

**GREAT GIANT FIBRE GARMENT
CO., LTD. AND SUBSIDIARIES**

**Consolidated Financial Statements and
Independent Auditors' Report**

For the Year Ended December 31, 2025 and 2024

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Representation Letter

This is to certify that the Company that is required to be included in the preparation of the consolidated financial statements of related parties for the year 2025 (from January 1, 2025 to December 31, 2025) in accordance with the "Guidelines for the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Related Party Reports of Affiliated Enterprises" is the same as the one that should be included in the consolidated financial statements of parent and subsidiary companies as per IFRS 10, endorsed by the Financial Supervisory Commission. Moreover, the related information that needs to be disclosed in the consolidated financial statements of related parties has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. Therefore, there is no need to prepare separate consolidated financial statements for related parties.

Great Giant Fibre Garment Co., Ltd.

Chairman: Hsu Kung Jen

Date: March 16, 2026

Independent Auditors' Report

To the Board of Directors of Great Giant Fibre Garment Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Great Giant Fibre Garment Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters refer to those matters that, in our professional judgment, were of most significance in the audit of the Group's consolidated financial statements for the year 2025. These matters were addressed in the context of the audit of the consolidated financial statements as a whole and in forming our audit opinion, and we do not provide a separate opinion on these matters. The key audit matters to be communicated in the Auditors' Review Report, as determined by us, are as follows:

1. Revenue Recognition

For the accounting policy on revenue recognition, please refer to Note 4(n) of the Notes to Consolidated Financial Statements. For an explanation of revenue recognition, please refer to Note 6(r) of the Notes to Consolidated Financial Statements.

Explanation of Key Audit Matters:

The principal activities of the Group are garment manufacturing and processing. Net revenue is one of the important items in the financial report and a matter of concern for users of the financial statements. Therefore, the testing of revenue recognition is one of the important assessment matters in the audit of the financial statements performed by the auditors.

The audit procedures in response:

The principal audit procedures we performed on the aforementioned key audit matters include:

- Test the operating effectiveness of internal control procedures over revenue recognition.
- Select an appropriate sample size covering the entire year and verify supporting documents such as external sales orders, delivery notes, and invoices to ensure that revenue has been properly recorded.
- Selecting shipments before and after a certain period around the balance sheet date, verifying the related shipping documents and forms to ensure that sales revenue is recognized in the appropriate period in the financial statements.

Other Matter

Great Giant Fibre Garment Co., Ltd. has additionally prepared its parent company only financial statements as of and for the year ended December 31, 2025 and 2024, on which we have issued an unqualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

KPMG

CPA: Yang, Shu-Chih
Lin, Heng-Shen.

Approval
Reference Number : Financial Supervisory
by the Securities Commission Approval No.
Authority 1040003949
Taiwan Finance Securities
Approval No. 0930105495
March 16, 2026

GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

Unit: NT\$ in Thousands

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
ASSETS		Amount	%	Amount	%	LIABILITIES AND EQUITY		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 1,987,619	23	825,496	14	2100	Short-term loans (Notes 6(k) and 8)	\$ 314,268	4	-	-
1110	Financial assets at FVTPL - current (Note 6(b))	270,916	3	249,593	4	2120	Financial liabilities at FVTPL - current (Note 6(b))	2,082	-	-	-
1136	Financial assets at amortized cost - current (Note 6(d))	1,206,139	14	1,147,871	19	2130	Contract liabilities - current (Note 6(r))	41,788	-	196	-
1170	Accounts receivable, net (Note 6(e) and (r))	2,114,055	25	1,344,031	23	2150	Notes payable	5,980	-	1,377	-
1200	Other receivables (Note 6(f))	47,172	1	47,940	1	2170	Accounts payable	709,757	8	599,963	10
1220	Current income tax assets	9,206	-	10,338	-	2200	Other payables (Note 6(m))	237,631	3	169,610	3
130X	Inventories (Note 6(g))	1,401,368	16	1,065,221	18	2230	Current income tax liabilities	129,344	2	130,277	2
1410	Prepaid expenses	24,837	-	37,714	1	2280	Lease liabilities - current (Notes 6(l) and 7)	29,728	-	28,450	1
1470	Other current assets	1,685	-	1,706	-	2300	Other current liabilities	<u>48,010</u>	<u>1</u>	<u>17,046</u>	<u>-</u>
1476	Other financial assets - current (Notes 6(a) and 8)	<u>1,500</u>	<u>-</u>	<u>17,868</u>	<u>-</u>		Total current liabilities	<u>1,518,588</u>	<u>18</u>	<u>946,919</u>	<u>16</u>
Total current assets		<u>7,064,497</u>	<u>82</u>	<u>4,747,778</u>	<u>80</u>	Non-current liabilities:					
Non-current assets:						2570	Deferred income tax liabilities (Note 6(n))	8,269	-	3,901	-
1510	Financial assets at FVTPL - non-current (Note 6(b))	403,161	5	602,434	10	2580	Lease liabilities - non-current (Notes 6(l) and 7)	48,066	1	62,998	1
1517	Financial assets at FVOCI - non-current (Note 6(c))	192,996	2	-	-	2670	Other non-current liabilities - Others	<u>24</u>	<u>-</u>	<u>443</u>	<u>-</u>
1535	Financial assets at amortized cost - non-current (Note 6(d))	210,466	3	-	-		Total non-current liabilities	<u>56,359</u>	<u>1</u>	<u>67,342</u>	<u>1</u>
1600	Property, plant and equipment (Notes 6(h) and 8)	439,238	5	386,329	6		Total liabilities	<u>1,574,947</u>	<u>19</u>	<u>1,014,261</u>	<u>17</u>
1755	Right-of-use assets (Note 6(i))	145,071	2	159,419	3	Equity attributable to shareholders of the parent (Note 6(o) and (p)):					
1760	Investment property, net (Note 6(j))	2,504	-	4,774	-	3110	Capital stock	681,756	8	604,176	10
1780	Intangible assets	11,521	-	7,906	-	3200	Capital surplus	2,408,340	28	804,796	14
1840	Deferred income tax assets (Note 6(n))	56,477	1	52,378	1	3310	Legal reserve	464,949	5	372,115	6
1900	Other non-current assets (Note 6(m))	<u>11,216</u>	<u>-</u>	<u>18,307</u>	<u>-</u>	3320	Special reserve	6,636	-	12,836	-
Total non-current assets		1,472,650	18	1,231,547	20	3350	Unappropriated earnings	3,389,994	40	3,170,635	53
						3400	Others equity	<u>2,317</u>	<u>-</u>	<u>(6,638)</u>	<u>-</u>
							Total equity attributable to shareholders of the parent	<u>6,953,992</u>	<u>81</u>	<u>4,957,920</u>	<u>83</u>
						36xx	Non-controlling Interests	<u>8,208</u>	<u>-</u>	<u>7,144</u>	<u>-</u>
							Total equity	<u>6,962,200</u>	<u>81</u>	<u>4,965,064</u>	<u>83</u>
Total assets		<u>\$ 8,537,147</u>	<u>100</u>	<u>5,979,325</u>	<u>100</u>		Total liabilities and equity	<u>\$ 8,537,147</u>	<u>100</u>	<u>5,979,325</u>	<u>100</u>

(Please refer to the accompanying Notes to Consolidated Financial Statements)

GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
January 1 to December 31, 2025 and 2024

Unit: NT\$ in Thousands

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(r))	\$ 7,480,059	100	5,831,162	100
5000	Operating cost (Notes 6(g)(h)(i)(l)(m)(p) and 7)	5,755,196	77	4,386,439	75
5900	Gross profit from operations	1,724,863	23	1,444,723	25
Operating expenses (Notes 6(e)(h)(i)(l)(m)(p)(s) and 7):					
6100	Selling expenses	395,153	5	260,350	5
6200	Administrative expenses	259,666	4	232,865	4
6300	Research and development expenses	7,619	-	7,093	-
6450	Expected credit impairment (benefit) loss	(3,823)	-	8,146	-
	Total operating expenses	658,615	9	508,454	9
	Net operating income	1,066,248	14	936,269	16
Non-operating income and expenses (Notes 6(l)(t) and 7):					
7100	Interest income	75,772	1	112,016	2
7010	Other income	34,877	-	30,762	1
7020	Other gains and losses	3,048	-	109,266	1
7050	Finance costs	(11,892)	-	(8,634)	-
	Total non-operating income and expenses	101,805	1	243,410	4
7900	Net income before tax	1,168,053	15	1,179,679	20
7950	Less: income tax expense (Note 6(n))	238,176	3	250,315	4
8200	Net income	929,877	12	929,364	16
Other comprehensive income (loss) (Note 6(n))					
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement on defined benefit plans	359	-	180	-
8316	Unrealized gain (loss) on investments in equity instruments at FVOCI	-	-	-	-
8349	Less: Income tax related to items that will not be reclassified subsequently	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	359	-	180	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Foreign currency translation reserve	11,322	-	7,628	-
8367	Unrealized gain (loss) on investments in debt instruments at FVOCI	(874)	-	-	-
8399	Less: Income tax related to items that may be reclassified subsequently	2,371	-	1,507	-
	Total items that may be reclassified subsequently to profit or loss	8,077	-	6,121	-
8300	Other comprehensive income (loss)	8,436	-	6,301	-
	Total comprehensive income (loss)	<u>\$ 938,313</u>	<u>12</u>	<u>935,665</u>	<u>16</u>
Net income attributable to:					
8610	Shareholders of the parent	\$ 928,294	12	928,633	16
8620	Non-controlling Interests	1,583	-	731	-
		<u>\$ 929,877</u>	<u>12</u>	<u>929,364</u>	<u>16</u>
Total comprehensive income (loss) attributable to:					
8710	Shareholders of the parent	\$ 937,249	12	934,831	16
8720	Non-controlling Interests	1,064	-	834	-
		<u>\$ 938,313</u>	<u>12</u>	<u>935,665</u>	<u>16</u>
Earnings per share (in NT\$) (Note 6(q))					
9750	Basic earnings per share (in NT\$)	<u>\$ 14.79</u>		<u>15.41</u>	
9780	Diluted earnings per share (in NT\$)	<u>\$ 14.52</u>		<u>15.16</u>	

(Please refer to the accompanying Notes to Consolidated Financial Statements)

GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
January 1 to December 31, 2025 and 2024

Unit: NT\$ in Thousands

	Equity Attributable to Shareholders of the Parent										Non-Controlling Interests	Total Equity
	Retained Earnings					Others equity			Total Equity Attributable to Shareholders of the Parent			
						Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at FVOCI	Remeasurement on Defined Benefit Plans				
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings							
Balance on January 1, 2024	\$ 602,800	800,319	298,356	8,898	2,754,007	(14,711)	-	1,875	4,451,544	6,018	4,457,562	
Net income	-	-	-	-	928,633	-	-	-	928,633	731	929,364	
Other comprehensive income (loss)	-	-	-	-	-	6,018	-	180	6,198	103	6,301	
Total comprehensive income (loss)	-	-	-	-	928,633	6,018	-	180	934,831	834	935,665	
Appropriations and distribution of earnings:												
Provision for legal reserve	-	-	73,759	-	(73,759)	-	-	-	-	-	-	
Provision for special reserve	-	-	-	3,938	(3,938)	-	-	-	-	-	-	
Cash dividends on common stock	-	-	-	-	(434,016)	-	-	-	(434,016)	-	(434,016)	
Changes in ownership equities of subsidiary	-	-	-	-	(292)	-	-	-	(292)	292	-	
Cost of employee stock options	-	2,822	-	-	-	-	-	-	2,822	-	2,822	
Exercise of employee stock options	1,376	1,637	-	-	-	-	-	-	3,013	-	3,013	
Other changes in capital surplus	-	18	-	-	-	-	-	-	18	-	18	
Balance on December 31, 2024	604,176	804,796	372,115	12,836	3,170,635	(8,693)	-	2,055	4,957,920	7,144	4,965,064	
Net income	-	-	-	-	928,294	-	-	-	928,294	1,583	929,877	
Other comprehensive income (loss)	-	-	-	-	-	9,470	(874)	359	8,955	(519)	8,436	
Total comprehensive income (loss)	-	-	-	-	928,294	9,470	(874)	359	937,249	1,064	938,313	
Appropriations and distribution of earnings:												
Provision for legal reserve	-	-	92,834	-	(92,834)	-	-	-	-	-	-	
Reversal of special reserve	-	-	-	(6,200)	6,200	-	-	-	-	-	-	
Cash dividends on common stock	-	-	-	-	(622,301)	-	-	-	(622,301)	-	(622,301)	
Cost of employee stock options	-	6,865	-	-	-	-	-	-	6,865	-	6,865	
Exercise of employee stock options	1,580	1,754	-	-	-	-	-	-	3,334	-	3,334	
Capital increase by cash	76,000	1,594,920	-	-	-	-	-	-	1,670,920	-	1,670,920	
Other changes in capital surplus	-	5	-	-	-	-	-	-	5	-	5	
Balance on December 31, 2025	\$ 681,756	2,408,340	464,949	6,636	3,389,994	777	(874)	2,414	6,953,992	8,208	6,962,200	

(Please refer to the accompanying Notes to Consolidated Financial Statements)

GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

January 1 to December 31, 2025 and 2024

Unit: NT\$ in Thousands

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Net income before tax for the current period	\$ 1,168,053	1,179,679
Adjustments for:		
Income and expense items		
Depreciation expense	79,626	76,356
Amortization expense	1,977	1,774
Expected credit impairment (benefit) loss	(3,823)	8,146
Net loss (gain) from financial assets at FVTPL	32,335	(7,969)
Interest expense	11,892	8,634
Interest income	(75,772)	(112,016)
Gain on disposal of property, plant and equipment	(18,427)	-
Share-based payments	6,865	2,822
Total income and expense items	<u>34,673</u>	<u>(22,253)</u>
Changes in operating assets/liabilities:		
Changes in operating assets:		
Accounts receivable	(773,919)	(510,211)
Other receivables	8,980	(6,007)
Inventories	(336,147)	(352,904)
Prepaid expenses	12,877	21,041
Other current assets	(3,796)	3,124
Net defined benefit assets	(9)	(1)
Other non-current assets	232	742
Total changes in operating assets	<u>(1,091,782)</u>	<u>(844,216)</u>
Changes in operating liabilities:		
Contract liabilities	41,592	(471)
Notes payable	4,603	(4,749)
Accounts payable	109,794	77,203
Other payables	68,021	(118,128)
Other current liabilities	30,964	(4,417)
Total changes in operating liabilities	<u>254,974</u>	<u>(50,562)</u>
Total changes in operating assets and liabilities	<u>(836,808)</u>	<u>(894,778)</u>
Total adjustments	<u>(802,135)</u>	<u>(917,031)</u>
Cash inflows from operations	365,918	262,648
Interest received	75,772	112,016
Interest paid	(11,892)	(8,634)
Income taxes paid	(237,708)	(350,728)
Net cash inflows from operating activities	<u>192,090</u>	<u>15,302</u>
Cash flows from investing activities:		
Acquisitions of financial assets at FVOCI	(192,996)	-
Acquisitions of financial assets at amortized cost	(2,297,811)	(1,623,720)
Disposal of financial assets at amortized cost	2,029,077	1,778,070
Acquisitions of other financial assets	(1,738)	(70,215)
Disposal of other financial assets	18,106	302,473
Acquisitions of financial assets at FVTPL	(571,810)	(456,324)
Disposal of financial assets at FVTPL	717,425	92,546
Acquisitions of property, plant and equipment	(120,866)	(102,965)
Disposal of property, plant and equipment	25,079	-
Disposal of investment property	2,187	-
Disposal of right-of-use assets	316	-
Decrease (increase) in refundable deposits	41	(1,552)
Acquisitions of intangible assets	(6,514)	(2,353)
Decrease in prepayments for equipment	7,186	42
Net cash outflows from investing activities	<u>(392,318)</u>	<u>(83,998)</u>
Cash flows from financing activities:		
Increase in short-term loans	1,937,395	993,294
Decrease in short-term loans	(1,623,127)	(993,294)
Increase in Financial liabilities at FVTPL	2,082	-
(Decrease) Increase in deposits received	(388)	17
Repayment of lease liabilities	(31,017)	(30,797)
Distribution of cash dividends	(622,301)	(434,016)
Capital increase by cash	1,670,920	-
Capital Reserve Transfer Rights	5	18
Exercise of employee stock options	3,334	3,013
Net cash inflows (outflows) from financing activities	<u>1,336,903</u>	<u>(461,765)</u>
Effects of exchange rate changes on cash and cash equivalents	25,448	833
Increase (decrease) in cash and cash equivalents for the current period	1,162,123	(529,628)
Cash and cash equivalents at beginning of period	825,496	1,355,124
Cash and cash equivalents at end of period	<u><u>\$ 1,987,619</u></u>	<u><u>825,496</u></u>

(Please refer to the accompanying Notes to Consolidated Financial Statements)

GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Great Giant Fibre Garment Co., Ltd. (the Company) was approved for establishment by the Ministry of Economic Affairs on February 21, 1991, with its registered address at 4F., No. 73, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan, R.O.C. The Company's stocks were listed for trading on the Taiwan Stock Exchange on September 9, 2025. The main businesses and products of the Company and its subsidiaries (the Group) are the manufacturing of garments and textiles, as well as the import and export of raw materials and goods.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and published on March 16, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 Note: On September 25, 2025, the Financial Supervisory Commission (FSC) issued a press release announcing that Taiwan will adopt International Financial Reporting Standard 18 (IFRS 18) starting from fiscal year 2028. If the Company intends to apply the standard earlier, it may do so upon obtaining approval from the FSC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and the Amendments to IFRS 19
- Amendments to IAS 21 “Translation into a Hyperinflationary Presentation Currency”

(4) Summary of material policies

The significant accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to "IFRS Accounting Standards" endorsed by the "FSC").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(ii) Functional and reporting currency

The functional currency of the Group is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The Company controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup transactions and balances, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies to align with those used by the Group.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(ii) List of subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

Investment Name	Subsidiary Name	Business Nature	Ownership Percentage		Note
			December 31, 2025	December 31, 2024	
The Company	Giant Lance International Ltd. (hereinafter referred to as GLI Company)	Investment activities and businesses	100.00%	100.00%	-
The Company	Great Victory Innotech Company Limited (hereinafter referred to as GVI Company)	Outsourcing management center	100.00%	100.00%	-
The Company	Gama Textile Madagascar Sarlu (hereinafter referred to as GAMA Company)	Garment processing	100.00%	100.00%	-
The Company	Great Baobab Garment Sarlu (hereinafter referred to as BAOBAB Company)	Garment processing	100.00%	100.00%	-
The Company	Great Golden Star Ltd (hereinafter referred to as GGS Company)	Garment processing	- %	- %	Note 1
GLI Company	Great Global International Co., Ltd (hereinafter referred to as GGI Company)	Garment processing	100.00%	100.00%	-
GLI Company	Golden Vigorous Company Limited (hereinafter referred to as GV Company)	Garment processing	91.76%	91.76%	Note 2

Note1: On May 7, 2025, the Board of Directors of the Company approved an investment of USD 700 thousand in GGS Company. The Company included GGS as a consolidated subsidiary in June 2025. However, on August 14, 2025, the Board of Directors resolved to cancel the capital injection to the subsidiary due to operational considerations. The related liquidation procedures have been completed.

Note2: In February 2024, the Group increased its cash capital by US\$200 thousand, raising its ownership percentage from 91.42% to 91.76%.

(iii) The subsidiaries not included in the consolidated financial statements: None.

(d) Foreign currency transactions

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequently to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some trade receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group; therefore, those receivables are measured at FVOCI. However, they are included in the 'trade receivables' line item.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument by instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, trade receivables and notes receivable, other receivables, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, trade receivables and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	4~50 years
2) Office equipment	4~15 years
3) Machinery and Equipment	4~20 years
4) Transportation equipment	5~10 years
5) Other equipment	4~15 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- 5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right of use asset, or in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right of use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets, including its other equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(k) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- | | |
|------------------|------------|
| 1) Software | 1~10 years |
| 2) Patent rights | 10 years |

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(l) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

other assets or cash-generating units (CGUs) .

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(n) Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

The Group manufactures and sells garments and textiles. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales of electronic components are made with a credit term from ten to one hundred and twenty days, which is consistent with the market practice. A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(o) Government grants and government assistance

The Group recognizes an unconditional government grant related to operating activities in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

Government assistance in the form of a guarantee from the government for loans from financial institutions is considered part of the unit of account in determining the fair value of the loan.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in other equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights,

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

The grant date of the Group's share-based payment is the date on which both the company and the employees reach an agreement on the subscription price and the number of shares to be subscribed.

(r) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee stock options and employee compensation.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

The consolidated financial report does not contain any accounting policies involving significant judgments that have a material impact on the recognized amounts.

There is no information regarding assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(6) Explanation of significant accounts

(a) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 5,200	3,381
Checks and demand deposits	451,943	468,609
Time deposits	960,022	8,447
Repurchase agreement bonds	570,454	345,059
	<u><u>\$ 1,987,619</u></u>	<u><u>825,496</u></u>

The Group has reclassified time deposits with a deposit period of more than three months under "Financial assets at amortized costs." Please refer to Note 6(d).

As of December 31, 2025 and 2024, due to the pledged time deposits, the restricted amounts of the Group were NT\$1,500 and NT\$17,868 thousand, respectively, classified as "Other financial assets - current". Please refer to Note 8 for details on the collateral pledge situation.

For details on the disclosure of interest rate risk and sensitivity analysis of the Group's financial assets and liabilities, please refer to Note 6(u).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(b) Financial Assets at FVTPL

(i) The details are as follows:

	December 31, 2025	December 31, 2024
Financial assets mandatorily measured at FVTPL - current:		
International bonds	\$ 150,293	156,512
Foreign stocks	23,483	28,102
Structured products	97,140	64,979
Total	<u>\$ 270,916</u>	<u>249,593</u>
Financial assets mandatorily measured at FVTPL - non-current:		
International bonds	\$ 122,990	602,434
Structured products	280,171	-
Total	<u>\$ 403,161</u>	<u>602,434</u>
Financial liabilities mandatorily measured at FVTPL - current:		
Forward foreign exchange contract	<u>\$ 2,082</u>	<u>-</u>

(ii) The explanations of transactions and contracts of the Group's derivative financial assets not subject to hedge accounting are as follows:

	December 31, 2025		
Derivative Financial Assets	Contract Amount (Nominal Principal) (NT\$ in Thousands)	Maturity	
Structured products	NTD 90,000	2025.10.13~2027.11.11	
Structured products	NTD 89,600	2025.10.13~2027.12.10	
Structured products	NTD 56,900	2025.10.17~2026.8.16	
Structured products	NTD 56,300	2025.10.27~2028.10.9	
Structured products	NTD 23,600	2025.10.30~2028.10.20	
Structured products	NTD 20,000	2025.10.30~2027.8.24	
Structured products	NTD 40,000	2025.10.30~2026.9.1	
Derivative Financial Liabilities	Contract Amount (Nominal Principal) (NT\$ in Thousands)	Maturity	
Forward foreign exchange contract			
Buy forward foreign exchange	USD 11,750	2025.11.5~2026.3.30	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
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Derivative Financial Assets	December 31, 2024	
	Contract Amount (Nominal Principal) (NT\$ in Thousands)	Maturity
Structured products	USD 2,000	2022.8.23~2025.8.23

(iii) For the amount recognized in profit or loss for the remeasurement of the Group at fair value, please refer to Note 6(t).

(iv) As of December 31, 2025 and 2024, financial assets and liabilities at FVTPL were not pledged as collateral.

(c) Financial assets at FVOCI

	December 31, 2025	December 31, 2024
International bonds	<u>\$ 192,996</u>	<u>-</u>

The Group has assessed that it holds the bond investments under a business model whose objective is achieved by collecting contractual cash flows and selling financial assets. Accordingly, the investments are classified as financial assets measured at fair value through other comprehensive income (FVOCI).

(d) Financial Assets at Amortized Costs

	December 31, 2025	December 31, 2024
Time deposits with maturities exceeding three months	\$ 1,206,139	1,147,871
Corporate bond - non-current	210,466	-
Total	<u>\$ 1,416,605</u>	<u>1,147,871</u>

The evaluation of the Group indicates that these assets are held to maturity to collect contractual cash flows, and the cash flows from these financial assets are solely for the payment of principal and interest on the outstanding principal amount and therefore are reported as financial assets at amortized cost.

(e) Accounts Receivable

	December 31, 2025	December 31, 2024
Accounts receivable	\$ 2,180,967	1,407,048
Less: Loss allowance	(66,912)	(63,017)
	<u>\$ 2,114,055</u>	<u>1,344,031</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	December 31, 2025		
	Carrying Amount of Accounts Receivable	Weighted Average Expected Credit Loss Ratio	Lifetime Expected Credit Loss Allowance
Not past due	\$ 2,087,121	0.6%	13,224
Past due within 30 days	23,905	9.0%	2,154
Past due 31 to 90 days	35,000	55.3%	19,372
Past due 91 to 180 days	15,580	82.3%	12,817
Past due over 181 days	19,361	99.9%	19,345
	\$ 2,180,967		66,912

	December 31, 2024		
	Carrying Amount of Accounts Receivable	Weighted Average Expected Credit Loss Ratio	Lifetime Expected Credit Loss Allowance
Not past due	\$ 1,243,330	0.9%	11,314
Past due within 30 days	114,702	4.2%	4,799
Past due 31 to 90 days	12,133	82.6%	10,021
Past due 91 to 180 days	2,075	100%	2,075
Past due over 181 days	34,808	100%	34,808
	\$ 1,407,048		63,017

The statement of changes in loss allowance for accounts receivable of the Group is as follows:

	2025	2024
Opening balance	\$ 63,017	70,489
Impairment losses recognized	3,895	-
Reversal of impairment loss	-	(7,472)
Closing balance	\$ 66,912	63,017

The Group's accounts receivable has not been provided as collateral.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(f) Other Receivables

	December 31, 2025	December 31, 2024
Other Receivables	\$ 54,578	63,558
Less: Loss allowance	(7,406)	(15,618)
	<u>\$ 47,172</u>	<u>47,940</u>

The statement of changes in loss allowance for other receivables of the Group is as follows:

	2025	2024
Opening balance	\$ 15,618	-
Impairment losses recognized	-	15,618
Reversal of impairment loss	(7,718)	-
Effect of exchange rate changes	(494)	-
Closing balance	<u>\$ 7,406</u>	<u>15,618</u>

The Group's other receivables has not been provided as collateral.

(g) Inventories

	December 31, 2025	December 31, 2024
Raw materials	\$ 626,600	528,963
Work in process	308,977	271,350
Finished goods	465,791	264,908
	<u>\$ 1,401,368</u>	<u>1,065,221</u>

The details of the Group's cost of sales were as follows:

	2025	2024
The cost of sales	\$ 5,749,163	4,390,951
Write-down of inventories (Reversal of write-downs)	6,033	(4,512)
Total	<u>\$ 5,755,196</u>	<u>4,386,439</u>

As of December 31, 2025 and 2024, the Group's inventories have not been provided as collateral.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(h) Property, Plant and Equipment

Detailed changes in the property, plant and equipment of the Group for 2025 and 2024 are as follows:

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost or recognized cost:								
Balance on January 1, 2025	\$ 110,438	166,615	175,412	22,362	22,321	53,413	42,485	593,046
Additions	-	1,698	26,919	2,831	3,733	4,125	81,560	120,866
Disposals	-	(11,483)	-	(2,307)	(52)	-	-	(13,842)
Reclassification	3,355	1,268	-	-	303	782	(2,353)	3,355
Effect of exchange rate changes	(468)	(12,168)	(7,413)	(1,463)	(953)	(2,498)	(945)	(25,908)
Balance on December 31, 2025	<u>\$ 113,325</u>	<u>145,930</u>	<u>194,918</u>	<u>21,423</u>	<u>25,352</u>	<u>55,822</u>	<u>120,747</u>	<u>677,517</u>
Balance on January 1, 2024	\$ 98,766	182,236	200,525	18,614	18,627	46,195	15,273	580,236
Additions	11,246	2,807	24,683	3,707	4,691	12,666	43,165	102,965
Disposals	-	(32,888)	(54,405)	(365)	(1,356)	(6,526)	-	(95,540)
Reclassification	-	12,328	-	-	(7)	-	(15,495)	(3,174)
Effect of exchange rate changes	426	2,132	4,609	406	366	1,078	(458)	8,559
Balance on December 31, 2024	<u>\$ 110,438</u>	<u>166,615</u>	<u>175,412</u>	<u>22,362</u>	<u>22,321</u>	<u>53,413</u>	<u>42,485</u>	<u>593,046</u>
Depreciation :								
Balance on January 1, 2025	\$ -	70,720	91,515	11,043	11,926	21,513	-	206,717
Depreciation for the current year	-	11,359	25,113	2,709	3,801	7,174	-	50,156
Disposals	-	(4,976)	-	(2,162)	(52)	-	-	(7,190)
Effect of exchange rate changes	-	(5,239)	(3,736)	(738)	(621)	(1,070)	-	(11,404)
Balance on December 31, 2025	<u>\$ -</u>	<u>71,864</u>	<u>112,892</u>	<u>10,852</u>	<u>15,054</u>	<u>27,617</u>	<u>-</u>	<u>238,279</u>
Balance on January 1, 2024	\$ -	93,760	118,530	8,793	9,603	19,802	-	250,488
Depreciation for the current year	-	8,966	25,168	2,424	3,511	7,896	-	47,965
Disposals	-	(32,888)	(54,405)	(365)	(1,356)	(6,526)	-	(95,540)
Reclassification	-	(507)	-	-	(7)	-	-	(514)
Effect of exchange rate changes	-	1,389	2,222	191	175	341	-	4,318
Balance on December 31, 2024	<u>\$ -</u>	<u>70,720</u>	<u>91,515</u>	<u>11,043</u>	<u>11,926</u>	<u>21,513</u>	<u>-</u>	<u>206,717</u>
Carrying value:								
December 31, 2025	<u>\$ 113,325</u>	<u>74,066</u>	<u>82,026</u>	<u>10,571</u>	<u>10,298</u>	<u>28,205</u>	<u>120,747</u>	<u>439,238</u>
January 1, 2024	<u>\$ 98,766</u>	<u>88,476</u>	<u>81,995</u>	<u>9,821</u>	<u>9,024</u>	<u>26,393</u>	<u>15,273</u>	<u>329,748</u>
December 31, 2024	<u>\$ 110,438</u>	<u>95,895</u>	<u>83,897</u>	<u>11,319</u>	<u>10,395</u>	<u>31,900</u>	<u>42,485</u>	<u>386,329</u>

The details of the Group's guarantees for bank loans and financing facilities as of December 31, 2025 and 2024, please refer to Note 8.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(i) Right-of-use Assets

The changes in cost, depreciation, and impairment loss of the right-of-use assets recognized by the Group for leased land, buildings, and transportation equipment are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance on January 1, 2025	\$ 62,655	164,405	8,408	235,468
Additions	-	21,369	-	21,369
Decrease	(316)	(21,213)	-	(21,529)
Reclassification	824	-	-	824
Effect of exchange rate changes	<u>(3,370)</u>	<u>(5,135)</u>	<u>-</u>	<u>(8,505)</u>
Balance on December 31, 2025	<u>\$ 59,793</u>	<u>159,426</u>	<u>8,408</u>	<u>227,627</u>
Balance on January 1, 2024	\$ 59,733	153,565	5,116	218,414
Additions	-	30,463	3,292	33,755
Decrease	-	(23,989)	-	(23,989)
Effect of exchange rate changes	<u>2,922</u>	<u>4,366</u>	<u>-</u>	<u>7,288</u>
Balance on December 31, 2024	<u>\$ 62,655</u>	<u>164,405</u>	<u>8,408</u>	<u>235,468</u>
Accumulated depreciation and impairment loss of right-of-use assets:				
Balance on January 1, 2025	\$ 5,115	67,569	3,365	76,049
Provision for amortization	561	26,327	2,377	29,265
Disposals	-	(21,213)	-	(21,213)
Effect of exchange rate changes	<u>(286)</u>	<u>(1,259)</u>	<u>-</u>	<u>(1,545)</u>
Balance on December 31, 2025	<u>\$ 5,390</u>	<u>71,424</u>	<u>5,742</u>	<u>82,556</u>
Balance on January 1, 2024	\$ 3,497	63,749	1,812	69,058
Provision for amortization	1,439	25,162	1,553	28,154
Disposals	-	(23,989)	-	(23,989)
Effect of exchange rate changes	<u>179</u>	<u>2,647</u>	<u>-</u>	<u>2,826</u>
Balance on December 31, 2024	<u>\$ 5,115</u>	<u>67,569</u>	<u>3,365</u>	<u>76,049</u>
Carrying value:				
December 31, 2025	<u>\$ 54,403</u>	<u>88,002</u>	<u>2,666</u>	<u>145,071</u>
January 1, 2024	<u>\$ 56,236</u>	<u>89,816</u>	<u>3,304</u>	<u>149,356</u>
December 31, 2024	<u>\$ 57,540</u>	<u>96,836</u>	<u>5,043</u>	<u>159,419</u>

As of December 31, 2025 and 2024, none of the Group's right-of-use assets were pledged as collateral for short-term loans and financing facilities.

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(j) Investment Property

Detailed changes in the investment property of the Group are as follows:

	Owned property: Buildings and Land	
	2025	2024
Cost or recognized cost:		
Opening balance	\$ 5,967	2,729
Disposal	(2,791)	-
Transfers from reclassification	462	3,167
Effect of exchange rate changes	(425)	71
Closing balance	<u>3,213</u>	<u>5,967</u>
Depreciation and impairment loss:		
Opening balance	1,193	437
Depreciation for the current year	205	237
Disposal	(604)	-
Transfers from reclassification	-	507
Effect of exchange rate changes	(85)	12
Closing balance	<u>(709)</u>	<u>1,193</u>
Carrying value	<u>\$ 2,504</u>	<u>4,774</u>
Fair value	<u>\$ 4,081</u>	<u>8,730</u>

The Group's investment property experienced no significant additions, disposals, impairment recognized or reversed during the period from January 1 to December 31, 2025 and 2024. Please refer to Note 12 for the amount of depreciation for the current period.

As of December 31, 2025 and 2024, the Group's investment property has not been provided as collateral.

(k) Short-Term Loans

	December 31, 2025	December 31, 2024
Secured bank loans	<u>\$ 314,268</u>	<u>-</u>
Unused credit lines	<u>\$ 3,780,162</u>	<u>3,459,105</u>
Interest rate	<u>4.23%~4.25%</u>	<u>-</u>

Please refer to Note 8 for details on the collateral pledge situation of the Group's assets for securing bank loans.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
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(l) Lease Liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 29,728</u>	<u>28,450</u>
Non-current	<u>\$ 48,066</u>	<u>62,998</u>

For maturity analysis, please refer to Note 6(u) for financial instruments.

The amount recognized in profit or loss for leases is as follows:

	2025	2024
Interest expense on lease liabilities	<u>\$ 1,442</u>	<u>1,324</u>
Expenses relating to short-term leases	<u>\$ 965</u>	<u>72</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 1,677</u>	<u>1,901</u>

The amount recognized in the statements of cash flow for leases is as follows:

	2025	2024
Total cash outflow for leases	<u>\$ 35,101</u>	<u>34,094</u>

(i) Leases of land and buildings

The Group leases land and buildings for use as offices and plants, with lease terms ranging from 2 to 10 years. Some leases include options to extend for the same period as the original contract upon expiration of the lease terms. Transportation equipment with a lease term of 4 years.

(ii) Other leases

The Group leases office equipment. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(m) Employee Benefits

(i) Defined benefit plans

The reconciliation of the fair value of plan assets and the present value of defined benefit obligations of the Group is as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 2,601	2,567
Fair value of plan assets	(5,141)	(4,739)
Net defined benefit liability (asset) (classified under "other non-current assets")	<u>\$ (2,540)</u>	<u>(2,172)</u>

The details of the Group's employee benefits liabilities are as follows:

	December 31, 2025	December 31, 2024
Paid leave liability (classified under "other payables")	<u>\$ 6,412</u>	<u>9,224</u>

The contributions for defined benefit plans by the Group are deposited into the labor retirement reserve account at Bank of Taiwan. The retirement payment for each employee applicable under the Labor Standards Act is calculated based on the given unit for years of service and the average salary of the six months prior to retirement.

1) Composition of Plan Assets

The retirement fund appropriated by the Group according to the Labor Standards Act is managed collectively by the Bureau of Labor Funds of the Ministry of Labor (referred to as the Labor Funds Bureau). According to the "Regulations for Revenues, Expenditures, Safeguard, and Utilization of the Labor Retirement Fund," the annual final account allocation of the fund's utilization must yield a minimum return not lower than the interest calculated based on the local bank's two-year time deposit rate.

As of the reporting date, the balance of the labor retirement reserve account at Bank of Taiwan for the Group was NT\$5,141 thousand. The information on the utilization of labor retirement fund assets includes the fund's rate of return and asset allocation. Please refer to the information published on the website of the Bureau of Labor Funds of the Ministry of Labor.

2) Changes in the present value of defined benefit obligations

The changes in the present value of defined benefit obligations of the Group for 2025 and 2024 are as follows:

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

	2025	2024
Present value of defined benefit obligations on January 1	\$ 2,567	2,315
Current service cost and interest	61	47
Remeasurement on net defined benefit liability (asset)		
- Actuarial gains and losses arising from changes in financial assumptions	15	(35)
- Experience adjustments	(42)	240
Present value of defined benefit obligations on December 31	<u>\$ 2,601</u>	<u>2,567</u>

3) Changes in the fair value of plan assets

The changes in the fair value of defined benefit plan assets of the Group for 2025 and 2024 are as follows:

	2025	2024
Fair value of plan assets on January 1	\$ 4,739	4,306
Interest income	71	48
Remeasurement on net defined benefit liability (asset)	331	385
Fair value of plan assets on December 31	<u>\$ 5,141</u>	<u>4,739</u>

4) Expenses recognized in profit or loss

The details of expenses reported by the Group for 2025 and 2024 are as follows:

	2025	2024
Current service cost	\$ 23	22
Net interest on net defined benefit liability (asset)	(32)	(23)
Total (classified under “operating expenses”)	<u>\$ (9)</u>	<u>(1)</u>

5) Remeasurement on net defined benefit liability recognized in other comprehensive income or loss

	2025	2024
Balance on January 1	\$ 2,638	2,458
Recognize profits for the current period	359	180
Balance on December 31	<u>\$ 2,997</u>	<u>2,638</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

6) Actuarial assumptions

The significant actuarial assumptions used by the Group to determine the present value of defined benefit obligations as of the reporting date are as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.300%	1.500%
Future salary increases	2.000%	2.000%

The Group expects to pay contributions of NT\$75 thousand to the Defined Benefit Plans within one year after the reporting date in 2025.

The weighted average expected life of the Defined Benefit Plans is 3 years.

7) Sensitivity analysis

The impacts on the present value of defined benefit obligations due to changes in the principal actuarial assumptions adopted as of December 31, 2025 and 2024 are as follows:

	Impacts on Defined Benefit Obligations	
	Increase 0.25 %	Decrease 0.25 %
December 31, 2025		
Discount rate	\$ (19)	19
Future salary increases	13	(12)
December 31, 2024		
Discount rate	\$ (22)	22
Future salary increases	16	(15)

The above sensitivity analysis is based on analyzing the impact of a single assumption change under the condition that other assumptions remain unchanged. In practice, changes in many assumptions may be interconnected. The sensitivity analysis is consistent with the method used to calculate the net pension liability on the balance sheet.

The method and assumptions used to prepare the sensitivity analysis for the current period are the same as those used in the prior period.

(ii) Defined contribution plans

The defined contribution plans of the Group are established in accordance with the Labor Pension Act, with a monthly contribution rate of 6% of each employee's wages, deposited into individual labor pension accounts at the Bureau of Labor Insurance. Under this plan, the Group has no statutory or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
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The pension expenses of the Group under the Defined Contribution Pension Plan for 2025 and 2024 were NT\$41,821 thousand and NT\$46,376 thousand, respectively, which have been contributed to the Bureau of Labor Insurance.

(n) Income Tax

(i) Income tax expense

The details of the income tax expense of the Group for 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current tax expense recognized in the current period	\$ 240,663	234,523
Additional tax on unappropriated earnings	10,970	11,294
Adjustment of prior period's current income tax	<u>(11,355)</u>	<u>615</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>(2,102)</u>	<u>3,883</u>
Income tax expense	<u><u>\$ 238,176</u></u>	<u><u>250,315</u></u>

(ii) The details of the income tax expense recognized under other comprehensive income or loss by the Group for 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation reserve	<u><u>\$ 2,371</u></u>	<u><u>1,507</u></u>

(iii) The reconciliation of the relationship between the income tax expense and income before tax of the Group for 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Income before tax	<u><u>\$ 1,168,053</u></u>	<u><u>1,179,679</u></u>
Income tax calculated based on the domestic tax rate of the country where the Group is located	\$ 233,611	235,936
Non-deductible expenses	20	717
Tax-exempt income	(1,350)	-
Underestimation (Overestimation) in the previous period	(11,355)	615
Additional tax on unappropriated earnings	10,970	11,294
Others	<u>6,280</u>	<u>1,753</u>
Income tax expense	<u><u>\$ 238,176</u></u>	<u><u>250,315</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(iv) Deferred income tax assets and liabilities

The changes in recognized deferred income tax assets and liabilities are as follows.

1) Deferred income tax assets:

	Investment Loss	Inventory Devaluation	Unrealized Exchange Loss	Others	Total
January 1, 2025	\$ 30,792	283	-	21,303	52,378
Debit/(credit) income statement	(11,940)	1,206	-	15,104	4,370
Debit/(credit) other comprehensive income (loss)	(271)	-	-	-	(271)
December 31, 2025	\$ 18,581	1,489	-	36,407	56,477
January 1, 2024	\$ 28,752	1,185	1,150	22,780	53,867
Debit/(credit) income statement	3,547	(902)	(1,150)	(1,477)	18
Debit/(credit) other comprehensive income (loss)	(1,507)	-	-	-	(1,507)
December 31, 2024	\$ 30,792	283	-	21,303	52,378

2) Deferred income tax liabilities:

	Investment Loss	Unrealized Exchange Gain	Total
January 1, 2025	\$ -	(3,901)	(3,901)
Debit/(credit) income statement	-	(2,268)	(2,268)
Debit/(credit) other comprehensive income (loss)	(2,100)	-	(2,100)
December 31, 2025	\$ (2,100)	(6,169)	(8,269)
January 1, 2024	\$ -	-	-
Debit/(credit) income statement	-	(3,901)	(3,901)
December 31, 2024	\$ -	(3,901)	(3,901)

(v) Assessment of tax

The Company's income tax returns have been assessed by the tax authorities through the year 2023.

(o) Capital and Others

As of December 31, 2025 and 2024, the Company's authorized capital stock was NT\$800,000 thousand with a par value of NT\$10 per share, and the paid-in capital stock amounted to NT\$68,176 thousand shares and NT\$60,418 thousand shares, respectively. All payments for issued shares have been received.

The reconciliation of the number of shares outstanding for the Company for 2025 and 2024 is as follows:

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GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(Shares in thousands)	Common Stock	
	2025	2024
Opening balance on January 1	60,418	60,280
Capital increase by cash	7,600	-
Exercise of employee stock options	158	138
Closing balance on December 31	68,176	60,418

(i) Ordinary shares

On July 16, 2025, the Board of Directors resolved to issue 7,600 thousand ordinary shares with a par value of NT\$10 per share, totaling NT\$76,000 thousand, through a cash subscription. The minimum auction price was set at NT\$178 per share, and shares were allocated to the highest bidders. Each successful bidder subscribed at their respective bid price, with the weighted average price of all successful bids amounting to NT\$231.84 per share. The public subscription price was NT\$190.46 per share. The total proceeds from the capital increase amounted to NT\$1,673,920 thousand, net of issuance costs of NT\$3,000 thousand, resulting in net proceeds of NT\$1,670,920 thousand, all of which have been fully collected. September 5, 2025 was designated as the base date for the capital increase, and the relevant statutory registration procedures have been completed.

In 2025 and 2024, the Company issued new shares of 158 thousand and 138 thousand, respectively, at par value due to the exercise of employee stock warrants, with total amounts of NT\$1,580 thousand and NT\$1,376 thousand, respectively. The legal registration procedure has been completed, and all the proceeds from the issuance of shares have been collected.

(ii) Capital surplus

The details of the Company's capital surplus balance are as follows:

	December 31, 2025	December 31, 2024
Premium on stock issuance	\$ 2,391,503	786,616
Employee stock options	16,814	18,162
Other	23	18
	\$ 2,408,340	804,796

According to the Company Act, capital surplus must first be used to offset losses before realized capital surplus can be distributed as new shares or cash to shareholders in proportion to their existing shareholdings. The aforementioned realized capital surplus includes the premium from issuing shares above par value and the income

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
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from donations received. According to the regulations governing the offering and issuance of securities by issuers, the total amount of capital surplus available for capital increase each year shall not exceed 10% of the paid-in capital.

The cash capital increase for the current period has been reserved for employee subscription in accordance with the law. Please refer to Note 6(p) for details.

(iii) Retained earnings

According to the Company's Articles of Incorporation, when there is net profit after tax at the end of the fiscal year, the Company shall first offset accumulated losses, and then, if there is a surplus, 10% of the remaining earnings shall be set aside as the legal reserve. However, if the legal reserve has reached the Company's paid-in capital, this may not be necessary. The remainder shall then be allocated or reversed as a special reserve in accordance with legal requirements. If there is still a surplus, it shall be combined with accumulated unappropriated earnings, and the Board of Directors shall propose an earnings distribution plan to be resolved by the Shareholders' Meeting for distributing shareholder dividends. The distribution of dividends and bonuses, in whole or in part, by issuing new shares should be resolved by the Shareholders' Meeting; distribution in cash should be specially resolved by the Board of Directors and reported to the Shareholders' Meeting, without being subject to the requirement for Shareholders' Meeting resolution.

The dividend policy of the Company is formulated in line with its current and future development plans, taking into account the investment environment, capital needs, and domestic and international competition, while also considering the interests of shareholders. Each year, at least 10% of the year's earnings, after deducting any accumulated losses, and setting aside legal reserve and special reserve, shall be distributed as dividends to shareholders. However, if the year's earnings are less than 10% of the paid-in capital, no distribution is required. Shareholder dividends may be distributed in the form of cash or stock, with cash dividends being no less than 10% of the total dividend distribution.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

1) Appropriations of earnings

The Company, at the meetings of the Board of Directors held on March 14, 2025, and March 29, 2024, resolved the appropriations of earnings for 2024 and 2023. The amounts of dividends distributed to shareholders were as follows:

	2024		2023	
	Stock Dividend Rate (in NT\$)	Amount	Stock Dividend Rate (in NT\$)	Amount
Dividends distributed to common stock owners:				
Cash dividends	\$ 9.15	<u>622,301</u>	7.20	<u>434,016</u>

The amount of cash dividends on the 2025 earnings distribution had been proposed during the board meeting on March 16, 2026, as follows:

	2025	
	Stock Dividend Rate (in NT\$)	Amount
Dividends distributed to common stock owners:		
Cash dividends	\$ 10.80	<u>736,296</u>

(p) Share-Based Payments

(i) The Share-based Payment Arrangements for the Company for 2025 and 2024 are as follows:

Agreement Procedures	Grant Date	Contract Quantity	Contract Duration	Vesting Conditions
The first employee stock option plan in 2021	October 1, 2021	1,939 thousand shares	6 years and 1 month	On completion of 1 year of service, vested 29% On completion of 2 years of service, vested 39% On completion of 3 years of service, vested 49% On completion of 4 years of service, vested 64% On completion of 5 years of service, vested 79% On completion of 6 years of service, vested 100%
The second employee stock option plan in 2021	October 1, 2021	267 thousand shares	9 years and 1 month	On completion of 1 year of service, vested 7% On completion of 2 years of service, vested 16% On completion of 3 years of service, vested 25% On completion of 4 years of service, vested 33% On completion of 5 years of service, vested 42% On completion of 6 years of service, vested 52% On completion of 7 years of service, vested 63% On completion of 8 years of service, vested 79% On completion of 9 years of service, vested 100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

The aforementioned Share-based Payment Arrangements are all equity-settled.

(ii) Description of the share-based payment arrangements

Details of the employee stock options and the transfer of treasury stock are as follows:

	2025		2024	
	Number of Stock Options (In Thousand Shares)	Weighted Average Exercise Price (in NT\$)	Number of Stock Options (In Thousand Shares)	Weighted Average Exercise Price (in NT\$)
Outstanding stock options on January 1	1,040	21.9	1,238	22.8
Waived stock options for the current period	-	-	(60)	-
Exercised stock options for the current period	(158)	21.1	(138)	21.9
Period-end outstanding stock options	<u>882</u>	21.1	<u>1,040</u>	21.9
Period-end exercisable stock options	<u>434</u>		<u>439</u>	

(iii) The Black-Scholes option pricing model is used to estimate the fair value of stock options for the Group's share-based payment transactions on the grant date. Relevant information is as follows:

Types of Agreements	Grant Date	Stock Price (in NT\$)	Exercise Price (in NT\$)	Expected Price Volatility (Note)	Expected Life of Deposit Period	Expected Dividend	Risk-Free Interest Rate	Fair Value per Unit (in NT\$)
The first employee stock option plan in 2021	October 1, 2021	\$ 89.00	25.00	27.99%	6 years	0%~2.55%	0.45%	52.2~64.6
The second employee stock option plan in 2021	October 1, 2021	\$ 89.00	25.00	27.99%	9 years	0%~2.55%	0.45%	47.9~65.5

Note: Expected price volatility is estimated by using the stock price in the sample range of the most recent period equivalent to the expected life of the stock options, and the standard deviation of stock returns during this period.

(iv) The fair value of each employee stock subscription right granted in connection with the cash capital increase was NT\$5.53 as of the grant date. As of September 30, 2025, the Group recognized compensation cost of NT\$4,073 thousand, which was recorded under operating expenses.

On July 16, 2025, the Board of Directors of the Group resolved to proceed with a cash capital increase, of which 760 thousand shares were reserved for employee subscription. The relevant information is as follows:

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<u>Type</u>	<u>Cash capital increase reserved for employee subscription</u>
Grant date	August 28, 2025
Number granted	760 thousand
Number exercised	737 thousand
Vesting period	Immediately vested

(v) The expenses arising from share-based payment transactions are as follows:

	<u>2025</u>	<u>2024</u>
Equity settlement	<u>\$ 6,865</u>	<u>2,822</u>

(q) Earnings per Share

The calculation of the Group's Basic EPS and Diluted EPS is as follows:

	<u>2025</u>	<u>2024</u>
Basic EPS		
Net income attributable to the Company	<u>\$ 928,294</u>	<u>928,633</u>
Weighted average number of common shares outstanding (Shares in thousands)	<u>\$ 62,777</u>	<u>60,280</u>
Basic EPS (in NT\$)	<u>\$ 14.79</u>	<u>15.41</u>

	<u>2025</u>	<u>2024</u>
Diluted EPS		
Net income attributable to the Company's common stock equity holders (basic)	<u>\$ 928,294</u>	<u>928,633</u>
Weighted average number of common shares outstanding (basic)	62,777	60,280
Effects of all dilutive potential common shares		
Employee stock options	54	71
The impact of employee stock-based compensation	<u>1,114</u>	<u>922</u>
Weighted average number of common shares outstanding (adjusted for the effects of dilutive potential common shares)	<u>63,945</u>	<u>61,273</u>
Diluted EPS (in NT\$)	<u>\$ 14.52</u>	<u>15.16</u>

(r) Revenue from Contracts with Customers

(i) Detailed breakdown of revenue

	<u>2025</u>	<u>2024</u>
Revenue recognized from contracts with customers	<u>\$ 7,478,397</u>	<u>5,829,100</u>
Rental income from investment property	<u>1,662</u>	<u>2,062</u>
	<u>\$ 7,480,059</u>	<u>5,831,162</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(ii) Disaggregation of revenue

	<u>2025</u>	<u>2024</u>
Main geographical markets:		
Americas	\$ 6,936,748	5,611,676
Others	543,311	219,486
Total	<u>\$ 7,480,059</u>	<u>5,831,162</u>
Main product/service lines:		
Revenue from sale of garments	\$ 7,477,093	5,829,100
Revenue from garment processing	1,304	-
Revenue from leases	1,662	2,062
	<u>\$ 7,480,059</u>	<u>5,831,162</u>

(iii) Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Accounts receivable	\$ 2,180,967	1,407,048	896,837
Less: Loss allowance	(66,912)	(63,017)	(70,489)
Total	<u>\$ 2,114,055</u>	<u>1,344,031</u>	<u>826,348</u>
Contract liabilities	<u>\$ 41,788</u>	<u>196</u>	<u>667</u>

Please refer to Note 6(e) for the disclosure of notes and accounts receivable and their impairment.

(s) Employee Compensation and Directors' and Supervisors' Remuneration

On April 25, 2025, the Company resolved at the annual shareholders' meeting to amend its Articles of Incorporation. In accordance with the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 0.1% shall be allocated as employee remuneration (including a minimum of 0.1% to those base-level employees) and a maximum of 5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 0.1% should be allocated as employee remuneration and no more than 5% as remunerations for directors and supervisors. However, when the company still has a deficit, it should reserve the amount needed to cover the deficit in advance and then allocate the compensation to employees and remuneration to directors according to the aforementioned proportions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

The compensation to employees can be distributed in the form of stock or cash, and eligible recipients include employees of controlled or affiliated companies who meet certain conditions. The distribution proposal of compensation to employees and remuneration to directors, once resolved by the Board of Directors, will be reported to the Shareholders' Meeting.

In 2025 and 2024, the estimated amounts of compensation to employees were NT\$9,500 thousand and NT\$9,489 thousand, respectively. The estimated amounts of remuneration to directors and supervisors were both NT\$0 thousand. These estimations were based on the amount of the income before tax for these periods, before deducting the compensation to employees and remuneration to directors multiplied by the distribution percentages stipulated in the Company's Articles of Incorporation. These amounts were reported as operating expenses for those periods. If there is any discrepancy between the actual distribution amount in the following year and the estimated amounts, it will be accounted for as a change in accounting estimates, and the impact of this change will be recognized in the profit and loss of the following year. There is no significant difference between the amounts of compensation to employees and remuneration to directors approved by the Board of Directors and the amounts reported in the Company's financial statements for 2025 and 2024. The relevant information is available at the Market Observation Post System website.

(t) Non-Operating Income and Expenses

(i) Interest income

The details of the interest income of the Group for 2025 and 2024 are as follows:

	2025	2024
Interest on bank deposits	\$ 37,047	69,699
Bond interest income	37,750	41,998
Others	975	319
	<u>\$ 75,772</u>	<u>112,016</u>

(ii) Other income

The details of other income of the Group for 2025 and 2024 are as follows:

	2025	2024
Sample revenue	\$ 9,118	5,373
Compensation income from suppliers	6,551	6,227
Rental income	46	46
Others	19,162	19,116
	<u>\$ 34,877</u>	<u>30,762</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(iii) Other gains and losses

The details of other gains and losses of the Group for 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Gain on disposal of property, plant and equipment	\$ 18,427	-
Foreign exchange gains	21,966	112,375
(Loss) Gain from financial assets at FVTPL	(32,335)	7,969
Others	(5,010)	(11,078)
	<u><u>\$ 3,048</u></u>	<u><u>109,266</u></u>

(iv) Finance costs

The details of finance costs of the Group for 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Interest expense	\$ 10,450	7,310
Other financial expense	1,442	1,324
	<u><u>\$ 11,892</u></u>	<u><u>8,634</u></u>

(u) Financial Instruments

(i) Credit risk

1) Maximum credit risk exposure amount

The carrying amount of financial assets and contract assets represents the maximum credit exposure amount.

2) Credit risk concentration

In 2025 and 2024, the accounts receivable balances of the Group were 82% and 86%, respectively, comprised of four customers, leading to a significant concentration of credit risk for the Company. To mitigate credit risk, the Group continuously evaluates the financial status of its customers and periodically assesses the collectability of accounts receivable, recognizing loss allowances for impairment. The impairment losses remain within the expectations of the management.

Liquidity risk is the risk that the Group will be unable to deliver cash or other financial assets to settle financial liabilities, thereby failing to fulfill its obligations. The table below shows the contractual maturity dates of financial liabilities, excluding the impact of estimated interest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(ii) Liquidity risk

The table below shows the contractual maturity dates of financial liabilities, including estimated interest but excluding the impact of netting agreements.

	Carrying Amount	Contractual Cash Flows	Within 6 Months	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
December 31, 2025							
Non-derivative financial							
liabilities							
Short-term loans	\$ 314,268	320,929	320,929	-	-	-	-
Notes payable	5,980	5,980	5,980	-	-	-	-
Accounts payable	709,757	709,757	709,757	-	-	-	-
Other payables	237,631	237,631	237,631	-	-	-	-
Lease liabilities	77,794	83,436	16,250	14,561	22,785	13,912	15,928
Deposits received	24	24	-	-	-	24	-
Derivative financial liabilities							
Forward foreign exchange							
contract	2,082	2,082	2,082	-	-	-	-
	<u>\$ 1,347,536</u>	<u>1,359,839</u>	<u>1,292,629</u>	<u>14,561</u>	<u>22,785</u>	<u>13,936</u>	<u>15,928</u>
December 31, 2024							
Non-derivative financial							
liabilities							
Notes payable	\$ 1,377	1,377	1,377	-	-	-	-
Accounts payable	599,963	599,963	599,963	-	-	-	-
Other payables	169,610	169,610	169,610	-	-	-	-
Lease liabilities	91,448	97,458	16,204	12,575	22,122	28,629	17,928
Deposits received	443	443	-	-	-	443	-
	<u>\$ 862,841</u>	<u>868,851</u>	<u>787,154</u>	<u>12,575</u>	<u>22,122</u>	<u>29,072</u>	<u>17,928</u>

The Group does not anticipate that the timing of cash flows in the maturity date analysis will be significantly expedited, nor that the actual amount will differ significantly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(iii) Currency risk

1) Currency risk exposure

The significant financial assets and liabilities of the Group exposed to substantial foreign currency risk were as follows:

	December 31, 2025			December 31, 2024		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 83,475	USD/NTD=	31.410	2,621,950	79,696 USD/NTD=	32,785 2,612,833
RMB	11,015	RMB/NTD=	4.493	49,490	10,997 RMB/NTD=	4.479 49,256
AUD	-	AUD/NTD=	20.995	-	8,907 AUD/NTD=	20,380 181,525
HKD	7,351	HKD/NTD=	4.036	29,665	6,654 HKD/NTD=	4,224 28,103
JPY	897,456	JPY/NTD=	0.201	179,940	747,167 JPY/NTD=	0.210 156,830
USD:VND	1,432	USD/VND=	26.227	44,979	690 USD/VND=	25,401 22,622
USD:MGA	1,358	USD/MGA=	4,575.390	42,655	1,124 USD/MGA=	4,692.380 36,850
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	34,617	USD/NTD=	31.410	1,087,320	17,659 USD/NTD=	32,785 578,950
RMB	26	RMB/NTD=	4.393	117	34 RMB/NTD=	4.479 152
USD:VND	7	USD/VND=	26.227	220	5 USD/VND=	25,401 164
USD:MGA	1,129	USD/MGA=	4,575.390	35,462	1,131 USD/MGA=	4,692.380 37,080

2) Sensitivity analysis

The currency risk of the Group primarily arises from cash and cash equivalents, accounts receivable, Financial assets at FVTPL, accounts payable, and other payables denominated in foreign currencies, resulting in foreign exchange gains or losses during translation. If the NTD depreciates or appreciates by 1% against the USD, RMB, AUD, HKD, JPY, VND, and MGA, with all other factors remaining unchanged, the income before tax for 2025 and 2024 will increase or decrease by NT\$18,456 thousand and NT\$24,717 thousand, respectively. The analyses for the two periods are based on the same foundation.

3) Exchange gain (loss) on monetary items

Due to the variety of functional currencies in the Group, the exchange gain (loss) on monetary items was disclosed in an aggregated manner. In 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized) was NT\$21,966 thousand and NT\$112,375 thousand, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.25%, with all other variables remaining unchanged, the Group's net income for 2025 and 2024 will decrease or increase by NT\$344 thousand and NT\$1,172 thousand, respectively, mainly due to the variable rate borrowings and bank deposits of the Group.

(v) Fair value information

1) Categories and fair value of financial instruments

The financial assets at FVTPL and financial assets at FVOCI of the Group are measured at fair value on a recurring basis. The carrying amounts and fair values of each category of financial assets and liabilities (including fair value hierarchy information, and the fair value information is not required to be disclosed for the carrying amounts of financial instruments not measured at fair value which approximate fair value, as well as lease liabilities) are listed below:

		December 31, 2025			
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
International bonds	\$ 273,283	-	273,283	-	273,283
Foreign stocks	23,483	23,483	-	-	23,483
Structured products	377,311	-	377,311	-	377,311
Subtotal	674,077	23,483	650,594	-	674,077

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

December 31, 2025					
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
International bonds	192,996	-	192,996	-	192,996
Subtotal	192,996	-	192,996	-	192,996
Financial assets at amortized costs					
Cash and cash equivalents	1,987,619	-	-	-	-
Time deposits exceeding three months	1,206,139	-	-	-	-
Corporate bond	210,466	-	-	-	-
Accounts receivable	2,114,055	-	-	-	-
Other receivables	47,172	-	-	-	-
Refundable deposits	6,428	-	-	-	-
Other financial assets	1,500	-	-	-	-
Subtotal	5,573,379	-	-	-	-
Total	\$ 6,440,452	23,483	843,590	-	867,073
Financial liabilities					
mandatorily measured at FVTPL					
Forward foreign exchange contract	\$ 2,082	-	2,082	-	2,082
Financial liabilities at amortized costs					
Short-term loans	314,268	-	-	-	-
Notes payable	5,980	-	-	-	-
Accounts payable	709,757	-	-	-	-
Other payables	237,631	-	-	-	-
Lease liabilities	77,794	-	-	-	-
Deposits received	24	-	-	-	-
Subtotal	1,345,454	-	-	-	-
Total	\$ 1,347,536	-	2,082	-	2,082
December 31, 2024					
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
International bonds	\$ 758,946	-	758,946	-	758,946
Foreign stocks	28,102	28,102	-	-	28,102
Structured products	64,979	-	64,979	-	64,979
Subtotal	852,027	28,102	823,925	-	852,027

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

		December 31, 2025			
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets at					
amortized costs					
Cash and cash equivalents	825,496	-	-	-	-
Time deposits exceeding three months	1,147,871	-	-	-	-
Accounts receivable	1,344,031	-	-	-	-
Other receivables	47,940	-	-	-	-
Refundable deposits	6,469	-	-	-	-
Other financial assets	17,868	-	-	-	-
Subtotal	3,389,675	-	-	-	-
Total	\$ 4,241,702	28,102	823,925	-	852,027
Financial liabilities at					
amortized costs					
Notes payable	\$ 1,377	-	-	-	-
Accounts payable	599,963	-	-	-	-
Other payables	169,610	-	-	-	-
Lease liabilities	91,448	-	-	-	-
Deposits received	443	-	-	-	-
Subtotal	862,841	-	-	-	-
Total	\$ 862,841	-	-	-	-

2) Fair value valuation techniques for measuring the financial instruments at fair value

The methods and assumptions used by the Group to estimate instruments measured at fair value are as follows:

A. Non-derivative financial instruments

If there is a quoted price in an active market for financial instruments, the fair value is determined based on this quoted price in the active market. The announced market prices by major exchanges and the over-the-counter trading center for central government bonds deemed to be active are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in an active market.

If a quoted price for financial instruments can be obtained timely and frequently from the exchanges, brokers, underwriters, industrial associations, pricing service agencies or competent authorities, and the price represents fair market transaction that is actual and often occurs, then such financial

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

instrument has quoted price in an active market. If the above conditions are not met, the market is considered inactive. Generally, wide bid-ask spreads, significant increases in bid-ask spreads, or very low trading volumes are all indicators of an inactive market.

The financial instruments held by the Group are distinguished as follows according to the valuation sources used to determine their fair values:

- Financial instruments with an active market: Listed stocks are assets with standard terms and conditions and traded in an active market, and their fair value is determined based on market quotations.
- Financial instruments without an active market: the fair value of equity investments in non-publicly traded stocks is estimated using comparable publicly traded companies' market approach. The primary assumptions are based on the investee's net value and the valuation multiples derived from the market quotations of comparable publicly traded companies. The estimated amount has been adjusted for the discount impact due to the lack of market liquidity of the equity securities.

B. Derivative financial instruments

The evaluation is based on the valuation models widely accepted by market participants, such as discounted cash flow method and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rates. Structured interest rate derivative financial instruments are measured using appropriate option pricing models (e.g., the Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

(v) Financial Risk Management

(i) Overview

The Group is exposed to the following risks due to the use of financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note includes information on the exposure to the aforementioned risks of the Group, as well as the objectives, policies, and procedures for measuring and managing these risks. For further quantitative disclosures, please refer to the respective notes of the Notes to Consolidated Financial Statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(ii) Risk management framework

The Board of Directors is fully responsible for controlling and supervising the risk management framework of the Group. In the event of significant interest rate or exchange rate changes, severe inflation, or the company engaging in high-risk, high-leverage investments, financings provided, endorsements/guarantees, and derivative transactions, the finance department will present an evaluation plan and benefit analysis. These will be submitted for approval to the authorized management in accordance with the duty authority management measures or relevant regulations. Depending on the type and amount of the transaction, prior approval or subsequent acknowledgment by the Board of Directors may be required.

(iii) Credit risk

The primary potential credit risk of the Group arises from cash and deposits in banks, accounts receivable, and securities investments.

1) Accounts receivable

The policy adopted by the Group is to trade only with reputable counterparties and obtain collateral when necessary to mitigate the risk of financial loss due to defaults. The Group only engages in transactions with entities that have credit ratings equivalent to investment grade. Such information is provided by independent rating agencies; if such information cannot be obtained, the Group will use other publicly available financial information and transaction records to rate major customers. The Group continuously monitors credit exposure and the credit ratings of counterparties, disperses the total transaction amount to customers with qualified credit ratings, and controls credit exposure by reviewing and approving counterparties' credit limits.

The Group does not hold any collateral or other credit enhancements to mitigate the credit risk of financial assets.

2) Investment

The credit risk of bank deposits and other financial instruments is measured and monitored by the financial department of the Group. Because the counterparties and obligors of the Group are reputable banks and organizations with investment grade or higher credit ratings, there are no significant concerns regarding performance, hence no significant credit risk.

3) Guarantee

As of December 31, 2025 and 2024, other than the endorsements and guarantees provided by the Company for its 100%-owned subsidiaries, the Group has not provided any other endorsements or guarantees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(iv) Liquidity risk

The Group manages and maintains adequate levels of cash and cash equivalents to support its operations and mitigate the impact of fluctuations in the financing cash flow. The management of the Group supervises the use of bank financing facilities and ensures compliance with the terms of loan agreements.

Bank loans are an important source of liquidity for the Group. As of December 31, 2025 and 2024, the unused short-term bank financing facilities of the Group amounted to NT\$3,780,162 thousand and NT\$3,459,105 thousand, respectively.

(v) Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates, and prices of equity instruments, will affect the income of the Group or the value of the financial instruments it holds. The objective of market risk management is to control the exposure to market risk within an acceptable level and to optimize investment returns.

1) Currency risk

The Group is exposed to currency risk arising from sales and purchases that are not denominated in the Group's functional currency. The functional currency of the Group is primarily NTD. The main denominated currencies for these transactions are NTD and USD.

Loan interest is denominated in the currency of the principal of the borrowings. In general, the currency denomination of the loans is the same as the currency of the financing cash flow generated from the Group's operations, which is primarily NTD.

Regarding other monetary assets and liabilities denominated in foreign currencies, when short-term imbalances occur and the exposure amount is significant, the Group may, if necessary, buy or dispose of foreign currencies at spot exchange rates to ensure that the net exposure remains at an acceptable level.

2) Interest rate risk

The Group may face financing cash flow risk due to borrowing funds at floating interest rates.

3) Other market price risk

The Group is exposed to equity price risk due to investments in publicly traded equity securities. The equity investment is not held for trading but is a strategic investment. The Group does not actively trade these investments. The

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

management of the Group manages the risk by holding a portfolio of investments with varying risks. The Group's equity price risk is primarily concentrated in equity instruments of the Internet industry listed on the Hong Kong Stock Exchange. In addition, the Group assigns a specific team to monitor price risks and assess when hedge positions need to be added for hedged risks.

(w) Capital Management

The Board of Directors' policy is to maintain a sound capital base to uphold investor, creditor, and market confidence and to support the company's future operational development. Capital includes the Group's share capital, capital surplus, retained earnings, and other equity.

To enhance shareholder value, the Group regularly reviews its return on capital. The return on capital for the Group in the years 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Net income	<u>\$ 929,877</u>	<u>929,364</u>
Total equity	<u>\$ 6,962,200</u>	<u>4,965,064</u>
Return on capital	<u>13.36%</u>	<u>18.72%</u>

(x) Non-cash Transactions of Investment and Financing Activities

Non-cash transactions of investment and financing activities of the Group for 2025 and 2024 are as follows:

	<u>January 1,</u>		<u>Non-Cash Changes</u>		<u>December</u>
	<u>2025</u>	<u>Financing</u>	<u>Additions</u>	<u>Exchange</u>	<u>31, 2025</u>
		<u>Cash Flow</u>		<u>Rate</u>	
				<u>Changes</u>	
Short-term loans	\$ -	314,268	-	-	314,268
Lease liabilities	91,448	(31,017)	21,369	(4,006)	77,794
Deposits received	443	(388)	-	(31)	24
Total liabilities arising from financing activities	<u>\$ 91,891</u>	<u>282,863</u>	<u>21,369</u>	<u>(4,037)</u>	<u>392,086</u>

	<u>January 1,</u>		<u>Non-Cash Changes</u>		<u>December</u>
	<u>2024</u>	<u>Financing</u>	<u>Additions</u>	<u>Exchange</u>	<u>31, 2024</u>
		<u>Cash Flow</u>		<u>Rate</u>	
				<u>Changes</u>	
Lease liabilities	\$ 84,597	(30,797)	33,755	3,893	91,448
Deposits received	418	17	-	8	443
Total liabilities arising from financing activities	<u>\$ 85,015</u>	<u>(30,780)</u>	<u>33,755</u>	<u>3,901</u>	<u>91,891</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(7) Related-party transactions

(a) Related party name and categories

The related parties that had transactions with the Group during the period covered by the consolidated financial statements are as follows:

<u>Related Party Name</u>	<u>Nature of Relationship with the Group</u>
Hsu Kung Jen	The Company's chairman
Dei You Investment CO., Ltd.	The entity's chairman is the first immediate family of the chairman of the Company (Note)
Jyun You Investment Ltd.	The Company and that company's chairman is the same person.

Note: Dei You Investment CO., Ltd. appointed a new chairman on August 6, 2025.

(b) Significant transactions with related parties

(i) Leases

On June 1, 2025, the Group leased a building from other related parties, and signed a 2-year lease contract with a total contract value of NT\$1,630 thousand. Interest expenses of NT\$20 thousand and NT\$15 thousand were recognized for 2025 and 2024, respectively. As of December 31, 2025 and 2024, the balances of lease liabilities were NT\$1,162 thousand and NT\$346 thousand, respectively.

(ii) Others

The Group accrued rental income of NT\$46 thousand from other related parties for 2025 and 2024.

(c) Key Management Personnel Transactions

Compensation of key management personnel includes:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 21,158	21,272
Post-employment benefits	510	527
Share-based payments	918	879
	<u>\$ 22,586</u>	<u>22,678</u>

For an explanation regarding share-based payments, please refer to Note 6(p).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(8) Assets pledged as security

The details of the carrying value of assets provided as collateral by the Group are as follows:

Asset Name	Collateral Subject	December 31, 2025	December 31, 2024
Restricted assets (listed under “other financial assets – current”)	Short-term loan limit, customs pledge establishment and bank deposit reserve account	\$ 1,500	17,868
Property, plant and equipment	Short-term notes payable	91,002	91,183
		\$ 92,502	109,051

(9) Significant Commitments and Contingencies

(a) Significant and Unrecognized Commitments

	December 31, 2025	December 31, 2024
Acquisition of property, plant, and equipment	\$ 85,636	38,950

(b) The unused letters of credit issued by the Group

	December 31, 2025	December 31, 2024
The unused letters of credit issued	\$ 3,998	58,954

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Others

(a) Employee benefits, depreciation, depletion, and amortization expenses summarized by function are as follows:

Function Nature	2025			2024		
	Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits expenses						
Salary expenses	384,968	249,947	634,915	388,340	224,708	613,048
Labor and health insurance expenses	16,530	20,343	36,873	14,149	17,756	31,905
Pension expenses	28,236	13,575	41,811	33,214	13,161	46,375
Remuneration to directors	-	1,440	1,440	-	1,440	1,440
Other employee benefits expenses	43,364	25,278	68,642	44,271	22,771	67,042
Depreciation expense	53,787	25,839	79,626	53,346	23,010	76,356
Amortization expense	438	1,539	1,977	438	1,336	1,774

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(13) Other Disclosures

(a) Relevant Information on Significant Transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties:

Unit: NT\$ in Thousands

No	Name of Guarantees	Counter-party of guarantee or endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	BAOBAB	2	1,390,798	664,200	314,100	-	-	4.52%	3,476,999	Y	N	N

Note1: Based on the Company's guidelines, the aggregate amount of guarantee and endorsement provided to others cannot exceed 50% of the Company's issued capital, while the guarantee and endorsement for an individual counterparty cannot exceed 20% of the Company's issued capital.

Note2: Relationship with the Company are listed as below:

- (1) A company with which it does business.
- (2) A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
- (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
- (4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
- (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(iii) Material securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Unit: NT\$ in Thousands per Share

Held Company Name	Marketable Securities Type and Name	Relationship with Marketable Securities Issuers	Financial Statement Account	Period-End				Maximum Interim Ownership Ratio	Note
				Shares/Units	Carrying Amount	Ownership Ratio	Fair Value		
The Company	Alibaba Group Holding Ltd	None	Financial assets at FVTPL - current	40,750	23,483	-	23,483	-%	
The Company	Apple Inc. 4.25%	None	Financial assets at FVTPL - current	-	27,273	-	27,273	-%	
The Company	Walmart Inc. 4.5%	None	Financial assets at FVTPL - current	-	28,310	-	28,310	-%	
The Company	Microsoft Corp. 2.921%	None	Financial assets at FVTPL - current	-	41,621	-	41,621	-%	
The Company	Amazon.com Inc. 2.7%	None	Financial assets at FVTPL - current	-	53,089	-	53,089	-%	
The Company	Agricultural Bank of China (HK) Bonds	None	Financial assets at FVTPL - non-current	-	19,048	-	19,048	-%	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

Held Company Name	Marketable Securities Type and Name	Relationship with Marketable Securities Issuers	Financial Statement Account	Period-End				Maximum Interim Ownership Ratio	Note
				Shares/Units	Carrying Amount	Ownership Ratio	Fair Value		
The Company	Bank of China (NY) Bond	None	Financial assets at FVTPL - non-current	-	29,616	-	29,616	-%	
The Company	TSMC BOND	None	Financial assets at FVTPL - non-current	-	50,746	-	50,746	-%	
The Company	UBS GROUP AG	None	Financial assets at FVTPL - non-current	-	23,580	-	23,580	-%	
The Company	CLN-Ennoconn Technology Co., Ltd Domestic Fifth Time Unsecured Convertible Bond	None	Financial assets at FVTPL - current	-	57,052	-	57,052	-%	
The Company	CLN-Ennoconn Technology Co., Ltd Domestic Fifth Time Unsecured Convertible Bond	None	Financial assets at FVTPL - current	-	40,088	-	40,088	-%	
The Company	CLN-WPG Holdings Domestic Second Unsecured Convertible Bonds	None	Financial assets at FVTPL - non-current	-	90,286	-	90,286	-%	
The Company	CLN-TCC Group Holdings Domestic First Unsecured Convertible Bonds	None	Financial assets at FVTPL - non-current	-	89,754	-	89,754	-%	
The Company	CLN-Bafang Yunji International Co., Ltd. Domestic First Unsecured Convertible Bond	None	Financial assets at FVTPL - non-current	-	56,381	-	56,381	-%	
The Company	CLN-Bafang Yunji International Co., Ltd. Domestic Second Unsecured Convertible Bond	None	Financial assets at FVTPL - non-current	-	23,695	-	23,695	-%	
The Company	CLN-Far East New Century Co., Ltd. Domestic First Unsecured Exchange Company Bond	None	Financial assets at FVTPL - non-current	-	20,055	-	20,055	-%	
The Company	For unsecured Cumulative Subordinated Corporate Bonds of Cathay Life Insurance Co., Ltd.	None	Financial assets at amortized cost - non-current	-	30,207	-	30,207	-%	
The Company	For unsecured Cumulative Subordinated Corporate Bonds of Fubon Life Insurance Co., Ltd.	None	Financial assets at amortized cost - non-current	-	180,259	-	180,259	-%	
The Company	Forward foreign exchange contract	None	Financial liabilities at FVTPL - current	-	2,082	-	2,082	-%	
GLI	Citibank N.A. Bonds, 4.914%	None	Financial assets at FVOCI - non-current	-	32,384	-	32,384	-%	
GLI	HSBC Holdings PLC 4.95%	None	Financial assets at FVOCI - non-current	-	32,258	-	32,258	-%	
GLI	Bank of America Corp. 4.948%	None	Financial assets at FVOCI - non-current	-	31,862	-	31,862	-%	
GLI	JPMorgan Chase & Co. 6.087%	None	Financial assets at FVOCI - non-current	-	33,119	-	33,119	-%	
GLI	HSBC Holdings PLC 4.583%	None	Financial assets at FVOCI - non-current	-	31,740	-	31,740	-%	
GLI	Morgan Stanley 4.431%	None	Financial assets at FVOCI - non-current	-	31,633	-	31,633	-%	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

- (iv) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

Unit: NT\$ in Thousands

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases /Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Balance	% to Total Notes/Accounts Payable or Receivable	
The Company	GGI	Sub-subsidiary of the Company	Processing fee	555,237	10.98 %	Note 1	Note 1	Note 1	(66,358)	(9.27)%	Note 2
The Company	GAMA	Subsidiary of the Company	Processing fee	358,120	7.08 %	Note 1	Note 1	Note 1	(35,235)	(4.92)%	Note 2
The Company	GV	Sub-subsidiary of the Company	Processing fee	291,912	5.77 %	Note 1	Note 1	Note 1	(46,009)	(6.43)%	Note 2

Note1: Taking into account the costs incurred, an agreement is made, with partial payment made as prepaid expenses.

Note2: The above transactions have been written off during the preparation of the consolidated financial statements.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

- (vi) Business relationships and significant intercompany transactions:

Unit: NT\$ in Thousands

No. (Note 1)	Company Name	Counterparty	Nature of Relationships (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms (Note 3)	Percentage of Consolidated Net Revenue or Total Assets
1	GGI	The Company	4	Processing fee	555,237	Prepaid expenses	7.42%
1	GGI	The Company	4	Accounts payables	66,358	"	0.78%
1	GGI	The Company	4	Prepaid expenses	52,442	"	0.61%
2	GAMA	The Company	1	Processing fee	358,120	"	4.79%
2	GAMA	The Company	1	Accounts payables	35,234	"	0.41%
2	GAMA	The Company	1	Prepaid expenses	9,106	"	0.11%
3	GV	The Company	4	Processing fee	291,912	"	3.90%
3	GV	The Company	4	Accounts payables	46,010	"	0.54%
3	GV	The Company	4	Prepaid expenses	46,747	"	0.55%

Note1: The nature of relationships is marked as follows:

(1) 0 represents the parent company.

(2) Subsidiaries are sequentially numbered starting with the Arabic numeral 1 by company.

Note2: The nature of relationships is marked as follows:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

(4) Parent company to sub-subsidiary.

Note3: Only disclose unilateral information such as sales, revenue, and accounts receivable. The corresponding purchases, expenses, and accounts payable are not further elaborated.

Note4: The above transactions have been written off during the preparation of the consolidated statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(b) Information on investees:

The following is the information on investees for the year 2025:

Unit: NT\$ in Thousands per Share

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Period-End Holdings			Maximum Interim Ownership Ratio	Investee Company's Profit and Loss for the Current Period	Profit and Loss on Investments Recognized for the Current Period	Note
				Current Period-End	Last Year-End	Shares	Ratio	Carrying Amount				
The Company	GLI	British Virgin Islands	Investment activities and businesses	912,769	249,466	42,350	100.00%	858,569	100.00%	70,710	57,398	Note 1
The Company	GVI	Republic of Vietnam	Outsourcing Management Center	90,410	90,410	-	100.00%	51,951	100.00%	(574)	(574)	Note 1
The Company	GAMA	Republic of Madagascar	Garment processing and manufacturing activities and businesses	106,407	106,407	44,000	100.00%	95,372	100.00%	6,048	8,897	Note 1
The Company	BAOBAB	Republic of Madagascar	Garment processing and manufacturing activities and businesses	177,627	95,806	841,733	100.00%	167,256	100.00%	(4,563)	(4,563)	Note 1
The Company	GGS	Republic of Ghana	Garment processing and manufacturing activities and businesses	-	-	-	- %	-	- %	-	-	Note 1、2
GLI	GGI	Republic of Vietnam	Garment processing and manufacturing activities and businesses	123,888	123,888	-	100.00%	75,944	100.00%	46,016	36,216	Note 1
GLI	GV	Republic of Vietnam	Garment processing and manufacturing activities and businesses	114,830	114,830	-	91.76%	107,564	91.76%	19,210	14,200	Note 1

Note 1: These transactions have been written off during the preparation of the consolidated financial statements.

Note 2: Please refer to Note 4(c) for details.

(c) Information on investment in mainland China: None.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)

(14) Segment Information

(a) General information

The Company and its subsidiaries are primarily engaged in the manufacturing and sale of garments. The Board of Directors of the Company and its subsidiaries evaluate performance and allocate resources on a group-wide basis. The identified reportable operating segment is the garment sales and manufacturing segment. Other operating segments are mainly involved in sample design, sample production, and outsourcing management. These segments did not meet any quantitative thresholds for reportable segments in both the years 2025 and 2024.

(b) Information on the reportable segments' profits and losses, assets, liabilities, and their measurement basis and reconciliation

The Group has a reportable segment, which serves as its strategic business unit. Each strategic business unit offers different products and services and is managed separately due to the different technologies and marketing strategies required. the Group's chief operating decision makers regularly review the internal management reports of each strategic business unit. The operating summary of the reportable segment of the Group is as follows:

	2025			
	Garment Sales and Manufacturing	Others	Adjustments and Disposals	Total
Income:				
Revenue from external customers	7,478,397	1,662	-	7,480,059
Inter-departmental income	<u>1,205,269</u>	<u>1,898</u>	<u>(1,207,167)</u>	<u>-</u>
Total income	<u><u>\$ 8,683,666</u></u>	<u><u>3,560</u></u>	<u><u>(1,207,167)</u></u>	<u><u>7,480,059</u></u>
Information on the reportable segments' profits and losses	<u><u>\$ 1,002,072</u></u>	<u><u>(574)</u></u>	<u><u>(71,621)</u></u>	<u><u>929,877</u></u>
Assets of the reportable segments	<u><u>\$ 9,956,492</u></u>	<u><u>53,723</u></u>	<u><u>(1,473,068)</u></u>	<u><u>8,537,147</u></u>
Liabilities of the reportable segments	<u><u>\$ 1,837,872</u></u>	<u><u>1,771</u></u>	<u><u>(264,696)</u></u>	<u><u>1,574,947</u></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

2024				
	Garment Sales and Manufacturing	Others	Adjustments and Disposals	Total
Income:				
Revenue from external customers	5,829,100	2,062	-	5,831,162
Inter-departmental income	<u>1,058,548</u>	<u>2,060</u>	<u>(1,060,608)</u>	<u>-</u>
Total income	<u>\$ 6,887,648</u>	<u>4,122</u>	<u>(1,060,608)</u>	<u>5,831,162</u>
Information on the reportable segments' profits and losses	<u>\$ 921,244</u>	<u>(5,376)</u>	<u>13,496</u>	<u>929,364</u>
Assets of the reportable segments	<u>\$ 6,452,351</u>	<u>57,802</u>	<u>(530,828)</u>	<u>5,979,325</u>
Liabilities of the reportable segments	<u>\$ 1,163,231</u>	<u>1,196</u>	<u>(150,166)</u>	<u>1,014,261</u>

- (c) Product Information
Please refer to Note 6(r) for details.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF
GREAT GIANT FIBRE GARMENT CO., LTD. AND SUBSIDIARIES (CONTINUED)**

(d) Geography Information

The geographic information of the Group is as follows. The revenue is classified based on the geographical location of the customers, while non-current assets are classified based on the geographical location of the assets. Please refer to Note 6(r) for geography information on revenue.

Geography	December 31, 2025	December 31, 2024
Non-current assets:		
Taiwan	\$ 136,571	131,166
Vietnam	220,647	268,332
Madagascar	249,792	175,065
Total	<u>\$ 607,010</u>	<u>574,563</u>

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, but do not include financial instruments, deferred income tax assets, assets related to post-employment benefits.

(e) Main customer information

2025			2024		
Customer	Income	Percentage	Customer	Income	Percentage
B	\$ 3,105,275	42%	C	1,759,841	30%
C	1,621,594	22%	B	1,346,919	23%
D	615,136	8%	D	1,056,037	18%
E	497,037	7%	E	494,188	8%
	<u>\$ 5,839,042</u>	<u>79%</u>		<u>4,656,985</u>	<u>79%</u>