,077
Others	38,596	36,830
	$ 50,866	$ 58,588

(25) Other gains and losses

	For the three-month periods ended March 31,	
	2026	2025
Net (losses) gains on financial assets at fair value through profit or loss	($ 27,553)	$ 14,015
Net gains (losses) on foreign exchange	26,288	(1,355)
Gains on disposals of property, plant and equipment	50	57
Others	(7,168)	2,299
	($ 8,383)	$ 15,016

(26) Finance costs

	For the three-month periods ended March 31,	
	2026	2025
Interest expense	$ 62,873	$ 94,576
Interest expense on lease liabilities	2,440	2,730
Other financial expenses	1,061	980
	$ 66,374	$ 98,286

(27) Expenses by nature

	For the three-month period ended March 31, 2026		
	Operating cost	Operating expenses	Total
Employee benefit expenses	$ 237,882	$ 137,788	$ 375,670
Depreciation	207,651	30,717	238,368
Amortisation	-	39	39
	$ 445,533	$ 168,544	$ 614,077

	For the three-month period ended March 31, 2025		
	Operating cost	Operating expenses	Total
Employee benefit expenses	$ 300,550	$ 145,343	$ 445,893
Depreciation	241,641	17,613	259,254
Amortisation	-	111	111
	$ 542,191	$ 163,067	$ 705,258

(28) Employee benefit expense

	For the three-month period ended March 31, 2026		
	Operating cost	Operating expenses	Total
Wages and salaries	$ 198,030	$ 118,137	$ 316,167
Labour and health insurance expenses	26,189	9,950	36,139
Pension costs	1,482	2,314	3,796
Other personnel expenses	12,181	7,387	19,568
	$ 237,882	$ 137,788	$ 375,670

	For the three-month period ended March 31, 2025		
	Operating cost	Operating expenses	Total
Wages and salaries	$ 252,596	$ 123,372	$ 375,968
Labour and health insurance expenses	31,109	11,203	42,312
Pension costs	2,301	2,660	4,961
Other personnel expenses	14,544	8,108	22,652
	$ 300,550	$ 145,343	$ 445,893

A. In accordance with the original Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 2% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration. On May 26, 2025, the shareholders during their meeting resolved to amend as follows: A ratio of distributable profit of the current year, after covering accumulated losses, 2% of the profits for that year shall be distributed as employees' compensation, of which no less than 1% of the annual profits shall be allocated as employees' compensation for rank-and-file employees. Additionally, no more than 1% of the annual profits shall be distributed as directors' remuneration.

B. For the three-month periods ended March 31, 2026 and 2025, no employees' compensation and directors' remuneration was accrued because of losses incurred for both periods.

C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense (benefit)

Components of income tax expense (benefit)

	For the three-month periods ended March 31, 2026	2025
Current tax:		
Current tax on profits for the period	$ 7,145	$ 11,559
Prior year income tax under (over) estimation	3,243	(989)
Total current tax	10,388	10,570
Deferred tax:		
Origination and reversal of temporary differences	(1,610)	(33,340)
Income tax expense (benefit)	$ 8,778	($ 22,770)

B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority. There were no disputes existing between the Company and the Tax Authority as of May 11, 2026.

(30) Loss per share

	For the three-month period ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 78,150)	1,656,816	($ 0.05)

	For the three-month period ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 77,761)	1,656,816	($ 0.05)

(31) Supplemental cash flow information

A. Operating and investing activities with partial cash payments

	For the three-month periods ended March 31,	
	2026	2025
(a) Dividend income	$ -	$ 3,077
Cash dividends from investments accounted for under equity method	145,566	142,291
	145,566	145,368
Less: Dividends receivable at the end of the period (listed as "Other receivables – related parties")	(145,566)	(142,291)
Dividends received	$ -	$ 3,077

	For the three-month periods ended March 31,	
	2026	2025
(b) Acquisition of property, plant and equipment	$ 9,002	$ 5,141
Add: Opening balance of payable for equipment	29,593	40,846
Less: Ending balance of payable for equipment	(27,047)	(35,272)
Cash paid for acquisition of property, plant and equipment	$ 11,548	$ 10,715

B. Operating, investing and financing activities with no cash flow effects

	For the three-month periods ended March 31,	
	2026	2025
(a) Inventories transferred to prepayments for equipment	$ 1,027	$ 234
(b) Prepayments for equipment transferred to property, plant and equipment	$ 302	$ 905,811
(c) Cash dividends declared but not paid	$ 497,045	$ 497,045

(32) Changes in liabilities from financing activities

	For the three-month period ended March 31, 2026					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 6,419,547	$ 50,000	$ 278,687	$ 4,480,663	$ 54,266	$ 11,283,163
Changes in cash flow from financing activities	(579,100)	-	(4,030)	(35,129)	2,699	(615,560)
Impact of changes in foreign exchange rate	26,393	-	4,854	-	-	31,247
At March 31	$ 5,866,840	$ 50,000	$ 279,511	$ 4,445,534	$ 56,965	$ 10,698,850

	For the three-month period ended March 31, 2025					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 7,018,663	$ -	$ 314,232	$ 5,136,351	$ 55,144	$ 12,524,390
Changes in cash flow from financing activities	(491,740)	-	(4,146)	(166,190)	196	(661,880)
Impact of changes in foreign exchange rate	83,812	-	2,158	1,659	-	87,629
At March 31	$ 6,610,735	$ -	$ 312,244	$ 4,971,820	$ 55,340	$ 11,950,139

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Nantex Industry Co., Ltd.	Associate
Nanmat Technology Co., Ltd.	Associate

(2) Significant related party transactions

A. Operating revenue : rental income from commercial building

	For the three-month periods ended March 31,	
	2026	2025
Associates	$ 1,023	$ 1,023

The Company leased office space to the related party at the following address: Certain floors at 398, Section 1, Zhonghua East Road, East District, Tainan City. The lease agreement is effective from March 1, 2015 to February 28, 2035. The lease payments as specified in the agreement are collected at the beginning of every month.

B. Directors' remuneration (listed as "Other income")

	For the three-month periods ended March 31,	
	2026	2025
Nantex Industry Co., Ltd.	$ 7,319	$ 12,652

C. Dividends receivable (listed as "Other receivables – related parties"):

	March 31, 2026	March 31, 2025
Nantex Industry Co., Ltd.	$ 132,912	$ 132,912
Nanmat Technology Co., Ltd.	12,654	9,379
	$ 145,566	$ 142,291

As of December 31, 2025, there was no such incident.

(3) Key management compensation

	For the three-month periods ended March 31,	
	2026	2025
Salaries and other short-term employee benefits	$ 9,904	$ 8,972

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value March 31, 2026	Book value December 31, 2025	Book value March 31, 2025	Purpose
Time deposit (Note 1)	$ 1,500	$ 1,500	$ 1,500	Performance bond
Listed company stock (Note 2)	598,036	301,110	151,937	Guarantee for short-term borrowings
Land (Note 3)	4,034,213	4,034,213	4,034,213	Guarantee for long-term borrowings
Buildings, net (Note 4)	15,819	16,268	17,821	Guarantee for long-term borrowings
Machinery (Note 4)	-	-	239,439	Guarantee for long-term borrowings
	$ 4,649,568	$ 4,353,091	$ 4,444,910	

Note 1: Listed as "Financial assets at amortised cost – current".

Note 2: Listed as "Investments accounted for under equity method".

Note 3: Listed as "Property, plant and equipment" and "Investment property, net".

Note 4: Listed as "Property, plant and equipment".

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of March 31, 2026, December 31, 2025 and March 31, 2025, the unused letters of credit amounted to $221,845, $271,074 and $392,832, respectively.

(2) As of March 31, 2026, December 31, 2025 and March 31, 2025, the remaining balance due for construction in progress and prepayments for equipment was $121,745, $108,127 and $106,961, respectively

(3) As of March 31, 2026, December 31, 2025 and March 31, 2025, the amount of the endorsements and guarantees provided by the Group is as follows:

Guarantor	Guaranteed party	March 31, 2026	December 31, 2025	Purpose
Tainan Spinning Holding (Cayman Islands) Ltd.	Bao Minh Textile Joint Stock Company	$ 102,325	$ 100,502	Guarantee for financing

Guarantor	Guaranteed party	March 31, 2025	Purpose
Tainan Spinning Holding (Cayman Islands) Ltd.	Bao Minh Textile Joint Stock Company	$ 106,194	Guarantee for financing

As of March 31, 2026, December 31, 2025 and March 31, 2025, the actual amounts of the endorsements and guarantees provided by the Group were $74,800, $73,468 and $77,628, respectively.

(4) The Company has entered into one-year loan agreements with Taishin International Bank in September 2025 and 2024. Based on the agreement, the Company is required to meet certain consolidated financial ratios as follows: current ratio【Total consolidated current assets / Total consolidated current liabilities】of 80% or more, debt-to-equity ratio【Total consolidated liabilities / Total consolidated shareholders' equity】of 100% or less, interest coverage ratio of less 200% or 500%, respectively. Under the terms of the loan agreement, if any of the financial ratios or regulations above had been violated, the banks have the right adjust the loan amount, mobilization method and renegotiate the loan(fee) rate at any time.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

The information on financial instruments by category are provided in Notes 6 and 12(3).

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a)Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and VND. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. However, the foreign currency assets and liabilities positions held by the Group were equal to the collection period. The Group adopted natural hedging to hedge foreign exchange risk.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2026		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	$ 19,100	26,257	$ 611,200
USD:NTD	10,603	32.00	339,286
EUR:NTD	2	36.71	68
Financial liabilities			
Monetary items			
USD:VND	48,834	26,257	1,562,688

	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	$ 21,738	26,237	$ 683,225
USD:NTD	10,013	31.43	314,699
EUR:NTD	111	36.90	4,096
Financial liabilities			
Monetary items			
USD:VND	74,444	26,237	2,339,775

	March 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	$ 30,503	25,570	$ 1,013,005
USD:NTD	14,248	33.21	473,191
EUR:NTD	30	35.97	1,083
Financial liabilities			
Monetary items			
USD:VND	100,852	25,570	3,349,294
CHF:VND	95	29,015	3,580

Sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2026 and 2025 would have decreased/increased by $2,792 and $9,793, respectively.

v. The total exchange gains (losses), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2026 and 2025 amounted to $26,288 and ($1,355), respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group meticulously assesses its investment activities and sets stop-loss points accordingly. As a result, the Group does not expect to incur significant losses from price fluctuations in the market.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2026 and 2025 would have decreased/increased by $3,294 and $3,556, as a result of gains/losses on equity securities classified as at fair value through profit or loss, respectively. Other components of equity would have decreased/increased by $51,437 and $48,635, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's borrowings are financial instruments at floating rates. Thus, future cash flows will fluctuate due to changes in market interest rates and further changes in effective rates of debt instruments. However, partial interest rate risk is offset by cash and cash equivalents held at variable rates.

ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, post-tax loss for the three-month periods ended March 31, 2026 and 2025 would have decreased / increased by $1,954 and $2,581, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumption under IFRS 9, that is, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Group considers the characteristics of customer types and applies the simplified approach using the loss rate methodology to estimate expected credit loss under the provision matrix basis. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, and the expected loss rate is 0.3% to estimate allowance loss of accounts receivable. Due to effective credit risk management, the Company did not recognize any expected credit loss for the three-month periods ended March 31, 2026 and 2025.

(c) Liquidity risk

i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group has sufficient financial flexibility.

ii. Group treasury invests surplus cash in interest bearing current accounts, time deposits, notes sold under repurchase agreements and beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and they are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Floating rate:			
Expiring within one year	$ 19,139,587	$ 19,043,040	$ 22,949,953
Expiring beyond one year	4,055,465	5,568,627	7,106,965
	$ 23,195,052	$ 24,611,667	$ 30,056,918

Note: The facilities expiring within one year are annual facilities subject to review at various dates during 2026. The other facilities have been arranged to help finance the proposed operating activities and plant buildings of the Group.

iv. The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2026		Less than 1 year		Between 1 and 2 years		Between 2 and 5 years		Over 5 years
Non-derivative financial liabilities								
Short-term borrowings	$	5,866,840	$	-	$	-	$	-
Short-term notes and bills payable		50,000		-		-		-
Notes payable		838		-		-		-
Accounts payable		1,929,218		-		-		-
Other payables		1,094,669		-		-		-
Lease liabilities		14,481		14,864		47,082		203,084
Long-term borrowings		490,508		3,441,387		564,825		-
Guarantee deposits received		22,389		13,666		17,910		3,000

December 31, 2025		Less than 1 year		Between 1 and 2 years		Between 2 and 5 years		Over 5 years
Non-derivative financial liabilities								
Short-term borrowings	$	6,419,547	$	-	$	-	$	-
Short-term notes and bills payable		50,000		-		-		-
Notes payable		111,597		-		-		-
Accounts payable		1,954,850		-		-		-
Other payables		626,981		-		-		-
Lease liabilities		14,187		14,557		46,083		203,860
Long-term borrowings		490,937		2,935,832		1,113,876		-
Guarantee deposits received		22,300		3,040		25,926		3,000

March 31, 2025		Less than 1 year		Between 1 and 2 years		Between 2 and 5 years		Over 5 years
Non-derivative financial liabilities								
Short-term borrowings	$	6,610,735	$	-	$	-	$	-
Notes payable		3,684		-		-		-
Accounts payable		1,728,411		-		-		-
Other payables		1,212,638		-		-		-
Lease liabilities		15,039		15,429		48,827		232,949
Long-term borrowings		1,589,289		1,977,949		1,452,434		-
Guarantee deposits received		12,349		13,200		26,791		3,000

v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in emerging stocks, listed stocks and beneficiary certificates are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in privately offered fund, beneficiary certificates and investment in stocks of unlisted bills finance companies are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(12).

C. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables (including related parties), guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 47,425	$ 334,122	$ -	$ 381,547
Financial assets at fair value through other comprehensive income				
Equity securities	2,449,986	618,575	2,111,578	5,180,139
	$ 2,497,411	$ 952,697	$ 2,111,578	$ 5,561,686

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 47,568	$ 348,724	$ -	$ 396,292
Financial assets at fair value through other comprehensive income				
Equity securities	2,068,567	663,440	2,055,427	4,787,434
	$ 2,116,135	$ 1,012,164	$ 2,055,427	$ 5,183,726

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 49,797	$ -	$ -	$ 49,797
Beneficiary certificates	34,070	335,342	-	369,412
Factoring of accounts receivable	-	7,407	-	7,407
Financial assets at fair value through other comprehensive income				
Equity securities	2,235,852	524,655	2,147,898	4,908,405
	$ 2,319,719	$ 867,404	$ 2,147,898	$ 5,335,021

E. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Emerging stocks	Listed shares	Closed-end fund	Open-end fund
Market quoted price	Average trading price at the balance sheet date	Closing price	Closing price	Net asset value

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

(c) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(d) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

F. For the three-month periods ended March 31, 2026 and 2025, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2026 and 2025:

	Equity instruments	
	For the three-month periods ended March 31,	
	2026	2025
Balance at January 1	$ 2,055,427	$ 2,139,309
Recognized in other comprehensive income	55,428	24,829
Transferred out from level 3	-	(18,000)
Effect of exchange rate changes	723	1,760
Balance at March 31	$ 2,111,578	$ 2,147,898

H. As the financial assets at fair value through other comprehensive income-Minson Integration, Inc. began trading on the Emerging Stock Market in January 2025 and exhibited stable and significant trading volumes, the Group transferred the fair value measurement from Level 3 to Level 1 in the quarter when this event occurred.

I. Accounting segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 234,170	Discounted cash flow	Weighted average cost of capital	6.72%～37.47%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
	40,593	Market comparable compaines	Price to book ratio multipliter	1.35	The higher the multipliter, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	1,836,815	Net asset value	Not applicable	-	Not applicable

	Fair value at December 31, 2025		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted stocks	$	230,032	Discounted cash flow	Weighted average cost of capital	7.11%～35.03%	The higher the weighted average cost of capital, the lower the fair value
				Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
		39,870	Market comparable compaines	Price to book ratio multipliter	1.20	The higher the multipliter, the higher the fair value
				Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks		1,785,525	Net asset value	Not applicable	-	Not applicable

	Fair value at March 31, 2025		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted stocks	$	228,942	Discounted cash flow	Weighted average cost of capital	7.49%～45.14%	The higher the weighted average cost of capital, the lower the fair value
				Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
		47,441	Market comparable compaines	Price to book ratio multipliter	1.57	The higher the multipliter, the higher the fair value
				Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks		1,871,515	Net asset value	Not applicable	_	Not applicable

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			March 31, 2026			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ -	$ -	$ 21,442	($ 16,835)
	Price to book ratio multipliter	±10%	-	-	1,812	(1,812)
	Discount for lack of marketability	±10%	-	-	10,767	(9,905)
			$ -	$ -	$ 34,021	($ 28,552)

			December 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ -	$ -	$ 23,559	($ 18,238)
	Price to book ratio multipliter	±10%	-	-	1,483	(1,483)
	Discount for lack of marketability	±10%	-	-	11,036	(9,942)
			$ -	$ -	$ 36,078	($ 29,663)

			March 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ -	$ -	$ 29,436	($ 22,308)
	Price to book ratio multipliter	±10%	-	-	3,448	(3,448)
	Discount for lack of marketability	±10%	-	-	15,906	(13,707)
			$ -	$ -	$ 48,790	($ 39,463)

13. SUPPLEMENTARY DISCLOSURES

(According to the regulatory requirement, the Group is only required to disclose the information for the three-month period ended March 31, 2026.)

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Refer to table 1.

C. Holding of significant marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 3.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 4.

F. Significant inter-company transactions during the reporting periods: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

As of March 31, 2026, the Group did not invest in Mainland China through any investment method.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the reportable operating segments based on information provided to the Group's chief operating decision-maker in order to make strategic decisions. The Group's chief operating decision-maker manages the business from an entity's perspective, and reviews the results of its operations and evaluates the performance of the operating segments.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month period ended March 31, 2026					
	Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam), etc. (Note)	Nan Fan Housing Development Co., Ltd.	Tainan Spinning Retail and Distribution Co., Ltd.	Others	Total
Total segment revenue	$ 1,650,258	$ 1,631,801	$ -	$ 416,411	$ -	$ 3,698,470
Inter-segment revenue	(158,042)	(167,771)	-	-	-	(325,813)
Revenue from external customers	$ 1,492,216	$ 1,464,030	$ -	$ 416,411	$ -	$ 3,372,657
Interest income	$ 564	$ 2,687	$ 1,202	$ 5,150	$ 31,301	$ 40,904
Depreciation and amortisation	115,061	115,429	241	7,676	-	238,407
Interest expense	39,568	26,225	581	-	-	66,374
Share of profit of associates and joint ventures accounted for under equity method	30,816	-	16,812	-	-	47,628
Segment income (loss) before tax	(34,475)	(113,522)	7,276	70,413	5,515	(64,793)
Investments accounted for under equity method	3,247,203	-	987,017	-	-	4,234,220
Segment assets	30,091,134	6,845,262	2,680,712	2,356,659	4,073,734	46,047,501
Capital expenditures for non-current assets	15,780	-	86	2,478	-	18,344
Segment liabilities	13,644,782	2,801,064	130,620	1,435,993	5,146	18,017,605

(Note) Including Tainan Spinning Co., Ltd. (Vietnam), Tainan Textile Co., Ltd. and Namtex Co., Ltd.

	For the three-month period ended March 31, 2025					
	Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam), etc. (Note)	Nan Fan Housing Development Co., Ltd.	Tainan Spinning Retail and Distribution Co., Ltd.	Others	Total
Total segment revenue	$ 1,911,679	$ 2,058,307	$ -	$ 386,671	$ -	$ 4,356,657
Inter-segment revenue	(157,086)	(7,202)	-	-	-	(164,288)
Revenue from external customers	$ 1,754,593	$ 2,051,105	$ -	$ 386,671	$ -	$ 4,192,369
Interest income	$ 1,154	$ 275	$ 1,696	$ 5,149	$ 40,038	$ 48,312
Depreciation and amortisation	121,836	127,741	64	9,724	-	259,365
Interest expense	37,579	60,707	-	-	-	98,286
Share of profit of associates and joint ventures accounted for under equity method	25,982	-	13,287	-	-	39,269
Segment income (loss) before tax	(62,130)	(186,582)	21,723	63,001	52,948	(111,040)
Investments accounted for under equity method	3,322,330	-	941,444	-	-	4,263,774
Segment assets	30,644,127	8,029,617	2,797,619	1,989,305	4,756,900	48,217,568
Capital expenditures for non-current assets	9,187	28,474	-	3,613	-	41,274
Segment liabilities	13,189,193	4,565,599	18,788	1,283,876	6,568	19,064,024

(Note) Including Tainan Spinning Co., Ltd. (Vietnam), Tainan Textile Co., Ltd. and Namtex Co., Ltd.

(3) Reconciliation for segment income (loss), assets and liabilities

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the three-month periods ended March 31, 2026 and 2025 is provided as follows:

	For the three-month periods ended March 31, 2026	2025
Reportable segments loss before tax	($ 70,308)	($ 163,988)
Other segments income before tax	5,515	52,948
Write-offs of inter-segment income	18	18,210
Loss before income tax	($ 64,775)	($ 92,830)

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the financial statements. A reconciliation of assets of reportable segment and total assets is as follows:

	March 31, 2026	March 31, 2025
Assets of reportable segments	$ 41,973,767	$ 43,460,668
Assets of other operating segments	4,073,734	4,756,900
Write-offs of inter-segment transactions	(248,396)	(335,746)
Total assets	$ 45,799,105	$ 47,881,822

C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that of the financial statements. A reconciliation of liabilities of reportable segment and total liabilities is as follows:

	March 31, 2026	March 31, 2025
Liabilities of reportable segments	$ 18,012,459	$ 19,057,456
Liabilities of other operating segments	5,146	6,568
Write-offs of inter-segment transactions	(248,022)	(43,334)
Total liabilities	$ 17,769,583	$ 19,020,690

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2026

Table 1

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship (Note 1)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee	Outstanding endorsement/ guarantee	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Note
1	Tainan Spinning Holding (Cayman Islands) Ltd.	Bao Minh Textile Joint Stock Company	6	$ 141,689	$ 102,325	$ 102,325	$ 74,800	$ -	217%	$ 141,689	N	N	N	—

Note 1: The following code represents the relationship with Company :

1. Trading partner.
2. The company that directly or indirectly holds more than 50 percent of the voting shares.
3. The company in which more than 50 percent of the voting shares are directly or indirectly held.
4. Between companies in which our company directly or indirectly holds more than 90% of the voting shares.
5. Companies that mutually ensure each other based on contractual agreements, either among industry peers or joint builders, as required for undertaking engineering projects.
6. Companies for which all contributing shareholders provide endorsements or guarantees based on their respective shareholding ratios due to a joint investment relationship.
7. Joint guarantees for the performance of pre-sale housing sales contracts undertaken among industry peers in accordance with consumer protection law regulations.

Note 2: The total amount of transactions of endorsement was equal to 300% of the net worth of Tainan Spinning Holding (Cayman Islands) Ltd., the limit of endorsement for any single entity is 300% of the net worth of Tainan Spinning Holding Islands) Ltd., and all of the related transactions were to be submitted to the stockholders' meeting for reference.

Note 3: Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: USD:NTD 1:32.00.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2026

Table 2

Expressed in thousands of NTD

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of March 31, 2026 Number of shares	Book value	Ownership (%)	Fair value	Note
Tainan Spinning Co., Ltd.	Fine Point Finance Ltd.	—	Financial assets at fair value through other comprehensive income- non-current	-	$ 111,434	11.76%	$ 111,434	—
	President International Development Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	119,070	1,332,329	9.00%	1,332,329	—
	Grand Bills Finance Corp.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	43,999	618,575	8.14%	618,575	—
	ScinoPharm Taiwan Ltd.	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	23,606	488,643	2.99%	488,643	—
	President Securities Corp.	—	Financial assets at fair value through other comprehensive income- non-current	37,506	1,194,557	2.34%	1,194,557	—
Tainan Spinning (Singapore) Pte. Ltd.	All-Stars Investment Private Partners Fund L.P.	—	Financial assets at fair value through profit and loss- non-current	-	145,346	-	145,346	—
	Ally Bridge Group-WTT Global Life Science Capital Partners Growth-Capital Life Science Fund	—	Financial assets at fair value through profit and loss- non-current	-	115,246	-	115,246	—
Nan Fan Housing Development Co., Ltd.	Millerful No.1 Real Estate Invest Trust	—	Financial assets at fair value through profit and loss- current	4,743	47,425	-	47,425	—
	TGVest Asia Partners II (Taiwan), L.P.	—	Financial assets at fair value through profit and loss- non-current	-	73,530	-	73,530	—
	YIHO International Co., Ltd	—	Financial assets at fair value through other comprehensive income- non-current	8,937	160,861	7.30%	160,861	—
	Prince Housing & Development Corp.	The chairman of the Company is the juristic director representative	Financial assets at fair value through other comprehensive income- non-current	57,735	464,771	3.56%	464,771	—

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of March 31, 2026 Number of shares	Book value	Ownership (%)	Fair value	Note
Nan Fan Housing Development Co., Ltd.	President International Development Corp	The Company is the juristic director	Financial assets at fair value through other comprehensive income- non-current	39,690	$ 444,110	3.00%	$ 444,110	—
	BIOTEQUE CORPORATION	—	Financial assets at fair value through other comprehensive income- non-current	1,000	116,500	1.44%	116,500	—
Tainan Spinning Co., Ltd., etc.	T.Y. President Corp., etc.	—	Financial assets at fair value through other comprehensive income- non-current	12,627	248,359	-	248,359	—

Note1 : Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: USD:NTD 1:32.00.

TAINAN SPINNING CO., LTD.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the three-month period ended March 31, 2026

Table 3

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Tainan Spinning Co., Ltd. (Vietnam)	Tainan Textile Co., Ltd.	Subsidiary	Purchases	$ 165,021	8%	180 days after shipment, L/C.	—	180 days after shipment, L/C.	($ 185,027)	(14%)	—
Tainan Textile Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Subsidiary	(Sales)	(165,021)	(5%)	60 days after shipment, T/T	—	L/C.	185,027	10%	—

Note: Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows:VND:NTD 1:0.001219.

Current period's profit or loss were translated using the average rates for the three-month period ended March 31, 2026 as follows: USD:NTD 1:31.63; VND:NTD 1:0.001209.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

March 31, 2026

Table 4

Expressed in thousands of NTD ; %

			Receivables from related party			Overdue receivables			
Company Name	Name of the counterparty	Relationship	General ledger account	Amount	Turnover rate	Amount	Action taken for overdue accounts	Subsequent collections	Allowance for doubtful accounts
Tainan Textile Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Subsidiary	Accounts receivable	$ 185,027	5.86	$ -	-	$ 144,847	-

Note : Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: VND:NTD 1:0.001219.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the three-month period ended March 31, 2026

Table 5

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Tainan Spinning Co., Ltd.	Tainan Spinning Retail and Distribution Co., Ltd.	1	Rental income	$ 157,845	According to contract	5%
			1	Accounts receivable	47,089	–	–
1	Tainan Textile Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	3	Sales	165,021	60 days after shipment, T/T	5%
			3	Accounts receivable	185,027	–	–

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: The relationships among the transaction parties are as follows:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The percentage of transaction amount over consolidated total revenues or total assets is as follows: Assets and liabilities are calculated using the ending balance over the consolidated total assets at period end; Profit or loss itesms are calculated using the amount of the period over the consolidated total revenue of the period.

Note 4: Transactions among the company and subsidiaries with amount $10,000 thousand and one side of the transaction are disclosed.

TAINAN SPINNING CO., LTD. AND SUBSIDIARIES

Information on investees

For the three-month period ended March 31, 2026

Table 6

Expressed in thousands of NTD

				Initial investment amount		Shares held as at March 31, 2026					
Investor	Investee	Location	Main business activities	Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the period	Investment income (loss) recognized by the Company	Note
Tainan Spinning Co., Ltd.	Tainan Spinning Co., Ltd. (Vietnam)	Vietnam	Manufacturing and sales of cotton yarn	$ 2,910,166	$ 2,910,166	145,000,000	100.00	$ 1,689,468	($ 105,528)	($ 105,511)	Subsidiary
	Nan Fan Development Co., Ltd.	Taiwan	Land development	130,000	130,000	13,000,000	100.00	127,084	(7)	(7)	Subsidiary
	Tainan Spinning Holding (Cayman Islands) Ltd.	Cayman Islands	Professional investments	110,693	104,447	3,537,380	100.00	47,230	(170)	(170)	Subsidiary
	Tainan Spinning (Singapore) Pte. Ltd.	Singapore	Professional investments	5,496,883	5,496,883	175,000,002	100.00	5,528,086	(21,882)	(21,882)	Subsidiary
	Tainan Spinning Retail and Distribution Co., Ltd.	Taiwan	Operating department stores	702,628	702,628	62,676,521	100.00	920,666	70,413	70,413	Subsidiary
	Nan Fan Housing Development Co., Ltd.	Taiwan	Commissioned to build public housing and the rental and sale of commercial property	189,793	189,793	199,998,001	99.99	2,910,505	11,872	11,871	Subsidiary
	Nantex Industry Co., Ltd.	Taiwan	Manufacturing, processing and trading of lotions and rubber	156,000	156,000	105,549,052	21.43	3,063,184	166,573	34,930	—
	Howard Beach Resort Kenting Co., Ltd.	Taiwan	Hotels and catering	80,000	80,000	12,000,000	20.00	184,019	(20,570)	(4,114)	—
Tainan Spinning (Singapore) Pte. Ltd.	Tainan Textile Co., Ltd.	Vietnam	Manufacturing and sales of cotton, yarn etc.	2,030,034	2,030,034	100,000,000	100.00	1,633,811	(22,137)	-	Subsidiary (Note 1)
Nan Fan Housing Development Co., Ltd.	Federal Holding Limited	Samoa	Professional investments	211,841	211,841	6,650,000	100.00	473,718	5,417	-	Subsidiary (Note 1)
	Nantex Industry Co., Ltd.	Taiwan	Manufacturing, processing and trading of lotions and rubber	195,102	195,102	27,362,884	5.56	818,200	166,573	-	(Note 1)
	Nanmat Technology Co., Ltd.	Taiwan	Development, production and sales of chemical materials, products, production process and services.	144,214	144,214	2,530,783	4.08	168,817	189,952	-	(Note 1)
Federal Holding Limited	United investment Pte. Ltd.	Singapore	Professional investments	209,600	209,600	6,550,000	100.00	471,265	5,417	-	Subsidiary (Note 1)
United Investment Pte. Ltd.	Namtex Co., Ltd.	Vietnam	Businesses related to wearing, dyeing and sorting of yarns	190,175	190,175	10,121,316	50.00	360,664	9,192	-	Subsidiary (Note 1)

Note 1: According to the related regulations, it is not required to disclose income (loss) recognized by the Company.

Note 2: Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: USD:NTD 1:32.00；VND:NTD 1:0.001219.
Current period's profit or loss were translated using the average rates for the three-month period ended March 31, 2026 as follows: USD:NTD 1:31.63; VND:NTD 1:0.001209.