

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

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Kwong Lung Enterprise Co., Ltd. and its subsidiaries (collectively, the "Group") as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income or loss for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT\$3,191,669 thousand and NT\$2,901,354 thousand, respectively, representing 31% and 28%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,397,359 thousand and NT\$1,043,590 thousand, respectively, representing 27% and 22%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2025 and 2024, the amounts of combined comprehensive income or loss of these non-significant subsidiaries were NT\$(97,692) thousand and NT\$25,834 thousand, respectively, representing 24% and 9%, respectively, of the consolidated total comprehensive income or loss, and for the six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income or loss of these non-significant subsidiaries were NT\$(79,321) thousand and NT\$45,228 thousand, respectively, representing 26% and 9%, respectively, of the consolidated total comprehensive income or loss. In addition, as disclosed in Note 14, the

investments accounted for using the equity method, as of June 30, 2025 and 2024, were NT\$302,764 thousand and NT\$374,033 thousand, respectively, and the consolidated equity in these investees' net (loss) gain for the three months ended June 30, 2025 and 2024 amounted to NT\$(8,609) thousand and NT\$(8,058) thousand, respectively, and the consolidated equity in these investees' net (loss) gain for the six months ended June 30, 2025 and 2024 amounted to NT\$(14,992) thousand and NT\$(13,329) thousand, respectively, and the related investment amounts as well as additional disclosures are based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2025

Notice to Readers

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

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 672,186	6	\$ 629,085	6	\$ 645,853	6
Financial assets at fair value through profit or loss - current (Note 7)	13,815	-	9,700	-	3,980	-
Financial assets at amortized cost - current (Note 9)	435,457	4	437,284	4	541,255	5
Notes receivable (Note 10)	23,253	-	45,694	1	-	-
Trade receivables (Notes 10 and 32)	880,046	9	757,314	7	1,320,528	13
Other receivables (Notes 10 and 32)	310,649	3	325,440	3	377,271	4
Inventories (Note 12)	2,499,338	25	2,448,635	24	2,286,701	22
Other current assets (Notes 11 and 19)	<u>270,628</u>	<u>3</u>	<u>257,798</u>	<u>3</u>	<u>261,253</u>	<u>2</u>
Total current assets	<u>5,105,372</u>	<u>50</u>	<u>4,910,950</u>	<u>48</u>	<u>5,436,841</u>	<u>52</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	524,032	5	752,970	7	675,619	7
Investments accounted for using the equity method (Notes 14 and 32)	302,764	3	367,290	4	374,033	4
Property, plant and equipment (Note 15)	2,278,077	23	2,306,983	22	2,179,159	21
Right-of-use assets (Notes 16 and 32)	120,492	1	141,932	1	130,098	1
Investment properties, net (Notes 17 and 33)	1,581,475	16	1,604,624	16	1,413,642	14
Intangible assets (Note 18)	24,681	-	25,021	-	25,256	-
Deferred tax assets	79,495	1	55,067	1	44,256	-
Other non-current assets (Notes 11 and 19)	<u>120,472</u>	<u>1</u>	<u>111,155</u>	<u>1</u>	<u>126,880</u>	<u>1</u>
Total non-current assets	<u>5,031,488</u>	<u>50</u>	<u>5,365,042</u>	<u>52</u>	<u>4,968,943</u>	<u>48</u>
TOTAL	<u>\$ 10,136,860</u>	<u>100</u>	<u>\$ 10,275,992</u>	<u>100</u>	<u>\$ 10,405,784</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	\$ 1,738,554	17	\$ 1,204,039	12	\$ 1,385,613	13
Short-term bills payable (Notes 20 and 33)	164,847	2	145,424	2	145,845	1
Financial liabilities at fair value through profit or loss - current (Note 7)	8,783	-	4,552	-	5,567	-
Contract liabilities - current (Notes 24 and 32)	194,430	2	202,302	2	190,474	2
Notes payable	7,534	-	12,330	-	5,640	-
Trade payables (Note 32)	787,925	8	1,037,242	10	989,049	10
Other payables (Notes 21 and 32)	929,281	9	386,931	4	888,981	9
Current tax liabilities (Note 4)	33,192	-	56,187	1	90,875	1
Lease liabilities - current (Notes 16 and 32)	29,832	-	30,739	-	27,883	-
Current portion of long-term liabilities (Note 20)	274,187	3	238,274	2	200,989	2
Other current liabilities	<u>33,264</u>	<u>-</u>	<u>29,629</u>	<u>-</u>	<u>9,169</u>	<u>-</u>
Total current liabilities	<u>4,201,829</u>	<u>41</u>	<u>3,347,649</u>	<u>33</u>	<u>3,940,085</u>	<u>38</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	1,202	-	-	-	-	-
Long-term borrowings (Notes 20 and 33)	723,805	7	731,360	7	518,694	5
Deferred tax liabilities	137,316	1	118,628	1	119,000	1
Lease liabilities - non-current (Notes 16 and 32)	55,247	1	69,781	1	60,546	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	3,941	-	4,681	-	10,237	-
Other non-current liabilities (Note 32)	<u>39,186</u>	<u>1</u>	<u>31,929</u>	<u>-</u>	<u>28,749</u>	<u>-</u>
Total non-current liabilities	<u>960,697</u>	<u>10</u>	<u>956,379</u>	<u>9</u>	<u>737,226</u>	<u>7</u>
Total liabilities	<u>5,162,526</u>	<u>51</u>	<u>4,304,028</u>	<u>42</u>	<u>4,677,311</u>	<u>45</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 23, 28 and 30)						
Share capital						
Ordinary shares	1,513,515	15	1,511,202	15	1,507,776	14
Preference shares	2,698	-	2,801	-	3,533	-
Advance receipts for ordinary shares	<u>1,223</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>1,819</u>	<u>-</u>
Total share capital	<u>1,517,436</u>	<u>15</u>	<u>1,514,025</u>	<u>15</u>	<u>1,513,128</u>	<u>14</u>
Capital surplus	<u>2,261,526</u>	<u>22</u>	<u>2,254,850</u>	<u>22</u>	<u>2,245,428</u>	<u>22</u>
Retained earnings						
Legal reserve	790,899	8	726,885	7	726,885	7
Special reserve	-	-	94,005	1	94,005	1
Unappropriated earnings	<u>923,370</u>	<u>9</u>	<u>1,229,453</u>	<u>12</u>	<u>1,007,678</u>	<u>10</u>
Total retained earnings	<u>1,714,269</u>	<u>17</u>	<u>2,050,343</u>	<u>20</u>	<u>1,828,568</u>	<u>18</u>
Other equity interests						
Exchange differences on translation of the financial statements of foreign operations	(528,633)	(5)	(120,331)	(1)	(166,141)	(2)
Unrealized valuation gain on financial assets at fair value through other comprehensive income	<u>9,736</u>	<u>-</u>	<u>130,015</u>	<u>1</u>	<u>163,340</u>	<u>2</u>
Total other equity interests	<u>(518,897)</u>	<u>(5)</u>	<u>9,684</u>	<u>-</u>	<u>(2,801)</u>	<u>-</u>
Total equity attributable to owners of the Company	<u>4,974,334</u>	<u>49</u>	<u>5,828,902</u>	<u>57</u>	<u>5,584,323</u>	<u>54</u>
NON-CONTROLLING INTERESTS						
	<u>-</u>	<u>-</u>	<u>143,062</u>	<u>1</u>	<u>144,150</u>	<u>1</u>
Total equity	<u>4,974,334</u>	<u>49</u>	<u>5,971,964</u>	<u>58</u>	<u>5,728,473</u>	<u>55</u>
TOTAL	<u>\$ 10,136,860</u>	<u>100</u>	<u>\$ 10,275,992</u>	<u>100</u>	<u>\$ 10,405,784</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 7, 2025)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 32)	\$ 2,430,253	100	\$ 2,515,866	100	\$ 4,098,741	100	\$ 4,026,852	100
OPERATING COSTS (Notes 12, 25 and 32)	<u>(2,019,477)</u>	<u>(83)</u>	<u>(2,049,742)</u>	<u>(81)</u>	<u>(3,457,210)</u>	<u>(84)</u>	<u>(3,314,766)</u>	<u>(82)</u>
GROSS PROFIT	<u>410,776</u>	<u>17</u>	<u>466,124</u>	<u>19</u>	<u>641,531</u>	<u>16</u>	<u>712,086</u>	<u>18</u>
OPERATING EXPENSES (Notes 25 and 32)								
Selling and marketing expenses	(72,862)	(3)	(80,796)	(3)	(150,047)	(4)	(158,738)	(4)
General and administrative expenses	(90,711)	(4)	(99,583)	(4)	(190,195)	(4)	(195,215)	(5)
Research and development expenses	(13,646)	-	(12,621)	(1)	(26,796)	(1)	(25,202)	(1)
Expected credit gain (loss)	<u>4,970</u>	<u>-</u>	<u>2,491</u>	<u>-</u>	<u>(2,192)</u>	<u>-</u>	<u>(894)</u>	<u>-</u>
Total operating expenses	<u>(172,249)</u>	<u>(7)</u>	<u>(190,509)</u>	<u>(8)</u>	<u>(369,230)</u>	<u>(9)</u>	<u>(380,049)</u>	<u>(10)</u>
PROFIT FROM OPERATIONS	<u>238,527</u>	<u>10</u>	<u>275,615</u>	<u>11</u>	<u>272,301</u>	<u>7</u>	<u>332,037</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 32)								
Interest income	9,246	-	12,309	-	22,402	1	27,365	1
Other income	3,841	-	5,330	-	6,684	-	10,390	-
Other gains and losses	(105,929)	(4)	25,882	1	(66,826)	(2)	153,299	4
Finance costs	(12,501)	(1)	(8,894)	-	(24,035)	(1)	(18,263)	(1)
Share of loss of associates accounted for using the equity method	<u>(8,609)</u>	<u>-</u>	<u>(8,058)</u>	<u>-</u>	<u>(14,992)</u>	<u>-</u>	<u>(13,329)</u>	<u>-</u>
Total non-operating income and expenses	<u>(113,952)</u>	<u>(5)</u>	<u>26,569</u>	<u>1</u>	<u>(76,767)</u>	<u>(2)</u>	<u>159,462</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	124,575	5	302,184	12	195,534	5	491,499	12
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(23,391)</u>	<u>(1)</u>	<u>(55,750)</u>	<u>(2)</u>	<u>(43,012)</u>	<u>(1)</u>	<u>(98,553)</u>	<u>(2)</u>
NET PROFIT FOR THE PERIOD	<u>101,184</u>	<u>4</u>	<u>246,434</u>	<u>10</u>	<u>152,522</u>	<u>4</u>	<u>392,946</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME OR LOSS Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(12,154)	-	34,042	1	(28,223)	(1)	29,803	1
Unrealized (loss) gain on investments in equity instruments of associates at fair value through other comprehensive income	<u>(15,519)</u>	<u>(1)</u>	<u>2,065</u>	<u>-</u>	<u>(14,102)</u>	<u>-</u>	<u>11,234</u>	<u>-</u>
	<u>(27,673)</u>	<u>(1)</u>	<u>36,107</u>	<u>1</u>	<u>(42,325)</u>	<u>(1)</u>	<u>41,037</u>	<u>1</u>

(Continued)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ (467,239)	(19)	\$ (8,022)	-	\$ (408,302)	(10)	\$ 68,287	2
Unrealized (loss) gain on investments in debt investments at fair value through other comprehensive income	<u>(17,213)</u>	<u>(1)</u>	<u>283</u>	<u>-</u>	<u>(4,320)</u>	<u>-</u>	<u>6,263</u>	<u>-</u>
	<u>(484,452)</u>	<u>(20)</u>	<u>(7,739)</u>	<u>-</u>	<u>(412,622)</u>	<u>(10)</u>	<u>74,550</u>	<u>2</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(512,125)</u>	<u>(21)</u>	<u>28,368</u>	<u>1</u>	<u>(454,947)</u>	<u>(11)</u>	<u>115,587</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	<u>\$ (410,941)</u>	<u>(17)</u>	<u>\$ 274,802</u>	<u>11</u>	<u>\$ (302,425)</u>	<u>(7)</u>	<u>\$ 508,533</u>	<u>13</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 101,184	4	\$ 246,200	10	\$ 152,522	4	\$ 394,744	10
Non-controlling interests	<u>-</u>	<u>-</u>	<u>234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,798)</u>	<u>-</u>
	<u>\$ 101,184</u>	<u>4</u>	<u>\$ 246,434</u>	<u>10</u>	<u>\$ 152,522</u>	<u>4</u>	<u>\$ 392,946</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ (410,941)	(17)	\$ 274,592	11	\$ (302,425)	(7)	\$ 510,392	13
Non-controlling interests	<u>-</u>	<u>-</u>	<u>210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,859)</u>	<u>-</u>
	<u>\$ (410,941)</u>	<u>(17)</u>	<u>\$ 274,802</u>	<u>11</u>	<u>\$ (302,425)</u>	<u>(7)</u>	<u>\$ 508,533</u>	<u>13</u>
EARNINGS PER SHARE (Note 27)								
From continuing operations								
Basic	<u>\$ 0.67</u>		<u>\$ 1.64</u>		<u>\$ 1.00</u>		<u>\$ 2.62</u>	
Diluted	<u>\$ 0.67</u>		<u>\$ 1.62</u>		<u>\$ 1.00</u>		<u>\$ 2.60</u>	

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

(With Deloitte & Touche review report dated August 7, 2025)

(Concluded)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								Other Equity Interests		Non-controlling Interests	Total Equity	
	Share Capital				Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			Total
	Ordinary Shares	Preference Shares	Advance Receipts for Ordinary Shares	Subtotal		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE ON JANUARY 1, 2024	\$ 1,501,139	\$ 6,954	\$ -	\$ 1,508,093	\$ 2,233,250	\$ 668,803	\$ 95,491	\$ 1,187,483	\$ (234,489)	\$ 140,484	\$ 5,599,115	\$ 1,385	\$ 5,600,500
Appropriation of the 2023 earnings	-	-	-	-	-	58,082	-	(58,082)	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	(1,486)	1,486	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(540,704)	-	-	(540,704)	-	(540,704)
Cash dividends of preference shares	-	-	-	-	-	-	-	(1,579)	-	-	(1,579)	-	(1,579)
Changes in capital surplus from investment in associates accounted for using the equity method	-	-	-	-	1,166	-	-	-	-	-	1,166	-	1,166
Net profit (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	394,744	-	-	394,744	(1,798)	392,946
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	-	68,348	47,300	115,648	(61)	115,587
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	394,744	68,348	47,300	510,392	(1,859)	508,533
Convertible preference shares converted	3,421	(3,421)	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	-	-	-	(114)	-	-	(114)	(1,208)	(1,322)
Issuance of ordinary shares under employee share options	3,216	-	1,819	5,035	11,012	-	-	-	-	-	16,047	-	16,047
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	24,444	-	(24,444)	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	145,832	145,832
BALANCE ON JUNE 30, 2024	\$ 1,507,776	\$ 3,533	\$ 1,819	\$ 1,513,128	\$ 2,245,428	\$ 726,885	\$ 94,005	\$ 1,007,678	\$ (166,141)	\$ 163,340	\$ 5,584,323	\$ 144,150	\$ 5,728,473
BALANCE ON JANUARY 1, 2025	\$ 1,511,202	\$ 2,801	\$ 22	\$ 1,514,025	\$ 2,254,850	\$ 726,885	\$ 94,005	\$ 1,229,453	\$ (120,331)	\$ 130,015	\$ 5,828,902	\$ 143,062	\$ 5,971,964
Appropriation of the 2024 earnings	-	-	-	-	-	64,014	-	(64,014)	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(544,057)	-	-	(544,057)	-	(544,057)
Cash dividends of preference shares	-	-	-	-	-	-	-	(745)	-	-	(745)	-	(745)
Reversal of special reserve	-	-	-	-	-	-	(94,005)	94,005	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	-	152,522	-	-	152,522	-	152,522
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(408,302)	(46,645)	(454,947)	-	(454,947)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	-	152,522	(408,302)	(46,645)	(302,425)	-	(302,425)
Convertible preference shares converted	103	(103)	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	-	-	-	(17,428)	-	-	(17,428)	(143,062)	(160,490)
Issuance of ordinary shares under employee share options	2,210	-	1,201	3,411	6,676	-	-	-	-	-	10,087	-	10,087
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	73,634	-	(73,634)	-	-	-
BALANCE ON JUNE 30, 2025	\$ 1,513,515	\$ 2,698	\$ 1,223	\$ 1,517,436	\$ 2,261,526	\$ 790,899	\$ -	\$ 923,370	\$ (528,633)	\$ 9,736	\$ 4,974,334	\$ -	\$ 4,974,334

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

(With Deloitte & Touche review report dated August 7, 2025)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 195,534	\$ 491,499
Adjustments for:		
Depreciation expense	85,576	75,693
Amortization expense	450	2,281
Expected credit loss	2,192	894
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(3,830)	1,587
Finance costs	24,035	18,263
Interest income	(22,402)	(27,365)
Dividend income	(1,202)	-
Compensation costs of employee share options	711	2,041
Share of loss of associates accounted for using the equity method	14,992	13,329
(Gain) loss on disposal of property, plant and equipment	(10,611)	211
Gain on disposal of associates accounted for using the equity method	(801)	(83,401)
Write-downs of inventories	9,116	2,018
Net loss (gain) on foreign currency exchange	134,393	(38,537)
Other gains and losses	-	(7,570)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	9,700	6,019
Notes receivable	22,441	-
Trade receivables	(183,019)	(735,594)
Other receivables	984	(130,844)
Inventories	(45,974)	(346,970)
Other current assets	(12,649)	(45,481)
Financial liabilities held for trading	(4,552)	(3,561)
Notes payable	(4,796)	(5,266)
Trade payables	(236,899)	314,013
Contract liabilities	(7,872)	19,708
Other payables	(65,944)	(63,147)
Other current liabilities	3,635	1,370
Net defined benefit liabilities	(740)	(1,226)
Cash used in operations	(97,532)	(540,036)
Interest received	27,445	28,311
Interest paid	(23,451)	(17,638)
Income tax paid	(71,747)	(126,218)
Net cash used in operating activities	<u>(165,285)</u>	<u>(655,581)</u>

(Continued)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ -	\$ (242,198)
Proceeds from disposal of financial assets at fair value through other comprehensive income	153,035	-
Acquisition of financial assets at amortized cost	(90,304)	(146,925)
Proceeds from disposal of financial assets at amortized cost	55,638	207,151
Acquisition of associates	-	(72,383)
Net cash inflow on disposal of associates	5,378	210,811
Net cash outflow on acquisition of subsidiaries (Note 29)	-	(215,659)
Acquisition of property, plant and equipment	(113,202)	(211,965)
Proceeds from disposal of property, plant and equipment	11,416	2
Acquisition of intangible assets	(210)	(455)
Acquisition of investment properties	(707)	(96,851)
Increase in other non-current assets	(8,698)	(2,696)
Dividends received from associates	5,262	-
Dividends received	1,202	-
Net cash generated from (used in) investing activities	18,810	(571,168)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	534,515	836,916
Proceeds from short-term bills payable	19,423	-
Repayments of short-term bills payable	-	(26,255)
Proceeds from long-term borrowings	833,000	361,937
Repayments of long-term borrowings	(802,768)	(300,000)
Repayments of the principal portion of lease liabilities	(15,558)	(17,622)
Increase in other non-current liabilities	7,257	-
Decrease in other non-current liabilities	-	(437)
Proceeds from share options exercised	9,376	14,006
Acquisition of additional interests in subsidiaries	(80,245)	-
Changes in non-controlling interests	-	(1,322)
Net cash generated from financing activities	505,000	867,223
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(315,424)	82,298

(Continued)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended	
	June 30	
	2025	2024
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 43,101	\$ (277,228)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>629,085</u>	<u>923,081</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 672,186</u>	<u>\$ 645,853</u>

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

(With Deloitte & Touche review report dated August 7, 2025)

(Concluded)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 7, 2025.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

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

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

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

See Note 13, Table 7 and Table 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2024 for the material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,816	\$ 2,450	\$ 4,904
Checking accounts and demand deposits	644,611	611,012	628,293
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>25,759</u>	<u>15,623</u>	<u>12,656</u>
	<u>\$ 672,186</u>	<u>\$ 629,085</u>	<u>\$ 645,853</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets at FVTPL - current</u>			
Mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 13,815</u>	<u>\$ 9,700</u>	<u>\$ 3,980</u>

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial liabilities at FVTPL - current</u>			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ <u>8,783</u>	\$ <u>4,552</u>	\$ <u>5,567</u>
<u>Financial liabilities at FVTPL - non-current</u>			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	\$ <u>1,202</u>	\$ <u>-</u>	\$ <u>-</u> (Concluded)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2025</u>			
Buy	USD/JPY	2025.7.03-2026.8.20	USD6,693/JPY986,387
Buy	EUR/USD	2025.7.17-2026.2.12	EUR1,443/USD1,635
Buy	EUR/JPY	2025.12.30-2026.4.30	EUR1,510/JPY242,332
Sell	USD/NTD	2025.7.10-2025.10.15	USD14,000/NTD418,849
<u>December 31, 2024</u>			
Buy	EUR/NTD	2025.2.26-2025.4.11	EUR115/NTD3,917
Buy	EUR/USD	2025.1.16-2025.8.21	EUR3,752/USD4,057
Buy	USD/JPY	2025.2.6-2025.12.19	USD2,034/JPY302,593
Buy	USD/NTD	2025.1.10-2025.5.23	USD6,404/NTD202,692
Sell	USD/RMB	2025.1.21	USD1,000/RMB7,259
<u>June 30, 2024</u>			
Buy	EUR/USD	2024.7.25-2025.4.29	EUR3,193/USD3,504
Buy	USD/JPY	2024.10.4-2025.6.6	USD1,886/JPY283,886
Buy	EUR/JPY	2025.1.22-2025.4.30	EUR1,375/JPY227,864
Sell	USD/NTD	2024.7.15-2024.9.27	USD7,000/NTD223,512
Sell	USD/RMB	2024.10.24	USD200/RMB1,437

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Investments in equity instruments (a), (b)			
Domestic listed shares	\$ 45,462	\$ 226,720	\$ 254,204
Investments in debt instruments (c)			
Bonds	<u>478,570</u>	<u>526,250</u>	<u>421,415</u>
	<u>\$ 524,032</u>	<u>\$ 752,970</u>	<u>\$ 675,619</u>

- a. These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.
- b. The Group adjusted its investment positions to diversify risks and sold 3,000 thousand shares of common stock of Co-Tech Development Corporation at a fair value of NT\$153,035 thousand, and the related other equity - unrealized valuation gain on financial assets at fair value through other comprehensive income for an amount of NT\$73,634 thousand was transferred to the retained earnings.
- c. The Group held foreign corporate bonds with coupon rates ranging from 1.375% to 5.35%.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Domestic investments			
Restricted assets - pre-sale house trust account	\$ 24,220	\$ 2,863	\$ 10,571
Time deposits with original maturities of more than 3 months	<u>411,237</u>	<u>434,421</u>	<u>530,684</u>
	<u>\$ 435,457</u>	<u>\$ 437,284</u>	<u>\$ 541,255</u>

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

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
At amortized amount			
Gross carrying amount	\$ 23,253	\$ 45,694	\$ -
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,253</u>	<u>\$ 45,694</u>	<u>\$ -</u>
<u>Trade receivables (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 910,818	\$ 768,570	\$ 1,323,778
Less: Allowance for impairment loss	<u>(30,772)</u>	<u>(11,256)</u>	<u>(3,250)</u>
	<u>\$ 880,046</u>	<u>\$ 757,314</u>	<u>\$ 1,320,528</u>
<u>Other receivables</u>			
Sale of raw materials	\$ 397,136	\$ 402,380	\$ 454,835
Tax refund receivable	35,805	60,564	52,699
Interest receivable	11,960	17,003	19,759
Receivables from insurance claims*	17,324	-	-
Others	5,322	3,747	7,155
Less: Allowance for impairment loss	<u>(156,898)</u>	<u>(158,254)</u>	<u>(157,177)</u>
	<u>\$ 310,649</u>	<u>\$ 325,440</u>	<u>\$ 377,271</u>

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

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

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

The aging of receivables was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Less than 30 days	\$ 473,683	\$ 423,173	\$ 1,020,657
31-60 days	278,633	247,700	228,637
61-120 days	116,073	78,658	71,585
More than 121 days	<u>42,429</u>	<u>19,039</u>	<u>2,899</u>
	<u>\$ 910,818</u>	<u>\$ 768,570</u>	<u>\$ 1,323,778</u>

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

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

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 11,256	\$ 4,444
Add: Net remeasurement of loss allowance*	19,516	-
Less: Net remeasurement of loss allowance	<u>-</u>	<u>(1,194)</u>
Balance on June 30	<u>\$ 30,772</u>	<u>\$ 3,250</u>

* Certain trade receivables for which the Group recognized impairment loss are covered by credit insurance. The related insurance compensation is, as assessed by the Group, virtually certain to be received. Accordingly, other receivables of \$17,324 thousand related to such insurance compensation were recognized, and the related income was presented on a net basis under expected credit impairment losses.

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

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 158,254	\$ 155,171
Add: Net remeasurement of loss allowance	-	1,369
Foreign exchange gains and losses	<u>(1,356)</u>	<u>637</u>
Balance on June 30	<u>\$ 156,898</u>	<u>\$ 157,177</u>

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

11. FINANCE LEASE RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Undiscounted lease payments</u>			
Year 1	\$ 87,072	\$ 87,548	\$ 78,334
Year 2	<u>-</u>	<u>-</u>	<u>10,167</u>
	87,072	87,548	88,501
Less: Unearned finance income	(4,699)	(4,934)	(5,396)
Less: Allowance for impairment loss	<u>(53,425)</u>	<u>(53,425)</u>	<u>(52,586)</u>
Net investment in leases (presented as finance lease receivables)	<u>\$ 28,948</u>	<u>\$ 29,189</u>	<u>\$ 30,519</u>

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

The implied interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. The range of implied interest rates inherent in the finance leases was approximately 9.44%-10.44% per annum as of June 30, 2025.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of June 30, 2025, part of finance lease receivables was past due. The Group has recognized a loss allowance of \$53,425 thousand for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandise	\$ 32,154	\$ 38,904	\$ 31,144
Finished goods	535,675	586,566	452,274
Work in progress	804,140	486,521	735,926
Raw materials	512,490	416,824	585,199
Goods to subcontractor	6,195	406	2,735
Inventory in transit	50,025	436,631	50,407
Lands and buildings under construction	<u>558,659</u>	<u>482,783</u>	<u>429,016</u>
	<u>\$ 2,499,338</u>	<u>\$ 2,448,635</u>	<u>\$ 2,286,701</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2025 and for the six months ended June 30, 2025 included inventories (reversed) write-downs of \$(5,046) thousand and \$9,116 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2024 and for the six months ended June 30, 2024 included inventories (reversed) write-downs of \$(3,064) thousand and \$2,018 thousand, respectively.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Kwong Lung (B.V.I.) Ltd.	Overseas reinvested holding company.	100.00	100.00	100.00	Major subsidiary
	Kwong Lung Meko Co., Ltd.	Manufacturing and selling of apparel, down and bedding.	100.00	100.00	100.00	Major subsidiary
	Kwong Lung Japan Co., Ltd.	Selling of down and bedding.	100.00	100.00	100.00	1)
	Bo Hsing Enterprise Co., Ltd.	Manufacturing and selling of apparel and bedding.	100.00	100.00	100.00	Major subsidiary
	Toptex Garment Co., Ltd.	Manufacturing of apparel.	100.00	100.00	100.00	1)
	P&B Collection Co., Ltd.	Investment activities and manufacturing of bedding.	100.00	100.00	100.00	1)
	Kwong Lung-O Mon Company Limited	Manufacturing of apparel.	100.00	100.00	100.00	1)
	Manumech Corporation	Wholesale.	100.00	100.00	100.00	1)
	Gonglong Co., Ltd.	Real estate rental and leasing.	100.00	100.00	100.00	1), 2)
	Fuhua Garment Co., Ltd.	Manufacturing of apparel.	100.00	100.00	100.00	1)
Gonglong Co., Ltd.	Koutou Co., Ltd.	Construction business.	100.00	60.00	60.00	1), 2), 6)
Kwong Lung (B.V.I.) Ltd.	Kwong Lung Feather (B.V.I.) Limited	Overseas reinvested holding company.	100.00	100.00	100.00	1)
	Snowdown Merchandise (Suzhou) Co., Ltd.	Manufacturing and selling of down and bedding.	100.00	100.00	100.00	1), 5)
Kwong Lung Japan Co., Ltd.	Rising Living Co., Ltd.	Selling of bedding.	-	-	100.00	1), 3)
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	Overseas reinvested holding company.	40.00	40.00	40.00	1)
Kwong Lung Meko Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	Overseas reinvested holding company.	60.00	60.00	60.00	1)
Snowdown Merchandise (Suzhou) Co., Ltd.	Kunshan Fulong Trade Co., Ltd.	Selling of bedding.	-	-	100.00	1), 4)

- 1) It is an immaterial subsidiary; its financial statements have not reviewed as of June 30, 2025 and 2024.
- 2) In January 2024, the Group acquired 15,851 thousand shares of Gonglong Co., Ltd., the investment accounted for using the equity method, in the amount of \$237,100 thousand. This acquisition resulted in an increase in shareholding from 39.5% to 100% granting the Group control over Gonglong Co., Ltd. Consequently, Koutou Co., Ltd. (Koutou), a subsidiary of Gonglong Co., Ltd. with a 60% shareholding, became a subsidiary of the Group in January 2024. Refer to Note 29 for the details.
- 3) In 2024, the Company's board of directors resolved to liquidate Rising Living Co., Ltd., and received the proceeds from the liquidation distribution in August 2024. The liquidation process was completed on August 16, 2024.
- 4) In March 2024, the Company's board of directors resolved to liquidate Kunshan Fulong Trade Co., Ltd., and received the proceeds from the liquidation distribution in September 2024. The liquidation process was completed on September 5, 2024.
- 5) Kwong Lung (Suzhou) Co., Ltd. was renamed Snowdown Merchandise (Suzhou) Co., Ltd. on February 26, 2025.
- 6) In January 2025, the Group acquired 5,952 thousand shares of Koutou Co., Ltd. in the amount of \$160,490 thousand. This acquisition resulted in an increase in shareholding from 60% to 100%. Refer to Note 30 for the details.

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	June 30, 2025	December 31, 2024	June 30, 2024
Associates that are not individually material	<u>\$ 302,764</u>	<u>\$ 367,290</u>	<u>\$ 374,033</u>

In April 2025, the Group disposed all the shares of BBL Premium Co., Ltd. for \$5,378 thousand, resulted in the recognition of gain on disposal of \$801 thousand.

In January 2024, the Group disposed all the shares of Snowdown Merchandise Corporation for \$210,811 thousand. The disposal was completed on January 8, 2024 and resulted in the recognition of gain on disposal of \$27,144 thousand.

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

Refer to Table 7 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associate.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Property under Construction	Total
Cost							
Balance on January 1, 2025	\$ 694,917	\$ 1,501,523	\$ 603,336	\$ 35,210	\$ 150,288	\$ 646,249	\$ 3,631,523
Additions	-	11,849	8,096	-	6,297	71,224	97,466
Disposals	-	(6,912)	(709)	(414)	(280)	-	(8,315)
Reclassification	-	317,854	(41)	-	8,471	(326,747)	(463)
Effects of foreign currency exchange differences	-	(99,968)	(62,807)	(3,603)	(7,204)	(3,057)	(176,639)
Balance on June 30, 2025	<u>\$ 694,917</u>	<u>\$ 1,724,346</u>	<u>\$ 547,875</u>	<u>\$ 31,193</u>	<u>\$ 157,572</u>	<u>\$ 387,669</u>	<u>\$ 3,543,572</u>
Accumulated depreciation							
Balance on January 1, 2025	\$ -	\$ 663,719	\$ 506,566	\$ 27,101	\$ 127,154	\$ -	\$ 1,324,540
Depreciation expense	-	33,092	19,514	1,034	6,663	-	60,303
Disposals	-	(6,108)	(709)	(414)	(279)	-	(7,510)
Reclassification	-	1,256	(41)	-	(1,256)	-	(41)
Effects of foreign currency exchange differences	-	(46,904)	(57,056)	(2,698)	(5,139)	-	(111,797)
Balance on June 30, 2025	<u>\$ -</u>	<u>\$ 645,055</u>	<u>\$ 468,274</u>	<u>\$ 25,023</u>	<u>\$ 127,143</u>	<u>\$ -</u>	<u>\$ 1,265,495</u>
Carrying amount on June 30, 2025	<u>\$ 694,917</u>	<u>\$ 1,079,291</u>	<u>\$ 79,601</u>	<u>\$ 6,170</u>	<u>\$ 30,429</u>	<u>\$ 387,669</u>	<u>\$ 2,278,077</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 694,917</u>	<u>\$ 837,804</u>	<u>\$ 96,770</u>	<u>\$ 8,109</u>	<u>\$ 23,134</u>	<u>\$ 646,249</u>	<u>\$ 2,306,983</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Property under Construction	Total
<u>Cost</u>							
Balance on January 1, 2024	\$ 687,760	\$ 1,188,256	\$ 572,343	\$ 35,066	\$ 137,110	\$ 475,980	\$ 3,096,515
Additions	-	18	5,469	1,521	2,912	183,393	193,313
Disposals	-	(3,214)	(4,315)	(2,285)	(786)	-	(10,600)
Acquisitions through business combinations	-	152,578	-	-	302	-	152,880
Reclassification	-	-	43,361	-	1,800	(1,970)	43,191
Effects of foreign currency exchange differences	-	19,993	17,963	1,357	978	1,156	41,447
Balance on June 30, 2024	<u>\$ 687,760</u>	<u>\$ 1,357,631</u>	<u>\$ 634,821</u>	<u>\$ 35,659</u>	<u>\$ 142,316</u>	<u>\$ 658,559</u>	<u>\$ 3,516,746</u>
<u>Accumulated depreciation</u>							
Balance on January 1, 2024	\$ -	\$ 598,115	\$ 509,766	\$ 31,376	\$ 126,219	\$ -	\$ 1,265,476
Depreciation expense	-	29,014	17,865	836	2,309	-	50,024
Disposals	-	(3,214)	(4,314)	(2,285)	(574)	-	(10,387)
Acquisitions through business combinations	-	2,695	-	-	167	-	2,862
Effects of foreign currency exchange differences	-	11,416	16,074	1,224	898	-	29,612
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 638,026</u>	<u>\$ 539,391</u>	<u>\$ 31,151</u>	<u>\$ 129,019</u>	<u>\$ -</u>	<u>\$ 1,337,587</u>
Carrying amount on June 30, 2024	<u>\$ 687,760</u>	<u>\$ 719,605</u>	<u>\$ 95,430</u>	<u>\$ 4,508</u>	<u>\$ 13,297</u>	<u>\$ 658,559</u>	<u>\$ 2,179,159</u>

(Concluded)

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Land	\$ 40,802	\$ 46,901	\$ 47,438
Buildings	64,684	74,307	59,519
Machinery	1,938	2,430	535
Transportation equipment	<u>13,068</u>	<u>18,294</u>	<u>22,606</u>
	<u>\$ 120,492</u>	<u>\$ 141,932</u>	<u>\$ 130,098</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			\$ 3,813	\$ 71,926
Depreciation charge for right-of-use assets				
Land	\$ 453	\$ 497	\$ 960	\$ 984
Buildings	5,369	5,185	10,999	11,260
Machinery	-	31	123	389
Transportation equipment	2,457	4,283	5,041	6,938
	<u>\$ 8,279</u>	<u>\$ 9,996</u>	<u>\$ 17,123</u>	<u>\$ 19,571</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Current	<u>\$ 29,832</u>	<u>\$ 30,739</u>	<u>\$ 27,883</u>
Non-current	<u>\$ 55,247</u>	<u>\$ 69,781</u>	<u>\$ 60,546</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.28%	1.28%	1.28%
Buildings	0.37%-9.64%	0.37%-9.64%	0.37%-9.64%
Machinery	5%	1.03%-5%	1.03%-5%
Transportation equipment	0.77%-1.7%	0.52%-1.7%	0.52%-1.64%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 7,138</u>	<u>\$ 4,276</u>	<u>\$ 15,221</u>	<u>\$ 13,481</u>
Expenses relating to low-value asset leases	<u>\$ 80</u>	<u>\$ 220</u>	<u>\$ 345</u>	<u>\$ 366</u>
Total cash outflow for leases	<u>\$ (15,452)</u>	<u>\$ (14,403)</u>	<u>\$ (32,449)</u>	<u>\$ (32,616)</u>

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

17. INVESTMENT PROPERTIES

	For the Six Months Ended June 30	
	2025	2024
<u>Cost</u>		
Balance on January 1	\$ 1,641,738	\$ 795,270
Additions	707	98,851
Acquisitions through business combinations	-	574,199
Effects of foreign currency exchange differences	<u>(16,464)</u>	<u>(24,461)</u>
Balance on June 30	<u>\$ 1,625,981</u>	<u>\$ 1,443,859</u>
<u>Accumulated depreciation</u>		
Balance on January 1	\$ 37,114	\$ 19,372
Depreciation expense	8,150	6,098
Acquisitions through business combinations	-	5,721
Effects of foreign currency exchange differences	<u>(758)</u>	<u>(974)</u>
Balance on June 30	<u>\$ 44,506</u>	<u>\$ 30,217</u>
Carrying amount on June 30	<u>\$ 1,581,475</u>	<u>\$ 1,413,642</u>

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

Main buildings 10-50 years

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value	<u>\$ 1,830,140</u>	<u>\$ 1,848,004</u>	<u>\$ 1,444,720</u>

Except for the acquisitions through business combinations for the six months ended June 30, 2024, management of the Group had assessed and determined that there were no significant changes in the fair value of remaining investment properties as of June 30, 2025 and 2024, as compared to the fair values as of December 31, 2024 and 2023.

The investment properties pledged as collateral for bank borrowings are set out in Note 33.

18. INTANGIBLE ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Goodwill	\$ 22,022	\$ 22,022	\$ 22,022
Cost of computer software	1,623	1,789	1,958
Others	<u>1,036</u>	<u>1,210</u>	<u>1,276</u>
	<u>\$ 24,681</u>	<u>\$ 25,021</u>	<u>\$ 25,256</u>

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

19. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Overpaid tax retained for offsetting future tax payable	\$ 92,125	\$ 81,562	\$ 102,633
Prepayments	35,806	56,073	40,461
Finance lease receivables (Note 11)	28,948	29,189	20,641
Incremental costs of obtaining a contract	34,776	34,776	34,776
Prepayments for insurance	15,265	18,889	5,946
Others	<u>63,708</u>	<u>37,309</u>	<u>56,796</u>
	<u>\$ 270,628</u>	<u>\$ 257,798</u>	<u>\$ 261,253</u>
<u>Non-current</u>			
Prepayments for investment	\$ 36,136	\$ 36,136	\$ 36,136
Refundable deposits	26,538	27,426	25,969
Prepayments for equipment	143	-	204
Finance lease receivables (Note 11)	-	-	9,878
Others	<u>57,655</u>	<u>47,593</u>	<u>54,693</u>
	<u>\$ 120,472</u>	<u>\$ 111,155</u>	<u>\$ 126,880</u>

20. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 1,738,554</u>	<u>\$ 1,204,039</u>	<u>\$ 1,385,613</u>
Range of interest rates	0.8%-1.88%	0.6%-1.97%	0.4%-3%

b. Short-term bills payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper	\$ 165,500	\$ 146,000	\$ 146,000
Less: Unamortized discounts on bills payable	<u>(653)</u>	<u>(576)</u>	<u>(155)</u>
	<u>\$ 164,847</u>	<u>\$ 145,424</u>	<u>\$ 145,845</u>

Outstanding short-term bills payable were as follows:

June 30, 2025

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
CBF Bills	<u>\$ 165,500</u>	<u>\$ 653</u>	<u>\$ 164,847</u>	3.14%-3.24%	Investment properties	<u>\$ 560,667</u>

December 31, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
CBF Bills	<u>\$ 146,000</u>	<u>\$ 576</u>	<u>\$ 145,424</u>	2.99%	Investment properties	<u>\$ 563,270</u>

June 30, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
CBF Bills	<u>\$ 146,000</u>	<u>\$ 155</u>	<u>\$ 145,845</u>	2.82%-2.92%	Investment properties	<u>\$ 565,874</u>

The short-term bills payable secured by collateral of the investment properties of the Group are set out in Note 33.

c. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured borrowings</u>			
<u>Bank loans (1)</u>	\$ 59,634	\$ 62,970	\$ -
<u>Unsecured borrowings</u>			
Credit borrowings (2)	<u>938,358</u>	<u>906,664</u>	<u>719,683</u>
	997,992	969,634	719,683
Less: Current portions	<u>(274,187)</u>	<u>(238,274)</u>	<u>(200,989)</u>
Long-term borrowings	<u>\$ 723,805</u>	<u>\$ 731,360</u>	<u>\$ 518,694</u>
Range of interest rates	0.5%-2.87%	0.5%-2.87%	0.5%-2.87%

- 1) The bank borrowings are secured by the Group's freehold land and buildings (see Note 33).
- 2) In 2024, the Company obtained a policy loan from Fubon Bank for overseas investment. The loan matures on December 10, 2029, with a two-year grace period. Starting from the third year, the principal will be repaid in 36 monthly installments. As of June 30, 2025, the effective annual interest rate was 1.65%.

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

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

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

21. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payables for payroll and employee benefit	\$ 140,655	\$ 181,310	\$ 146,888
Payables for dividends	544,802	-	542,283
Payables for compensation of employees	11,714	32,130	25,000
Payables for remuneration of directors	9,000	25,000	15,000
Payables for fabrication expense	38,152	38,910	44,020
Payables for purchase of equipment	13,743	29,336	8,560
Payables for VAT	7,046	526	6,213
Payables for investment	80,245	-	-
Others	<u>83,924</u>	<u>79,719</u>	<u>101,017</u>
	<u>\$ 929,281</u>	<u>\$ 386,931</u>	<u>\$ 888,981</u>

22. RETIREMENT BENEFIT PLANS

Employee benefit expenses for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023. The Group recognized the pension amounts of \$40 thousand and \$58 thousand for the three months ended June 30, 2025 and 2024, respectively, and the pension amounts of \$80 thousand and \$115 thousand for the six months ended June 30, 2025 and 2024, respectively.

23. EQUITY

a. Share capital

Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Shares authorized	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Number of shares issued and fully paid (in thousands)	<u>151,352</u>	<u>151,120</u>	<u>150,778</u>
Shares issued	<u>\$ 1,513,515</u>	<u>\$ 1,511,202</u>	<u>\$ 1,507,776</u>
Number of shares representing advance receipts for ordinary shares	<u>33,550</u>	<u>600</u>	<u>47,500</u>
Advance receipts for ordinary shares	<u>\$ 1,223</u>	<u>\$ 22</u>	<u>\$ 1,819</u>

The change in the Company's share capital is mainly due to the exercise of employee share options and converted preference shares. In the second quarter of 2025, the employee share options of the Company exercised total 236,100 shares. The Company has not registered with the Ministry of Economic Affairs before the date at approval of issuance of the financial statements.

Preference shares

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

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

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

- 9) Preference shareholders have the same pre-emptive right as ordinary shareholders for newly issued shares.

As of June 30, 2025, a total of 17,930 thousand shares of the Company's preferred share A have been converted to the Company's ordinary shares.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 1,560,251	\$ 1,552,805	\$ 1,543,989
Conversion of bonds	640,431	640,431	640,431
Treasury share transactions	29,284	29,284	29,284
Expire options	21,801	21,801	21,768
<u>May only be used to offset a deficit (2)</u>			
Share of changes in capital surplus of associates	2,460	2,460	2,460
Changes in net assets of affiliated companies recognized under the equity method	1,221	1,221	1,221
<u>May not be used for any purpose</u>			
Employee share options	<u>6,078</u>	<u>6,848</u>	<u>6,275</u>
	<u>\$ 2,261,526</u>	<u>\$ 2,254,850</u>	<u>\$ 2,245,428</u>

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for the distribution of dividends and bonuses to shareholders. The board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash, and a report of such distribution should be submitted in the shareholder's meeting. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 25(g).

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

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

The appropriations of earnings for 2024 and 2023 were approved in the shareholders' meeting on May 27, 2025 and May 31, 2024 respectively, were as follows:

	<u>For the Year Ended December 31</u>	
	2024	2023
Legal reserve	<u>\$ 64,014</u>	<u>\$ 58,082</u>
Special reserve	<u>\$ (94,005)</u>	<u>\$ (1,486)</u>
Ordinary share dividends	<u>\$ 544,057</u>	<u>\$ 540,704</u>
Preference share dividends*	<u>\$ 745</u>	<u>\$ 1,579</u>
Ordinary share dividends per share (NT\$)	\$ 3.6	\$ 3.6
Preference share dividends per share (NT\$)	\$ 2.7	\$ 2.5

* Since December 21, 2019, the conversion rights of the Company's preference shares can be exercised. Preference shareholders are not entitled to a preference share dividend if preference shares are converted to ordinary shares prior to the ex-dividend date. As of August 3, 2024, a total of 348 thousand preference shares of the Company had not been converted on the ex-dividend date. Since the board of directors resolved to distribute preference share dividends of 2.5 per share, the Company distributed \$871 thousand for preference share dividends.

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	<u>For the Six Months Ended</u>	
	June 30	
	2025	2024
Balance on January 1	\$ (120,331)	\$ (234,489)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	<u>(408,302)</u>	<u>68,348</u>
Balance on June 30	<u>\$ (528,633)</u>	<u>\$ (166,141)</u>

e. Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Balance on January 1	\$ 143,062	\$ 1,385
Share in loss for the year	-	(1,798)
Exchange differences on translating the financial statements of foreign entities	-	(61)
Acquisition of non-controlling interests in subsidiaries (Note 30)	(143,062)	(1,208)
Non-controlling interests arising from acquisition of subsidiaries (Note 29)	<u>-</u>	<u>145,832</u>
Balance on June 30	<u>\$ -</u>	<u>\$ 144,150</u>

24. REVENUE

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes and accounts receivable (Note 10)	<u>\$ 903,299</u>	<u>\$ 803,008</u>	<u>\$ 1,320,528</u>	<u>\$ 565,631</u>
Contract liabilities				
Sale of textile	\$ 46,856	\$ 60,332	\$ 54,068	\$ 34,793
Sale of land and buildings	<u>147,574</u>	<u>141,970</u>	<u>136,406</u>	<u>-</u>
Contract liabilities - current	<u>\$ 194,430</u>	<u>\$ 202,302</u>	<u>\$ 190,474</u>	<u>\$ 34,793</u>

b. Assets related to contract costs

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Incremental costs of obtaining a contract	<u>\$ 34,776</u>	<u>\$ 34,776</u>	<u>\$ 34,776</u>

25. NET PROFIT

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	\$ 4,823	\$ 9,118	\$ 11,177	\$ 21,890
Investments in debt instruments measured at FVTOCI	4,335	2,879	10,990	4,798
Net investments in leases	<u>88</u>	<u>312</u>	<u>235</u>	<u>677</u>
	<u>\$ 9,246</u>	<u>\$ 12,309</u>	<u>\$ 22,402</u>	<u>\$ 27,365</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Rental income	\$ 2,639	\$ 4,884	\$ 5,455	\$ 9,930
Dividend income	1,202	-	1,202	-
Others	<u>-</u>	<u>446</u>	<u>27</u>	<u>460</u>
	<u>\$ 3,841</u>	<u>\$ 5,330</u>	<u>\$ 6,684</u>	<u>\$ 10,390</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gains	\$ 192,174	\$ 77,437	\$ 236,825	\$ 152,562
Foreign exchange losses	(313,252)	(56,501)	(353,590)	(102,686)
(Loss) gain on financial assets and liabilities designated as at FVTPL	(451)	(839)	(1,340)	6,089
Gain (loss) on disposal of property, plant and equipment	10,577	(1)	10,611	(211)
Gain on disposal of associates	801	-	801	83,401
Gain from bargain purchases on acquisition of subsidiaries	-	-	-	6,248
Others	<u>4,222</u>	<u>5,786</u>	<u>39,867</u>	<u>7,896</u>
	<u>\$ (105,929)</u>	<u>\$ 25,882</u>	<u>\$ (66,826)</u>	<u>\$ 153,299</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	\$ 14,316	\$ 9,669	\$ 27,601	\$ 19,666
Interest on lease liabilities	620	560	1,325	1,147
Less: Amounts included in the cost of qualifying assets	<u>(2,435)</u>	<u>(1,335)</u>	<u>(4,891)</u>	<u>(2,550)</u>
	<u>\$ 12,501</u>	<u>\$ 8,894</u>	<u>\$ 24,035</u>	<u>\$ 18,263</u>

Information about capitalized interest is as follows:

	For the Six Months Ended June 30	
	2025	2024
Capitalized interest amount	\$ 4,891	\$ 2,550
Capitalization rate	1.77%-2.865%	2.745%-2.865%

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating costs	\$ 22,931	\$ 19,278	\$ 47,214	\$ 38,495
Operating expenses	16,840	17,626	32,815	34,249
Other gains and losses	<u>3,314</u>	<u>1,740</u>	<u>5,547</u>	<u>2,949</u>
	<u>\$ 43,085</u>	<u>\$ 38,644</u>	<u>\$ 85,576</u>	<u>\$ 75,693</u>
An analysis of amortization by function				
Operating costs	\$ -	\$ -	\$ -	\$ -
Operating expenses	<u>234</u>	<u>451</u>	<u>450</u>	<u>2,281</u>
	<u>\$ 234</u>	<u>\$ 451</u>	<u>\$ 450</u>	<u>\$ 2,281</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits				
Defined contribution plans	\$ 3,296	\$ 3,558	\$ 6,715	\$ 7,069
Defined benefit plans	<u>40</u>	<u>58</u>	<u>80</u>	<u>115</u>
	3,336	3,616	6,795	7,184
Share-based payments				
Equity-settled	355	1,020	711	2,041
Other employee benefits	<u>299,757</u>	<u>298,119</u>	<u>590,379</u>	<u>571,717</u>
Total employee benefits expense	<u>\$ 303,448</u>	<u>\$ 302,755</u>	<u>\$ 597,885</u>	<u>\$ 580,942</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 204,426	\$ 198,245	\$ 393,626	\$ 373,232
Operating expenses	<u>99,022</u>	<u>104,510</u>	<u>204,259</u>	<u>207,710</u>
	<u>\$ 303,448</u>	<u>\$ 302,755</u>	<u>\$ 597,885</u>	<u>\$ 580,942</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued compensation of employees and remuneration of directors at the rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 shareholders' meeting. The amendments explicitly stipulate that, in the event of profit in a given year, no less than 1% shall be allocated as compensation of employees, of which no less than 50% shall be reserved as compensation distributions for non-executive employees. For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the compensation of employees and remuneration of directors are as follows:

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
	Cash	Cash	Cash	Cash
Compensation of employees	<u>\$ -</u>	<u>\$ 12,500</u>	<u>\$ 11,250</u>	<u>\$ 25,000</u>
Remuneration of directors	<u>\$ 5,269</u>	<u>\$ 7,500</u>	<u>\$ 9,000</u>	<u>\$ 15,000</u>

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

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023 that were resolved by the board of directors on March 11, 2025 and March 13, 2024, respectively, are as shown below:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 32,130	\$ 34,156
Remuneration of directors	25,000	22,000

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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

26. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 23,887	\$ 52,933	\$ 42,486	\$ 91,225
Adjustments for prior year	-	-	-	6,222
Income tax on unappropriated earnings	6,266	-	6,266	-
Deferred tax				
In respect of the current period	<u>(6,762)</u>	<u>2,817</u>	<u>(5,740)</u>	<u>1,106</u>
Income tax expense recognized in profit or loss	<u>\$ 23,391</u>	<u>\$ 55,750</u>	<u>\$ 43,012</u>	<u>\$ 98,553</u>

b. Income tax assessments

The income tax returns of the Company through 2022, has been assessed by the tax authorities, and the Group agrees with the assessment.

27. EARNINGS PER SHARE

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

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Profit for the period attributable to owners of the Company	\$ 101,184	\$ 246,200	\$ 152,522	\$ 394,744
Less: Declared dividends on preference shares	<u>10</u>	<u>396</u>	<u>(731)</u>	<u>(883)</u>
Earnings used in the computation of basic earnings per share	101,194	246,596	151,791	393,861
Add: Dividends on preference shares	<u>(10)</u>	<u>(396)</u>	<u>731</u>	<u>883</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 101,184</u>	<u>\$ 246,200</u>	<u>\$ 152,522</u>	<u>\$ 394,744</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	151,185	150,438	151,157	150,319
Effect of potentially dilutive ordinary shares:				
Employee share options	293	281	405	280
Compensation of employees	221	411	430	645
Convertible preference shares	<u>273</u>	<u>469</u>	<u>274</u>	<u>546</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>151,972</u>	<u>151,599</u>	<u>152,266</u>	<u>151,790</u>

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

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

- a. Qualified employees of the Company and its subsidiaries were granted 2,200 options in June 2018 and May 2019. Each option entitles the holder to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 5 years exercisable at certain percentages after the second year from the grant date. The options were granted at an exercise price equal to the highest closing price of the Company's ordinary shares listed on the Taipei Exchange on the day before the grant date, on the grant date and on the day after it, or the average closing price of the three days. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

	For the Six Months Ended June 30							
	2025				2024			
	Granted 2019		Granted 2018		Granted 2019		Granted 2018	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)
Balance on January 1	-	\$ -	-	\$ -	28	\$ 33.2	-	\$ -
Options exercised	-	-	-	-	(25)	33.2	-	-
Options forfeited	-	-	-	-	(3)	33.2	-	-
Options expired	-	-	-	-	-	-	-	-
Balance on June 30	<u>-</u>	-	<u>-</u>	-	<u>-</u>	-	<u>-</u>	-
Options exercisable, end of period	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	

- b. In June 2022, the Company issued 2,000 employee stock options, which were granted to qualified employees of the Company and its subsidiaries in June 2022 and March 2023, respectively. Each option entitles the holder to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 5 years exercisable at certain percentages after the second year from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taipei Exchange on the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

	For the Six Months Ended June 30							
	2025				2024			
	Granted 2023		Granted 2022		Granted 2023		Granted 2022	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT\$)
Balance on January 1	371	\$ 48.4	951	\$ 36.1	391	\$ 51.3	1,540	\$ 38.3
Options exercised	(17)	48.4	(237)	36.1	-	-	(344)	38.3
Options forfeited	(9)	48.4	-	-	(14)	51.3	(12)	38.3
Balance on June 30	<u>345</u>	48.4	<u>714</u>	36.1	<u>377</u>	51.3	<u>1,184</u>	38.3
Options exercisable, end of period	<u>164</u>		<u>714</u>		<u>-</u>		<u>420</u>	

Compensation costs recognized were \$355 thousand and \$1,020 thousand for the three months ended June 30, 2025 and 2024, respectively and \$711 thousand and \$2,041 thousand for the six months ended June 30, 2025 and 2024, respectively.

29. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Gonglong Co., Ltd.	Leasing business	January 5, 2024	60.50	<u>\$ 237,100</u>

Gonglong Co., Ltd. was acquired in order to optimize the Group's organization and maximize resource efficiency.

b. Consideration transferred

	Gonglong Co., Ltd.
Cash	<u>\$ 237,100</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	Gonglong Co., Ltd.
Current assets	
Cash	\$ 21,441
Financial assets at amortized cost - current	21,895
Trade receivables	1,577
Other receivables	1,818
Inventories	366,381
Incremental costs of obtaining a contract	34,776
Other current assets	21,183
Non-current assets	
Financial assets at fair value through other comprehensive income	30,209
Property, plant and equipment	150,018
Investment properties	568,478
Other non-current assets	1,440
Current liabilities	
Contract liabilities	(136,240)
Short-term bills payable	(172,100)
Notes payable	(10,777)
Trade payables	(22,573)
Other payables	(83,756)
Current tax liabilities	(606)
Other current liabilities	(640)
Non-current liabilities	
Long-term borrowings	(172,746)
Other non-current liabilities	<u>(71,719)</u>
	<u>\$ 548,059</u>

d. Gain from bargain purchases on acquisition of subsidiaries

**Gonglong Co.,
Ltd.**

Fair value of previous acquisitions	\$ 158,879
Consideration transferred	237,100
Plus: Non-controlling interests (40% in Koutou)	145,832
Less: Fair value of identifiable net assets acquired	<u>(548,059)</u>
Gain from bargain purchases on acquisition of subsidiaries	<u>\$ (6,248)</u>

e. Net cash outflow on acquisition of subsidiaries

**Gonglong Co.,
Ltd.**

Consideration paid in cash	\$ 237,100
Less: Cash and cash equivalent balances acquired	<u>(21,441)</u>
	<u>\$ 215,659</u>

f. Impact of acquisitions on the results of the Group

The results of operations since the acquisition date (2024/1/5-2024/6/30) were as follows:

**Gonglong Co.,
Ltd.**

Operating revenue	<u>\$ 1,648</u>
Net loss	<u>\$ (6,050)</u>

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

The above transaction was accounted for as an equity transaction since the Group did not cease to have control over the subsidiary.

**Koutou Co.,
Ltd.**

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

In May 2024, the Group acquired 49% equity interest in Rising Living Co., Ltd. from non-controlling interests, and the Group's shareholding in Rising Living Co., Ltd. increased from 51% to 100%.

The above transaction was accounted for as an equity transaction since the Group did not cease to have control over the subsidiary.

	Rising Living Co., Ltd.
Consideration paid	\$ (1,322)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>1,208</u>
Differences recognized from equity transactions	<u>\$ (114)</u>
<u>Line items adjusted for equity transactions</u>	
Retained earnings	<u>\$ (114)</u>

31. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 45,462	\$ -	\$ -	\$ 45,462
Investment in debt instruments				
Bonds	<u>478,570</u>	<u>-</u>	<u>-</u>	<u>478,570</u>
	<u>\$ 524,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 524,032</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 13,815</u>	<u>\$ -</u>	<u>\$ 13,815</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 9,985</u>	<u>\$ -</u>	<u>\$ 9,985</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 226,720	\$ -	\$ -	\$ 226,720
Investment in debt instruments				
Bonds	<u>526,250</u>	<u>-</u>	<u>-</u>	<u>526,250</u>
	<u>\$ 752,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,970</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 9,700</u>	<u>\$ -</u>	<u>\$ 9,700</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 4,552</u>	<u>\$ -</u>	<u>\$ 4,552</u>

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic listed shares	\$ 254,204	\$ -	\$ -	\$ 254,204
Investment in debt instruments				
Bonds	<u>421,415</u>	<u>-</u>	<u>-</u>	<u>421,415</u>
	<u>\$ 675,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675,619</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 3,980</u>	<u>\$ -</u>	<u>\$ 3,980</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 5,567</u>	<u>\$ -</u>	<u>\$ 5,567</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

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

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 13,815	\$ 9,700	\$ 3,980
Financial assets at amortized cost (1)	2,285,786	2,134,253	2,832,208
Financial assets at FVTOCI	524,032	752,970	675,619
<u>Financial liabilities</u>			
FVTPL			
Held for trading	9,985	4,552	5,567
Amortized cost (2)	4,484,764	3,517,160	3,967,923

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans (including current portion), short-term bills payable, notes payable, trade and other payables.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated upon consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 36.

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Assets</u>			
EUR	\$ 4,518	\$ -	\$ 1,390
USD	9,297	9,700	2,590
<u>Liabilities</u>			
EUR	-	4,272	2,074
USD	9,985	280	3,493

Sensitivity analysis

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

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

	<u>USD Impact</u>		<u>EUR Impact</u>	
	<u>For the Six Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Profit or loss*	\$ 43,118	\$ 43,418	\$ (93)	\$ (42)
			<u>VND Impact</u>	
			<u>For the Six Months Ended</u>	
			<u>June 30</u>	
			<u>2025</u>	<u>2024</u>
Profit or loss*			\$ (1,105)	\$ (1,235)

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

b) Interest rate risk

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	\$ 435,944	\$ 984,484	\$ 553,578
Financial liabilities	395,267	467,529	1,394,043
Cash flow interest rate risk			
Financial assets	696,634	632,934	658,467
Financial liabilities	2,611,205	1,972,088	965,529

Sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2025 and 2024 would have decreased/increased by \$4,786 thousand and decreased/increased by \$768 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 10% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$4,546 thousand and \$25,420 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had available unutilized bank loan facilities in the amounts of \$5,630,129 thousand, \$5,744,806 thousand and \$5,960,126 thousand, respectively.

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

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

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 659,890	\$ 919,507	\$ 145,343	\$ -	\$ -
Undiscounted lease	2,610	5,220	22,732	53,128	2,958
Other long-term liabilities	42	84	374	20,567	-
Borrowings	<u>586,904</u>	<u>1,111,093</u>	<u>505,060</u>	<u>699,313</u>	<u>58,543</u>
	<u>\$ 1,249,446</u>	<u>\$ 2,035,904</u>	<u>\$ 673,509</u>	<u>\$ 773,008</u>	<u>\$ 61,501</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 30,562</u>	<u>\$ 53,128</u>	<u>\$ 1,467</u>	<u>\$ 1,491</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing Undiscounted lease	\$ 915,767 3,074	\$ 414,096 6,148	\$ 106,640 25,713	\$ - 71,735	\$ - 3,491
Other long-term liabilities	42	81	377	20,815	-
Borrowings	<u>383,274</u>	<u>654,998</u>	<u>566,440</u>	<u>692,984</u>	<u>75,148</u>
	<u>\$ 1,302,157</u>	<u>\$ 1,075,323</u>	<u>\$ 699,170</u>	<u>\$ 785,534</u>	<u>\$ 78,639</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 34,935</u>	<u>\$ 71,735</u>	<u>\$ 1,689</u>	<u>\$ 1,802</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing Undiscounted lease	\$ 665,307 2,836	\$ 1,064,636 5,618	\$ 153,727 23,885	\$ - 63,182	\$ - 3,464
Borrowings	990,783	403,602	358,230	533,451	-
Other long-term liabilities	<u>42</u>	<u>84</u>	<u>374</u>	<u>20,894</u>	<u>-</u>
	<u>\$ 1,658,968</u>	<u>\$ 1,473,940</u>	<u>\$ 536,216</u>	<u>\$ 617,527</u>	<u>\$ 3,464</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 32,339</u>	<u>\$ 63,182</u>	<u>\$ 1,676</u>	<u>\$ 1,788</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Gross settled - outflows</u>				
Foreign exchange forward contracts	<u>\$ 213,034</u>	<u>\$ 187,528</u>	<u>\$ 270,425</u>	<u>\$ 38,480</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Gross settled - outflows</u>				
Foreign exchange forward contracts	<u>\$ 142,482</u>	<u>\$ 153,061</u>	<u>\$ 140,328</u>	<u>\$ -</u>

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Gross settled - outflows</u>				
Foreign exchange forward contracts	<u>\$ 75,267</u>	<u>\$ 201,848</u>	<u>\$ 173,194</u>	<u>\$ -</u>

32. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and relationships

<u>Related Parties</u>	<u>Relationships with the Group</u>
BBL Premium Co., Ltd.	Associate (became non-related party in April 2025 after disposal)
Daquan Hanshi Co., Ltd.	Associate

(Continued)

Related Parties	Relationships with the Group
Gong Tong Zu Lin Co., Ltd.	Associate
Pt. Tactical Garment Garut	Associate
Snowdown Merchandise Corporation	Related party in substance
Kai Sheng Investment Co., Ltd.	Related party in substance
Cave & Wine Co., Ltd.	Related party in substance
Huang Lu Investment Co., Ltd.	Related party in substance
Fortune Phoenix Insurance Brokerage Service Corporation	Related party in substance
Da Fu Investment Co., Ltd.	Related party in substance
Li Chiou Investment Co., Ltd.	Related party in substance
Yueh Sheng Investment Co., Ltd.	Related party in substance
Modern Boutique Investment Co., Ltd.	Related party in substance
Zhonglu Investment Co., Ltd.	Related party in substance
Ou Li Investment Co., Ltd.	Related party in substance
JHAN, CI-JHE	Related party in substance
HSU, LI-HONG	Related party in substance

(Concluded)

b. Sales of goods

Related Party Name/Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associates				
Daquan Hanshi Co., Ltd.	\$ -	\$ 14	\$ -	\$ 133
BBL Premium Co., Ltd.	-	457	140	1,214
Related party in substance	<u>79</u>	<u>-</u>	<u>3,755</u>	<u>-</u>
	<u>\$ 79</u>	<u>\$ 471</u>	<u>\$ 3,895</u>	<u>\$ 1,347</u>

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

c. Purchases of goods

Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Pt. Tactical Garment Garut	<u>\$ 2,436</u>	<u>\$ -</u>	<u>\$ 2,436</u>	<u>\$ -</u>

d. Contract liabilities

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Related party in substance	<u>\$ 18,553</u>	<u>\$ 17,770</u>	<u>\$ 16,977</u>

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

Related Party Name	June 30, 2025	December 31, 2024	June 30, 2024
<u>Trade receivables</u>			
BBL Premium Co., Ltd.	\$ <u>28</u>	\$ <u>2,948</u>	\$ <u>752</u>
<u>Other receivables</u>			
Pt. Tactical Garment Garut	\$ <u>1,471</u>	\$ <u>378</u>	\$ <u>-</u>

The outstanding trade receivables from related parties are unsecured. For the six months ended June 30, 2025 and 2024, no impairment loss was recognized for trade receivables from related parties.

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

Related Party Name/Category	June 30, 2025	December 31, 2024	June 30, 2024
<u>Trade payables</u>			
Pt. Tactical Garment Garut	\$ <u>2,407</u>	\$ <u>-</u>	\$ <u>-</u>
<u>Other payables</u>			
Associates	\$ 210	\$ 240	\$ 210
Related party in substance Snowdown Merchandise Corporation	<u>80,373</u>	<u>-</u>	<u>-</u>
	<u>\$ 80,583</u>	<u>\$ 240</u>	<u>\$ 210</u>

The outstanding trade payables to related parties are unsecured.

g. Lease arrangements

Related Party Name		For the Six Months Ended June 30	
		2025	2024
<u>Acquisition of right-of-use assets</u>			
Gong Tong Zu Lin Co., Ltd.		\$ <u>2,899</u>	\$ <u>18,729</u>
Account	Related Party Name	June 30, 2025	December 31, 2024
Lease liabilities	Gong Tong Zu Lin Co., Ltd.	\$ <u>15,372</u>	\$ <u>18,213</u>
			June 30, 2024
			\$ <u>22,492</u>

Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Interest expense</u>				
Gong Tong Zu Lin Co., Ltd.	\$ 62	\$ 138	\$ 129	\$ 199

h. Acquisition of financial assets

For the six months ended June 30, 2025

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

For the six months ended June 30, 2024

Related Party Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Kai Sheng Investment Co., Ltd.	Investments accounted for using the equity method	7,074,309	Gonglong Co., Ltd.	\$ 105,815
Modern Boutique Investment Co., Ltd.	Investments accounted for using the equity method	5,240,000	Gonglong Co., Ltd.	78,378
HSU, LI-HONG	Investments accounted for using the equity method	3,537,000	Gonglong Co., Ltd.	52,907
				\$ 237,100

i. Disposal of financial assets

For the three months ended June 30, 2025

Related Party Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
Snowdown Merchandise Corporation	Investments accounted for using the equity method	700,000	BBL Premium Co., Ltd.	\$ 5,378	\$ 801

For the six months ended June 30, 2025

Related Party Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
Snowdown Merchandise Corporation	Investments accounted for using the equity method	700,000	BBL Premium Co., Ltd.	\$ 5,378	\$ 801

For the three months ended June 30, 2024: None

For the six months ended June 30, 2024

Related Party Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
Kai Sheng Investment Co., Ltd.	Investments accounted for using the equity method	7,374,700	Snowdown Merchandise Corporation	\$ 157,439	\$ 20,272
Ou Li Investment Co., Ltd.	Investments accounted for using the equity method	2,500,000	Snowdown Merchandise Corporation	<u>53,372</u>	<u>6,872</u>
				<u>\$ 210,811</u>	<u>\$ 27,144</u>

j. Non-current liabilities

Related Party Name	June 30, 2025	December 31, 2024	June 30, 2024
Zhonglu Investment Co., Ltd.	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

k. Other income

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associates	\$ -	\$ -	\$ 205	\$ 163
Related party in substance	<u>28</u>	<u>28</u>	<u>57</u>	<u>57</u>
	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 262</u>	<u>\$ 220</u>

l. Expenses

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associates	\$ 604	\$ 614	\$ 1,409	\$ 1,320
Related party in substance	<u>3,796</u>	<u>671</u>	<u>4,765</u>	<u>1,376</u>
	<u>\$ 4,400</u>	<u>\$ 1,285</u>	<u>\$ 6,174</u>	<u>\$ 2,696</u>

The expenses included rents, other expenses, etc.

m. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 23,089	\$ 23,331	\$ 43,160	\$ 47,556
Post-employment benefits	135	125	260	302
Share-based payments	78	382	187	816
Long-term employee benefits	<u>8,795</u>	<u>-</u>	<u>17,754</u>	<u>-</u>
	<u>\$ 32,097</u>	<u>\$ 23,838</u>	<u>\$ 61,361</u>	<u>\$ 48,674</u>

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and letters of credit:

	June 30, 2025	December 31, 2024	June 30, 2024
Investment properties	<u>\$ 653,328</u>	<u>\$ 660,087</u>	<u>\$ 565,874</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2025 and 2024 were as follows:

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

	June 30, 2025	December 31, 2024	June 30, 2024
USD	<u>\$ 1,884</u>	<u>\$ 9,311</u>	<u>\$ 1,677</u>
EUR	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ -</u>

b. As of June 30, 2025, December 31, 2024 and June 30, 2024, guarantees issued by financial institutions for purchases of raw materials and development of technology all amounted to \$3,000 thousand, \$9,000 thousand and \$16,000 thousand, respectively.

c. Unrecognized commitments were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant and equipment	<u>\$ 144,635</u>	<u>\$ 120,614</u>	<u>\$ 224,420</u>

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On August 7, 2025, the Company's board of directors resolved to, for the purpose of maintaining the Company's credit and shareholders' equity, repurchase 4,000 thousand shares of the Company at an expected price range of \$35 to \$50 per share.
- b. On August 7, 2025, the Company's board of directors resolved to acquire land at a total expected purchase price of \$267,030 thousand.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 97,846	29.3 (USD:NTD)	\$ 2,866,888
USD	3,248	7.1621 (USD:RMB)	95,166
USD	33,099	26,161 (USD:VND)	969,801
VND	42,249,100	0.000038 (VND:USD)	47,319
EUR	4	34.35 (EUR:NTD)	137
Non-monetary items			
Investments in associates accounted for using equity method			
CAD	2,879	21.43 (CAD:NTD)	61,702
IDR	81,418,492	0.00178 (IDR:NTD)	144,925
<u>Financial liabilities</u>			
Monetary items			
USD	67,830	29.3 (USD:NTD)	1,987,419
USD	1,815	7.1621 (USD:RMB)	53,180
USD	14,824	26,161 (USD:VND)	434,343
USD	670	144.05 (USD:JPY)	19,631
VND	75,157,160	0.000038 (VND:USD)	84,176
EUR	93	34.35 (EUR:NTD)	3,195

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 59,661	32.785 (USD:NTD)	\$ 1,955,986
USD	1,458	7.3213 (USD:RMB)	47,801
USD	26,743	25,415 (USD:VND)	876,769
VND	18,491,220	0.000039 (VND:USD)	23,854
EUR	72	34.14 (EUR:NTD)	2,458
Non-monetary items			
Investments in associates accounted for using equity method			
CAD	2,901	22.82 (CAD:NTD)	66,192
IDR	88,807,767	0.00203 (IDR:NTD)	180,280

Financial liabilities

Monetary items			
USD	59,602	32.785 (USD:NTD)	1,954,052
USD	172	7.3213 (USD:RMB)	5,639
USD	11,285	25,415 (USD:VND)	369,979
USD	1,180	156.193 (USD:JPY)	38,686
VND	66,166,630	0.000039 (VND:USD)	85,355
EUR	425	34.14 (EUR:NTD)	14,510

June 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 87,576	32.45 (USD:NTD)	\$ 2,841,841
USD	2,012	7.3003 (USD:RMB)	65,289
USD	28,637	25,352 (USD:VND)	929,271
VND	58,584,071	0.000039 (VND:USD)	74,988
EUR	348	172.087 (EUR:JPY)	12,079
Non-monetary items			
Investments in associates accounted for using equity method			
CAD	2,966	23.67 (CAD:NTD)	70,187
IDR	93,330,227	0.00198 (IDR:NTD)	184,793

Financial liabilities

Monetary items			
USD	58,683	32.45 (USD:NTD)	1,904,263
USD	1,220	7.3003 (USD:RMB)	39,589
USD	13,148	25,352 (USD:VND)	426,653
USD	575	160.882 (USD:JPY)	18,659
VND	90,771,165	0.000039 (VND:USD)	116,187
EUR	389	1.0696 (EUR:USD)	13,502

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

For the Three Months Ended June 30				
2025			2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
VND	0.00119 (VND:NTD)	\$ 4,705	0.00128 (VND:NTD)	\$ 7,540
NTD	1 (NTD:NTD)	(127,434)	1 (NTD:NTD)	11,326
USD	30.823 (USD:NTD)	685	32.355 (USD:NTD)	735
RMB	4.260 (RMB:NTD)	(240)	4.458 (RMB:NTD)	1,512
JPY	0.2136 (JPY:NTD)	<u>1,206</u>	0.2076 (JPY:NTD)	<u>(177)</u>
		<u>\$ (121,078)</u>		<u>\$ 20,936</u>

For the Six Months Ended June 30				
2025			2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
VND	0.00124 (VND:NTD)	\$ 502	0.00128 (VND:NTD)	\$ 21,049
NTD	1 (NTD:NTD)	(120,495)	1 (NTD:NTD)	31,027
USD	31.866 (USD:NTD)	1,014	31.901 (USD:NTD)	2,488
RMB	4.385 (RMB:NTD)	(574)	4.412 (RMB:NTD)	1,406
JPY	0.2146 (JPY:NTD)	<u>2,788</u>	0.2098 (JPY:NTD)	<u>(6,094)</u>
		<u>\$ (116,765)</u>		<u>\$ 49,876</u>

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 6) Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

38. SEGMENT INFORMATION

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

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

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

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

Others

Segment revenue and results

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

	<u>Segment Revenue</u>		<u>Segment Profit (Loss)</u>	
	<u>For the Six Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Apparel department	\$ 2,335,656	\$ 2,432,277	\$ 184,393	\$ 256,581
Down material department	1,125,259	1,075,892	61,009	44,680
Home textile department	642,834	608,161	29,063	32,900
Others	<u>29,788</u>	<u>6,647</u>	<u>(2,164)</u>	<u>(2,124)</u>
Segment revenue	4,133,537	4,122,977	272,301	332,037
Eliminations	<u>(34,796)</u>	<u>(96,125)</u>	<u>-</u>	<u>-</u>
Segment revenue or segment income	<u>\$ 4,098,741</u>	<u>\$ 4,026,852</u>	272,301	332,037
Interest income			22,402	27,365
Other income			6,684	10,390
Other gains and losses			(66,826)	153,299
Finance costs			(24,035)	(18,263)
Share of profit or loss of associates			<u>(14,992)</u>	<u>(13,329)</u>
Profit before tax			<u>\$ 195,534</u>	<u>\$ 491,499</u>

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amount (Note 4)	Reasons for Short-term Financing (Note 5)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 6)	Aggregate Financing Limit (Note 6)	Note
													Item	Value			
0	Kwong Lung Enterprise Co., Ltd.	Manumech Corporation	Other receivables from related parties	Yes	\$ 63,000	\$ 12,000	\$ 12,000	2.20	b	\$ -	Operating capital	\$ -	N/A	\$ -	\$ 1,989,734 (Note 6, a)	\$ 1,989,734 (Note 6, b)	
1	P&B Collection Co., Ltd.	Koutou Co., Ltd.	Other receivables from related parties	Yes	99,000	99,000	99,000	2.20	b	-	Operating capital	-	N/A	-	104,771 (Note 6, a)	104,771 (Note 6, b)	
		Manumech Corporation	Other receivables from related parties	Yes	12,000	-	-	-	b	-	Operating capital	-	N/A	-	104,771 (Note 6, a)	104,771 (Note 6, b)	
2	Bo Hsing Enterprise Co., Ltd.	Fuhua Garment Co., Ltd.	Other receivables from related parties	Yes	99,615	87,900	29,300	3.70	b	-	Operating capital	-	N/A	-	1,078,380 (Note 6, a)	1,078,380 (Note 6, b)	

Note 1: The numbers denote the following:

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

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

Note 3: Purpose of fund financing for the borrower:

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

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

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

Note 6: a. Individual and total loans shall not exceed either 40% or 100% of the lender's net equity of the prior year. For No. 0: \$4,974,334 (net worth) \times 40% = \$1,989,734; for No. 1: \$261,927 (net worth) \times 40% = \$104,771; for No. 2: \$1,078,380 (net worth) \times 100% = \$1,078,380.
b. Total loans shall not exceed either 40% or 100% of the lender's net equity of the prior year. For No. 0: \$4,974,334 (net worth) \times 40% = \$1,989,734; for No. 1: \$261,927 (net worth) \times 40% = \$104,771; for No. 2: \$1,078,380 (net worth) \times 100% = \$1,078,380.

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limited on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
1	Snowdown Merchandise (Suzhou) Co., Ltd. (Note 5)	Kwong Lung Feather (B.V.I.) Limited	d.	\$ 205,726 (Note 3)	\$ 45,730	\$ -	\$ -	\$ -	-	\$ 205,726 (Note 3)	N	N	N

Note 1: The numbers denote the following:

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

Note 2: Relationship information of endorser and endorsee are categorized as follows:

- a. Business deals between the Company and guarantee party.
- b. Direct holding of more than 50% of the subsidiaries' ordinary shares.
- c. Direct holding of more than 50% of the invested company's ordinary shares by the Company and its subsidiaries.
- d. Direct and indirect holding of more than 50% of the parent company's ordinary shares.
- e. Guarantee by the Company according to construction contract.
- f. All capital contributing shareholders make endorsements on guarantees for their jointly invested company in proportion to their shareholding percentage.

Note 3: a. The maximum balance of endorsement/guarantee provided by the Company and to individual company cannot exceed 100% of net assets for No. 1: \$205,726 (net worth) × 100% = \$205,726.
b. The maximum balance of endorsement/guarantee provided by the Company cannot exceed 100% of net assets for No. 1: \$205,726 (net worth) × 100% = \$205,726.
c. The endorsement/guarantee amount to subsidiaries is not limited by the above-mentioned proportion.

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

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

JUNE 30, 2025

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Gonglong Co., Ltd.	<u>Ordinary shares</u>							
	Speed Tech Corporation	-	Financial assets at FVTOCI - non-current	300,000	\$ 12,075	0.17	\$ 12,075	
	Taihan Precision Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	11,520	0.77	11,520	
Kwong Lung (B.V.I.) Ltd.	<u>Ordinary shares</u>							
	J&B International Inc.	-	Financial assets at FVTOCI - non-current	485,938	21,867	1.74	21,867	
	<u>Financial bonds</u>							
	Foxconn (Far East) Limited	-	Financial assets at FVTOCI - non-current		26,388	-	26,388	
	Shinhan Card Co., Ltd.	-	Financial assets at FVTOCI - non-current		28,416	-	28,416	
	Tsmc Global Ltd.	-	Financial assets at FVTOCI - non-current		25,197	-	25,197	
	United Health Group Inc.	-	Financial assets at FVTOCI - non-current		84,776	-	84,776	
	American Express	-	Financial assets at FVTOCI - non-current		165,174	-	165,174	
Chilean government international bonds	-	Financial assets at FVTOCI - non-current		4,083	-	4,083		
Broadcom Corporation	-	Financial assets at FVTOCI - non-current		144,536	-	144,536		

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Trade Receivables (Payables)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Account	Ending Balance	% of Total	
Kwong Lung Enterprise Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	Subsidiary	Purchase	\$ 987,140	34	T/T 30-180 days	No significant difference	No significant difference	Trade payables	\$ 855,519	46	
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	987,140	99	T/T 30-180 days	No significant difference	No significant difference	Trade receivables	855,519	99	
Kwong Lung Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	Subsidiary	Purchase	936,010	32	T/T 30-180 days	No significant difference	No significant difference	Trade payables	570,426	31	
Kwong Lung Meko Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	936,010	74	T/T 30-180 days	No significant difference	No significant difference	Trade receivables	570,426	92	
Kwong Lung Enterprise Co., Ltd.	Snowdown Merchandise (Suzhou) Co., Ltd.	Subsidiary	Purchase	148,087	5	Prepayment or T/T 30-180 days	No significant difference	No significant difference	Trade payables	75,436	4	
Snowdown Merchandise (Suzhou) Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	148,087	22	Sales revenue received in advance or T/T 30-180 days	No significant difference	No significant difference	Trade receivables	75,436	92	

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2025

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Receivables from Related Parties Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
			Account	Ending Balance		Amount	Actions Taken		
Kwong Lung Enterprise Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	Subsidiary	Other receivables	\$ 405,876	-	\$ -	-	\$ 70,029	\$ -
	Kwong Lung Meko Co., Ltd.	Subsidiary	Other receivables	236,503	-	-	-	60,074	-
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	855,519	2.47	-	-	197,639	-
Kwong Lung Meko Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	570,426	2.73	-	-	188,298	-

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Kwong Lung Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	a	Sales revenue	\$ 58,229	No significant difference	1
			a	Cost of goods sold	936,010	No significant difference	23
			a	Trade receivables	32,810	No significant difference	-
			a	Trade payables	570,426	No significant difference	6
			a	Other receivables	236,503	-	2
		Kwong Lung Japan Co., Ltd.	a	Sales revenue	27,141	No significant difference	1
			a	Trade receivables	15,914	No significant difference	-
		Toptex Garment Co., Ltd.	a	Cost of goods sold	45,216	No significant difference	1
			a	Trade payables	29,696	No significant difference	-
			a	Other receivables	20,670	-	-
		Bo Hsing Enterprise Co., Ltd.	a	Cost of goods sold	987,140	No significant difference	24
			a	Trade payables	855,519	No significant difference	8
			a	Other receivables	405,876	-	4
		Fuhua Garment Co., Ltd.	a	Cost of goods sold	9,434	No significant difference	-
			a	Trade payables	9,024	No significant difference	-
			a	Other receivables	98,055	-	1
		Snowdown Merchandise (Suzhou) Co., Ltd. (Note 5)	a	Cost of goods sold	148,087	No significant difference	4
a	Trade payables		75,436	No significant difference	1		
a	Other receivables		23,889	-	-		
		Manumech Corporation	a	Other receivables	12,000	-	-
1	Kwong Long-O Mon Company Limited	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	35,482	No significant difference	1
			c	Trade receivables	20,424	No significant difference	-
		Kwong Lung Meko Co., Ltd.	c	Processing revenue	18,956	No significant difference	-
			c	Trade receivables	11,126	No significant difference	-
2	Bo Hsing Enterprise Co., Ltd.	Fuhua Garment Co., Ltd.	c	Other receivables	29,300	-	-
3	Kwong Lung Meko Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	c	Sales revenue	9,534	No significant difference	-
			c	Processing revenue	17,415	No significant difference	-
			c	Trade receivables	13,934	No significant difference	-
		Snowdown Merchandise (Suzhou) Co., Ltd. (Note 5)	c	Sales revenue	30,820	No significant difference	1
			c	Trade receivables	28,943	No significant difference	-
4	Toptex Garment Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	37,697	No significant difference	1
			c	Trade receivables	21,597	No significant difference	-
5	P&B Collection Co., Ltd.	Koutou Co., Ltd.	c	Other receivables	99,000	-	1

(Continued)

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

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

Note 2: Nature of relationship is as follows:

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

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item's period-end balance is shown as a percentage to the consolidated total assets as of June 30, 2025. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenue for the six months ended June 30, 2025.

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

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

(Concluded)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2025	December 31, 2024	Shares	%	Carrying Amount			
Kwong Lung Enterprise Co., Ltd.	Kwong Lung (B.V.I.) Ltd.	British Virgin Islands	Overseas reinvested holding company	\$ 660,552	\$ 660,552	18,000	100	\$ 999,755	\$ (27,278)	\$ (27,278)	Subsidiary
	Kwong Lung Meko Co., Ltd.	Vietnam	Manufacturing of apparel, down and bedding	198,399	198,399	-	100	1,630,826	48,529	48,240	Subsidiary
	Kwong Lung Japan Co., Ltd.	Japan	Selling of down and bedding	280,977	280,977	10,500	100	349,304	2,148	2,148	Subsidiary
	Bo Hsing Enterprise Co., Ltd.	Vietnam	Manufacturing of apparel and bedding	386,911	386,911	-	100	1,078,380	61,895	61,895	Subsidiary
	Toptex Garment Co., Ltd.	Vietnam	Manufacturing of apparel	191,809	191,809	-	100	65,849	576	576	Subsidiary
	P&B Collection Co., Ltd.	Taiwan	Selling of bedding	260,000	260,000	20,618,088	100	255,067	3,584	3,584	Subsidiary
	Manumech Corporation	Taiwan	Wholesale	103,319	103,319	5,851,916	100	18,785	(209)	(209)	Subsidiary
	Kwong Lung-O Mon Company Limited	Vietnam	Manufacturing of apparel	69,799	69,799	-	100	51,837	(756)	(756)	Subsidiary
	Fuhua Garment Co., Ltd.	Vietnam	Manufacturing of apparel and bedding	93,135	93,135	-	100	54,348	(26,959)	(26,959)	Subsidiary
	Gonglong Co., Ltd.	Taiwan	Real estate rental and leasing	349,178	269,178	26,200,000	100	441,082	(4,773)	(6,594)	Subsidiary
	BBL Premium Co., Ltd.	Taiwan	Selling of bedding	-	14,000	-	-	-	(4,003)	(801)	Associate (disposed in April 2025)
	Pt. Tactical Garment Garut	Indonesia	Manufacturing of apparel	210,443	210,443	6,750	45	144,925	(32,060)	(14,489)	Associate
	Kwong Lung (B.V.I.) Ltd.	Kwong Lung Feather (B.V.I.) Limited	British Virgin Islands	Overseas reinvested holding company	-	-	1	100	128,975	13,315	NA
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	British Virgin Islands	Overseas reinvested holding company	60,180	60,180	2,000,000	40	51,207	(9,133)	NA	Subsidiary
Kwong Lung Meko Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	British Virgin Islands	Overseas reinvested holding company	92,880	92,880	3,000,000	60	86,536	(9,133)	NA	Subsidiary
Gonglong Co., Ltd.	Koutou Co., Ltd.	Taiwan	Construction business	240,442	79,952	14,881,122	100	140,737	(2,546)	NA	Subsidiary
P&B Collection Co., Ltd.	Gong Tong Zu Lin Co., Ltd.	Taiwan	Wholesale of machinery and equipment	27,300	27,300	7,020,000	39	84,944	1,616	NA	Associate of subsidiary
	Daquan Hanshi Co., Ltd.	Taiwan	Food service activities	5,513	5,513	721,500	39	11,193	391	NA	Associate of subsidiary
Kwong Lung Meko (B.V.I.) Ltd.	Lyon Ventures Holdings Ltd.	Canada	Selling of bedding	18,231	18,231	90,000	49	7,611	118	NA	Associate of subsidiary
	O'casa Lk Property Group Inc.	Canada	Overseas reinvested holding company	67,114	67,114	289,100	49	54,091	(1,109)	NA	Associate of subsidiary

Note: Refer to Table 8 for investments in mainland China.

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
Snowdown Merchandise (Suzhou) Co., Ltd. (Note 5)	Manufacturing and selling of down and bedding	US\$ 5,000	b. 1)	\$ 149,546	\$ -	\$ -	\$ 149,546	\$ 23,202	100	\$ 23,202 b. 3)	\$ 205,726	\$ -

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Kwong Lung Enterprise Co., Ltd.	\$ 598,186 (Note 3)	\$ 600,875 (US\$ 20,000)	\$ 2,984,600 (Note 4)

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

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

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

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

Note 3: The Group disposed of the subsidiary Snowdown Merchandise (Suzhou) Co., Ltd. (formerly a sister company of Kwong Lung (Suzhou) Co., Ltd.) in December 2021. The original investment amount of \$448,640 thousand had not been remitted to the Company as of June 30, 2025.

Note 4: The maximum allowable limit on investment was 60% of the consolidated net asset value of the Company \$4,974,334 (consolidated net worth) \times 60% = \$2,984,600.

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE SIX MONTHS ENDED JUNE 30, 2025 (In Thousands of New Taiwan Dollars)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gain
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Snowdown Merchandise (Suzhou) Co., Ltd. (Notes 1 and 2)	Purchase	\$ 148,087	5	Normal	Prepayment or T/T 30-180 days	No significant difference	Trade payables \$ 75,436	4	\$ -
Snowdown Merchandise (Suzhou) Co., Ltd. (Notes 1 and 3)	Sale	30,820	2	Normal	Sales revenue received in advance or T/T 30-180 days	No significant difference	Trade receivables 28,943	5	-

Note 1: Kwong Lung (Suzhou) Co., Ltd. was renamed Snowdown Merchandise (Suzhou) Co., Ltd. on February 26, 2025.

Note 2: As of June 30, 2025, the Company had transactions with Snowdown Merchandise (Suzhou) Co., Ltd. for processing of materials and purchasing materials amounted to \$23,889 thousand of the Company's other receivables.

Note 3: As of June 30, 2025, Kwong Lung Meko Co., Ltd., the investor company, had significant transactions with Snowdown Merchandise (Suzhou) Co., Ltd. the investee company in mainland China.

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