

**TAINAN ENTERPRISES CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW
REPORT**

SIX MONTHS ENDED JUNE 30, 2025 AND 2024

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

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES

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

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INDEPENDENT AUDITORS' REVIEW REPORT

(2025) Chia-Shen-Bao-Tzi No. 25001476

To Tainan Enterprises Co., Ltd.

Introduction

Tainan Enterprises Co., Ltd. and subsidiaries (hereinafter referred to as "the Tainan Group")'s consolidated balance sheets as of June 30, 2025 and 2024, and consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the three months and six months ended June 30, 2025 and 2024, have been reviewed by us. The preparation of consolidated financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission is the responsibility of management. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except for matters described in the basis for qualified conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 2410 "Review of Financial Statements" of the R.O.C. The procedures performed in reviewing the consolidated financial statements included inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is significantly less than the scope of an audit and consequently we might not 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

The financial statements of certain non-material subsidiaries and investments accounted

for under equity method included in the above consolidated financial statements and the related information disclosed in Note 13 for the second quarters of 2025 and 2024 have not been reviewed by independent auditors. As of June 30, 2025 and 2024, the total assets of these companies (including "investments accounted for under equity method") were NT\$341,004 thousand and NT\$470,231 thousand, respectively, total liabilities were NT\$112,861 thousand and NT\$180,179 thousand, respectively, and the total comprehensive income for the three months and six months ended June 30, 2025 and 2024 (including "share of profit or loss of associates and joint ventures accounted for using equity method" and "share of other comprehensive income of associates and joint ventures accounted for using equity method") were NT\$(1,125) thousand and NT\$46,868 thousand, and NT\$10,766 thousand and NT\$92,095 thousand, respectively, representing 7% and 8% of the Tainan Group's consolidated total assets, 8% and 11% of consolidated total liabilities, and -, 33%, (6%), and 20% of consolidated total comprehensive income, respectively.

Qualified Conclusion

Based on our review, except for the potential adjustments and disclosure impacts on the consolidated financial statements that might arise if the financial statements of certain non-material subsidiaries and investments accounted for under equity method described in the basis for qualified conclusion section and the related information disclosed in Note 13 were reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, and do not present fairly the consolidated financial position of the Tainan Group as of June 30, 2025 and 2024, and the consolidated financial performance and consolidated cash flows for the three months and six months ended June 30, 2025 and 2024.

PricewaterhouseCoopers Taiwan

Tien Chung-Yu

Independent Accountants

Hsu Huei-Yu

Financial Supervisory Commission

Approved Audit License No. Jing-Guan-Jeng-

Sheng-Tzi No. 1070323061

Jing-Guan-Jeng-Sheng-Tzi No. 1120348565

August 11, 2025

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
June 30, 2025, December 31, 2024, and June 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 808,475	16	\$ 804,611	14	\$ 878,899	16
1110	Financial assets at fair value through profit or loss - current	6(2)	938	-	-	-	-	-
1136	Financial assets at amortized cost — current	6(3)	47,130	1	156,558	2	193,884	4
1150	Notes receivable, net	6(4)	342	-	-	-	813	-
1170	Accounts receivable, net	6(4)	1,228,969	24	1,404,501	24	1,216,615	22
1200	Other receivables		47,896	1	54,632	1	58,095	1
1210	Other receivables - related party	6(7) and 7	3,753	-	-	-	6,700	-
1220	Current income tax assets	6(30)	309	-	200	-	912	-
130X	Inventories	6(5)	742,742	14	1,167,849	20	945,101	17
1410	Prepayments		89,179	2	74,791	1	72,227	1
11XX	Total current assets		2,969,733	58	3,663,142	62	3,373,246	61
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)	86,825	2	86,825	2	86,825	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	855	-	1,239	-	1,707	-
1535	Financial assets at amortized cost - non-current	6(3)	663,672	13	653,229	11	587,249	11
1550	Investments accounted for under equity method	6(7)	82,221	2	96,357	2	106,118	2
1600	Property, plant and equipment	6(8)	917,399	18	990,736	17	1,009,764	18
1755	Right-of-use assets	6(9)	91,664	2	82,932	2	98,902	2
1760	Investment property, net	6(11)	137,837	3	137,401	2	135,806	2
1780	Intangible assets	6(12)(13)	5,104	-	6,306	-	6,816	-
1840	Deferred income tax assets	6(30)	50,359	1	46,828	1	57,489	1
1915	Prepayments for equipment	6(8)(11)(12)	68,229	1	71,322	1	73,068	1
1920	Guarantee deposits paid		13,976	-	15,748	-	15,191	-
1975	Net defined benefit assets - non-current	6(18)	12,844	-	12,781	-	3,412	-
1990	Other non-current assets - others		13,418	-	15,451	-	17,149	-
15XX	Total non-current assets		2,144,403	42	2,217,155	38	2,199,496	39
1XXX	Total assets		\$ 5,114,136	100	\$ 5,880,297	100	\$ 5,572,742	100

(Continued on next page)

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
June 30, 2025, December 31, 2024, and June 30, 2024
(Expressed in thousands of New Taiwan dollars)

			June 30, 2025		December 31, 2024		June 30, 2024	
Liabilities and equity		Notes	Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6(14)	\$ 581,781	11	\$ 500,925	9	\$ 399,205	7
2110	Short-term bills payable	6(15)	-	-	-	-	59,954	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	-	-	1,210	-
2130	Contract liabilities - current	6(23)	4,608	-	2,826	-	5,310	-
2150	Notes payable		5,226	-	9,732	-	4,182	-
2170	Accounts payable	7	157,731	3	426,282	7	274,417	5
2200	Other payables	6(16)	420,004	8	499,779	9	586,907	11
2230	Current income tax liabilities	6(30)	43,654	1	65,655	1	53,618	1
2280	Lease liabilities - current		24,472	1	12,067	-	24,775	-
2310	Advance receipts		341	-	14	-	329	-
21XX	Total current liabilities		1,237,817	24	1,517,280	26	1,409,907	25
Non-current liabilities								
2540	Long-term borrowings	6(17)	47,500	1	47,500	1	-	-
2570	Deferred income tax liabilities	6(30)	47,150	1	44,963	1	46,017	1
2580	Lease liabilities - non-current		1,747	-	3,853	-	5,988	-
2640	Net defined benefit liabilities - non-current	6(18)	112,764	2	120,023	2	129,596	3
2645	Guarantee deposits received		2,621	-	2,920	-	2,860	-
25XX	Total non-current liabilities		211,782	4	219,259	4	184,461	4
2XXX	Total liabilities		1,449,599	28	1,736,539	30	1,594,368	29
Equity Attributable to Owners of the Parent Company								
Share Capital								
3110	Common stock	6(19)	1,461,535	29	1,461,535	25	1,461,535	26
3200	Capital surplus	6(20)	824,531	16	824,531	14	824,531	14
	Retained earnings	6(21)						
3310	Legal reserve		874,300	17	829,088	14	829,088	15
3320	Special reserve		-	-	28,741	-	28,741	-
3350	Unappropriated retained earnings		684,815	13	860,447	15	708,347	13
3400	Others equity items	6(6)(7)(22)	(180,644)	(3)	139,416	2	126,132	3
3XXX	Total equity		3,664,537	72	4,143,758	70	3,978,374	71
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	Total liabilities and equity		\$ 5,114,136	100	\$ 5,880,297	100	\$ 5,572,742	100

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

Chairman: Yang Ching-Hon

Manager: Su Chiung-Chung

Head of Accounting: Tsai Chen-Chih

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Six Months Ended June 30, 2025 and 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share data)

	Item	Notes	Three Months Ended June 30, 2025		Three Months Ended June 30, 2024		Six Months Ended June 30, 2025		Six Months Ended June 30, 2024	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(23) and 7	\$ 1,503,414	100	\$ 1,634,594	100	\$ 3,999,547	100	\$ 3,948,564	100
5000	Operating cost	6(5)(9)(18)(28) (29) and 7	(1,269,567)	(84)	(1,322,065)	(81)	(3,294,333)	(82)	(3,196,481)	(81)
5900	Net operating margin		233,847	16	312,529	19	705,214	18	752,083	19
	Operating expenses	6(9)(12)(18)(28) (29), 7 and 12								
6100	Selling expenses		(59,656)	(4)	(56,913)	(4)	(129,679)	(3)	(119,621)	(3)
6200	General administrative expenses		(143,671)	(10)	(169,144)	(10)	(344,429)	(9)	(347,690)	(9)
6300	Research and development expenses		(19,667)	(1)	(18,868)	(1)	(39,083)	(1)	(36,984)	(1)
6450	Expected credit gains (losses)		3,376	-	-	-	3,665	-	-	-
6000	Total operating expenses		(219,618)	(15)	(244,925)	(15)	(509,526)	(13)	(504,295)	(13)
6900	Operating profits		14,229	1	67,604	4	195,688	5	247,788	6
	Non-operating income and expenses									
7100	Interest income	6(3)(24)	14,709	1	14,733	1	28,620	1	25,954	1
7010	Other income	6(10)(11)(25) and 7	2,641	-	6,340	-	5,261	-	11,187	-
7020	Other gains and losses	6(2)(3)(9)(11) (26)(28)	(77,774)	(5)	25,830	2	(55,726)	(2)	72,100	2
7050	Finance costs	6(9)(27)	(5,776)	-	(4,928)	-	(15,456)	-	(12,717)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)								
			2,769	-	968	-	4,517	-	4,201	-
7000	Total non-operating income and expenses		(63,431)	(4)	42,943	3	(32,784)	(1)	100,725	3
7900	Income (loss) before income tax		(49,202)	(3)	110,547	7	162,904	4	348,513	9
7950	Income tax expense	6(30)	(913)	-	(21,432)	(1)	(29,758)	(1)	(48,497)	(1)
8200	Profit (loss) for the period		<u>\$ 50,115</u>	<u>(3)</u>	<u>\$ 89,115</u>	<u>6</u>	<u>\$ 133,146</u>	<u>3</u>	<u>\$ 300,016</u>	<u>8</u>
	Other comprehensive income (loss)									
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316	Unrealized gain/ (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income or loss	6(6)(22)	(\$ 203)	-	\$ 969	-	(\$ 384)	-	\$ 1,162	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method - will not be reclassified to profit or loss	6(7)(22)	(14,910)	(1)	19,752	1	(14,899)	-	22,001	1
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	6(22)	(342,537)	(23)	33,090	2	(304,776)	(8)	131,713	3
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method - will be reclassified to profit or loss	6(7)(22)	(1)	-	(3)	-	(1)	-	(3)	-
8300	Other comprehensive income (loss)		<u>(\$ 357,651)</u>	<u>(24)</u>	<u>\$ 53,808</u>	<u>3</u>	<u>(\$ 320,060)</u>	<u>(8)</u>	<u>\$ 154,873</u>	<u>4</u>
8500	Total comprehensive income		<u>(\$ 407,766)</u>	<u>(27)</u>	<u>\$ 142,923</u>	<u>9</u>	<u>(\$ 186,914)</u>	<u>(5)</u>	<u>\$ 454,889</u>	<u>12</u>
	Income (loss) attributable to:									
8610	Owners of the parent		(\$ 50,115)	(3)	\$ 89,115	6	\$ 133,146	3	\$ 300,016	8
	Comprehensive income attributable to:									
8710	Owners of the parent		<u>(\$ 407,766)</u>	<u>(27)</u>	<u>\$ 142,923</u>	<u>9</u>	<u>(\$ 186,914)</u>	<u>(5)</u>	<u>\$ 454,889</u>	<u>12</u>
	Earnings (losses) per share (in dollars)	6(31)								
9750	Basic		<u>(\$ 0.34)</u>		<u>\$ 0.61</u>		<u>\$ 0.91</u>		<u>\$ 2.05</u>	
9850	Diluted		<u>(\$ 0.34)</u>		<u>\$ 0.61</u>		<u>\$ 0.91</u>		<u>\$ 2.05</u>	

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

Chairman: Yang Ching-Hon

Manager: Su Chiung-Chung

Head of Accounting: Tsai Chen-Chih

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Six Months Ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

		Equity Attributable to Owners of the Parent Company							
		Retained earnings					Others equity items		
						Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain/ (loss) on valuation of investments in equity instruments measured at fair value through other comprehensive income or loss	Total equity
Notes		Common stock	Capital surplus	Legal reserve	Special reserve				
<u>Six Months Ended June 30, 2024</u>									
		\$ 1,461,535	\$ 824,531	\$ 798,013	\$ 24,941	\$ 618,590	(\$ 35,776)	\$ 7,035	\$ 3,698,869
		-	-	-	-	300,016	-	-	300,016
Other comprehensive income or loss for the six months ended June 2024	6(22)	-	-	-	-	-	131,710	23,163	154,873
Total comprehensive income or loss for the six months ended June 2024		-	-	-	-	300,016	131,710	23,163	454,889
Appropriation and distribution of 2023 earnings:									
Legal reserve		-	-	31,075	-	(31,075)	-	-	-
Special reserve		-	-	-	3,800	(3,800)	-	-	-
Cash dividends	6(21)	-	-	-	-	(175,384)	-	-	(175,384)
Balance at June 30, 2024		\$ 1,461,535	\$ 824,531	\$ 829,088	\$ 28,741	\$ 708,347	\$ 95,934	\$ 30,198	\$ 3,978,374
<u>Six Months Ended June 30, 2025</u>									
		\$ 1,461,535	\$ 824,531	\$ 829,088	\$ 28,741	\$ 860,447	\$ 123,341	\$ 16,075	\$ 4,143,758
Net profit for the six months ended June 2025		-	-	-	-	133,146	-	-	133,146
Other comprehensive income or loss for the six months ended June 2025	6(22)	-	-	-	-	-	(304,777)	(15,283)	(320,060)
Total comprehensive income or loss for the six months ended June 2025		-	-	-	-	133,146	(304,777)	(15,283)	(186,914)
Appropriation and distribution of 2024 earnings:									
Legal reserve		-	-	45,212	-	(45,212)	-	-	-
Special reserve		-	-	-	(28,741)	28,741	-	-	-
Cash dividends	6(21)	-	-	-	-	(292,307)	-	-	(292,307)
Balance at June 30, 2025		\$ 1,461,535	\$ 824,531	\$ 874,300	\$ -	\$ 684,815	(\$ 181,436)	\$ 792	\$ 3,664,537

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

Chairman: Yang Ching-Hon

Manager: Su Chiung-Chung

Head of Accounting: Tsai Chen-Chih

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six Months Ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
<u>Cash flows from operating activities</u>			
Profit before tax		\$ 162,904	\$ 348,513
Adjustments			
Adjustments to reconcile profit (loss)			
Foreign exchange gains		(33,978)	(823)
Net loss (gains) on financial assets and liabilities at fair value through profit or loss	6(26)	(938)	1,466
Gains on disposal of investments		-	(1,997)
Expected credit gains (losses)	12	(3,665)	-
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(4,517)	(4,201)
Depreciation	6(8)(9)(11)(28)	63,737	63,821
Loss (gains) on disposal of property, plant and equipment	6(26)	(982)	32
Gain from lease modification	6(9)(26)	-	(5)
Amortization	6(12)(28)	2,589	4,444
Interest income	6(24)	(28,620)	(25,954)
Interest expense	6(27)	15,456	12,717
Changes in operating assets/liabilities			
Change in operating assets			
Notes receivable		(342)	(813)
Accounts receivable		179,197	(29,951)
Other receivables		(887)	2,658
Inventories		425,107	258,542
Prepayments		(14,388)	7,001
Change in operating liabilities			
Contract liabilities - current		1,782	419
Notes payable		(4,506)	(2,769)
Accounts payable		(268,551)	(139,112)
Other payables		(83,992)	(23,698)
Advance receipts		327	323
Net defined benefit liabilities - non-current		5,935	(6,739)
Cash inflow generated from operations		411,668	463,874
Interest received		29,536	22,154
Income tax collected		49	-
Interest paid		(13,166)	(12,726)
Income tax paid		(53,261)	(23,101)
Net cash inflow from operating activities		374,826	450,201

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TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six Months Ended June 30, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
<u>Cash flows from investing activities</u>			
Increase in financial assets at amortized cost		(\$ 131,255)	(\$ 258,036)
Decrease in financial assets at amortized cost		146,230	92,902
Decrease in other receivables		1,229	2,383
Cash paid for acquisition of property, plant and equipment	6(32)	(34,297)	(24,707)
Proceeds from disposal of property, plant and equipment		1,140	521
Acquisition of right-of-use assets		(8,773)	-
Cash paid for acquisition of investment property	6(32)	(1,581)	(666)
Cash paid for acquisition of intangible assets	6(12)	(1,547)	(972)
Increase in prepayments for equipment		(4,969)	(17,663)
Decrease (increase) in guarantee deposits paid		1,772	(709)
Decrease (increase) in other non-current assets		2,033	(1,061)
Net cash flows used in investing activities		(30,018)	(208,008)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(33)	1,679,514	299,205
Repayments of short-term borrowings	6(33)	(1,564,856)	(509,000)
Increase in short-term bills payable	6(33)	-	60,000
Repayments of lease liabilities	6(33)	(14,801)	(14,380)
Increase (decrease) in guarantee deposits paid	6(33)	(299)	205
Cash dividends paid	6(21)	(292,307)	-
Net cash flows used in financing activities		(192,749)	(163,970)
Effects of foreign exchange rate changes on cash		(148,195)	65,308
Net Increase in cash and cash equivalents for the current period		3,864	143,531
Cash and cash equivalents at beginning of period	6(1)	804,611	735,368
Cash and cash equivalents at end of period	6(1)	<u>\$ 808,475</u>	<u>\$ 878,899</u>

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

Chairman: Yang Ching-Hon

Manager: Su Chiung-Chung

Head of Accounting: Tsai Chen-Chih

TAINAN ENTERPRISES CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

I. HISTORY AND ORGANIZATION

- (I) Tainan Enterprises Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and other relevant laws and regulations in August 1961. The Company and its subsidiaries (the “Group”) are primarily engaged in manufacturing, retail and export of various kinds of apparels (including woven and knitted garments).
- (II) As of June 30, 2025, the Group has 11,478 employees.
- (III) The common shares of the Company had been listed on the Taipei Exchange since April 1999, and has been transferred to be listed on the Taiwan Stock Exchange since September 2000.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 11, 2025.

III. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

The following table summarizes the newly issued, amended and revised standards and interpretations of International Financial Reporting Standards recognized and endorsed by the FSC and effected for application in 2025:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (“IASB”)</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the above standards and interpretations do not have a material impact on the Group's financial position and financial performance.

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

The following table summarizes the newly issued, amended, and revised standards and interpretations of International Financial Reporting Standards applicable in 2026 as recognized by the FSC:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts involving electricity from natural sources"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to International Financial Reporting Standard No. 17 "Initial Application of International Financial Reporting Standard No. 17 and International Financial Reporting Standard No. 9 - Comparative Information"	January 1, 2023
Annual Improvements to International Financial Reporting Standards - Volume 11	January 1, 2026

The Group has assessed that the above standards and interpretations do not have a material impact on the Group's financial position and financial performance.

(III) Impact of International Financial Reporting Standards issued by the International Accounting Standards Board but not yet endorsed by the FSC

The following table summarizes the newly issued, amended, and revised standards and interpretations of International Financial Reporting Standards that have been issued by the International Accounting Standards Board but have not yet been incorporated into those endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between an Investor and its Associate or Joint Venture"	Pending decision by the International Accounting Standards Board
IFRS No. 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS No. 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Except for those described below that are pending assessment, the aforementioned standards and interpretations have been assessed to have no material impact on the Group's financial position and financial performance.

International Financial Reporting Standard No. 18 "Presentation and Disclosure in Financial Statements":

International Financial Reporting Standard No. 18 replaces International Accounting

Standard No. 1 and updates the framework of the statement of comprehensive income, adds disclosures for management performance measures, and enhances the aggregation and disaggregation principles applied to primary financial statements and notes.

IV. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Significant accounting policies are the same as those described in Note 4 to the consolidated financial statements for 2024, except for the compliance statement, basis of preparation, basis of consolidation, and interim reporting, as described below. Unless otherwise stated, these policies have been applied consistently across all reporting periods.

(I) Compliance statement

1. The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC.
2. This consolidated financial report should be read in conjunction with the consolidated financial report for 2024.

(II) Basis of preparation

1. Except for the following significant items, this consolidated financial report is prepared based on historical cost:
 - (1) Financial assets and liabilities measured at fair value through profit or loss (including derivative instruments).
 - (2) Financial assets measured at fair value through other comprehensive income.
 - (3) Defined benefit assets (liabilities) recognized at the net amount of retirement fund assets less the present value of defined benefit obligations.
2. The preparation of consolidated financial reports in compliance with International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretation Announcements (hereinafter referred to as "IFRSs") approved and issued by the FSC requires the use of certain significant accounting estimates. Management is also required to exercise judgment in applying the Group's accounting policies. Items involving high degrees of judgment or complexity, or items involving significant assumptions and estimates for the consolidated financial reports, are detailed in Note 5, Major Sources of Accounting Judgments, Estimates and Assumption Uncertainties.

(III) Basis of consolidation

1. Principles of Consolidated Financial Report Preparation:

The preparation principles of this consolidated financial report are the same as those of the consolidated financial report for 2024.
2. Subsidiaries included in the consolidated financial statements:

<u>Name of investor</u>	<u>Name of subsidiaries</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Note</u>
			<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
Tainan Enterprises Co., Ltd.	Tainan Enterprise (BVI) Co., Ltd.	Professional investments	100.00	100.00	100.00	—
Tainan Enterprises Co., Ltd.	PT. Tainan Enterprises Indonesia	Garment processing, production and selling	100.00	100.00	100.00	—
Tainan Enterprises Co., Ltd.	PT. Andalan Mandiri Busana	Garment processing, production and selling	100.00	100.00	100.00	—
Tainan Enterprises Co., Ltd.	Tainan Enterprises (Cambodia) Co., Ltd.	Garment processing, production and selling	100.00	100.00	100.00	—
Tainan Enterprises Co., Ltd.	Tainan Enterprises (Vietnam) Co., Ltd.	Garment processing, production and selling	100.00	100.00	100.00	—
Tainan Enterprises Co., Ltd.	Beyoung Fashion Co., Ltd.	Garment processing, production and selling	100.00	100.00	100.00	(Note 3)
Tainan Enterprises Co., Ltd.	PT Cahaya Indah Global	Garment processing, production and selling	100.00	100.00	100.00	—

<u>Name of investor</u>	<u>Name of subsidiaries</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Note</u>
			<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
Tainan Enterprise (BVI) Co., Ltd.	Yixing Gaoqing Garment Co., Ltd.	Garment processing, production and selling	100.00	100.00	100.00	—
Tainan Enterprise (BVI) Co., Ltd.	T&G Fashion Co., Ltd.	Professional investments	100.00	100.00	100.00	(Note 3)
T&G Fashion Co., Ltd.	Gin-Sovann Fashions (Cambodia) Limited	Garment processing, production and selling	100.00	100.00	100.00	(Note 3)
T&G Fashion Co., Ltd.	Camitex II (Cambodia) MFG Co., Ltd.	Garment processing, production and selling	100.00	100.00	100.00	(Note 2) (Note 3)
T&G Fashion Co., Ltd.	Golden Harbor Garment (Cambodia) Limited	Garment processing, production and selling	—	100.00	100.00	(Note 1)

Note 1: The liquidation was completed in the second quarter of 2025.

Note 2: Operations have ceased, and liquidation procedures are still in progress.

Note 3: As it does not meet the definition of a significant subsidiary, its financial statements and the information disclosed in Note 13 have not been reviewed by independent auditors.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments and treatment for subsidiaries with different accounting periods: None.
5. Material restrictions: None.
6. Subsidiaries with non-controlling interests that are material to the Group: None

(IV) Employee benefits

For interim periods, the defined benefit plan pension cost is calculated using the pension cost rate determined actuarially at the end of the previous accounting year, based on the period from the beginning of the year to the end of the current period. If there are significant market fluctuations and significant curtailments, settlements, or other significant one-time events after that end date, adjustments are made accordingly, and relevant information is disclosed in accordance with the aforementioned policy.

(V) Income tax

For interim periods, income tax expense is calculated by applying the estimated annual average effective tax rate to the pre-tax income or loss for the interim period, and relevant information is disclosed in accordance with the aforementioned policy.

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

There were no significant changes for the current period. Please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

VI. DETAILS OF MATERIAL ACCOUNTS

(I) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash:			
Cash on hand	\$ 2,207	\$ 2,032	\$ 2,122
Checking and demand deposits	472,159	436,807	613,667
	<u>474,366</u>	<u>438,839</u>	<u>615,789</u>
Cash equivalents:			
Time deposits	334,109	365,772	263,110
	<u>\$ 808,475</u>	<u>\$ 804,611</u>	<u>\$ 878,899</u>

1. The Group conducts business with financial institutions of good credit quality and maintains relationships with multiple financial institutions to diversify credit risk, with the expectation that the possibility of default is very low.
2. The Group did not pledge any cash and cash equivalents as of June 30, 2025, December 31, 2024, and June 30, 2024.

(II) Financial assets and liabilities at fair value through profit or loss

<u>Asset items</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivatives - forward exchange contracts	\$ 938	\$ -	\$ -
Non-current:			
Financial assets mandatorily measured at fair value through profit or loss			
Non-TWSE/TPEX/emerging market listed stocks	\$ 86,825	\$ 86,825	\$ 86,825

1. Details of the above financial assets and liabilities recognized in profit or loss are as follows:

	<u>Three months ended June 2025</u>	<u>Three months ended June 2024</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss	\$ 1,509	(\$ 1,210)
	<u>Six months ended June 2025</u>	<u>Six months ended June 2024</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss	\$ 1,509	(\$ 1,979)

2. Details of derivative asset/liability contracts undertaken that do not conform with hedge accounting:

	<u>June 30, 2025</u>	
<u>Item</u>	<u>Notional principal</u>	<u>Contract duration</u>
Forward sale of foreign currency	USD 5,000 thousand	Jun 2025 - Sep 2025
	<u>June 30, 2024</u>	
<u>Item</u>	<u>Notional principal</u>	<u>Contract duration</u>
Forward sale of foreign currency	RP 32,210,000 thousand	May 2024 - Aug 2024

No such circumstance on December 31, 2024

The Group engages in forward exchange transactions primarily to eliminate foreign exchange risks on business activities that arise due to changing exchange rates.

However, the Group does not adopt hedge accounting to account for such transactions.

3. The Group did not pledge any financial assets measured at fair value through profit or loss as of June 30, 2025, December 31, 2024, and June 30, 2024.

(III) Financial assets at amortized cost

	June 30, 2025	December 31, 2024	June 30, 2024
Current:			
Bonds	\$ 96,582	\$ 211,900	\$ 248,652
Less: Accumulated impairment	(49,452)	(55,342)	(54,768)
	<u>\$ 47,130</u>	<u>\$ 156,558</u>	<u>\$ 193,884</u>
Non-current:			
Bonds	\$ 657,812	\$ 653,229	\$ 587,249
Time deposits over one year	5,860	-	-
	<u>\$ 663,672</u>	<u>\$ 653,229</u>	<u>\$ 587,249</u>

1. Details of Financial assets at amortized cost recognized in profit or loss are as follows:

	Three months ended June 2025	Three months ended June 2024
Interest income	<u>\$ 9,296</u>	<u>\$ 10,080</u>
	Six months ended June 2025	Six months ended June 2024
Interest income	\$ 19,255	\$ 18,497
Gains on disposal of investments	-	520
	<u>\$ 19,255</u>	<u>\$ 19,017</u>

2. Without considering any collateral held or other credit enhancements, the amounts that best represent the Group's maximum exposure to credit risk for Financial assets at amortized cost as of June 30, 2025, December 31, 2024, and June 30, 2024 approximate their book values.
3. The Group did not pledge any Financial assets at amortized cost as of June 30, 2025, December 31, 2024, and June 30, 2024.
4. For related credit risk information, please refer to Note 12(2) Financial Instruments. The Group's investments in time deposits are with financial institutions of good credit quality, and the possibility of default is expected to be very low.

(IV) Accounts receivable, net

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 342	\$ -	\$ 813
Accounts receivable	\$ 1,228,969	\$ 1,408,166	\$ 1,225,219
Less: Allowance for uncollectable accounts	-	(3,665)	(8,604)
	<u>\$ 1,228,969</u>	<u>\$ 1,404,501</u>	<u>\$ 1,216,615</u>

1. Aging analysis of notes and accounts receivable is as follows:

	March 31, 2025		December 31, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ 342	\$ 1,226,641	\$ -	\$ 1,400,192
Up to 30 days	-	68	-	258
31~90 days	-	1	-	7,711
Over 91 days	-	2,259	-	5
	<u>\$ 342</u>	<u>\$ 1,228,969</u>	<u>\$ -</u>	<u>\$ 1,408,166</u>

	June 30, 2024	
	Notes receivable	Accounts receivable
Not past due	\$ 813	\$ 1,194,111
Up to 30 days	-	28,611
31~90 days	-	351
Over 91 days	-	2,146
	<u>\$ 813</u>	<u>\$ 1,225,219</u>

The above represents an aging analysis based on the number of days past due.

- The balances of notes and accounts receivable as of June 30, 2025, December 31, 2024, and June 30, 2024 all arose from customer contracts. The balance of notes and accounts receivable from customer contracts as of January 1, 2024 was \$1,195,268.
- The Group did not hold any collateral as security for notes and accounts receivable as of June 30, 2025, December 31, 2024, and June 30, 2024.
- Without considering any collateral held or other credit enhancements, the amounts that best represent the Group's maximum exposure to credit risk for notes and accounts receivable as of June 30, 2025, December 31, 2024, and June 30, 2024 are their book values.
- For related credit risk information, please refer to Note 12(2) Financial Instruments.

(V) Inventories

June 30, 2025			
	Cost	Allowance for inventory valuation loss	Carrying amount
Raw materials	\$ 302,775	\$ -	\$ 302,775
Work in process	439,967	-	439,967
	<u>\$ 742,742</u>	<u>\$ -</u>	<u>\$ 742,742</u>
December 31, 2024			
	Cost	Allowance for inventory valuation loss	Carrying amount
Raw materials	\$ 406,091	\$ -	\$ 406,091
Work in process	761,701	-	761,701
Finished goods	57	-	57
	<u>\$ 1,167,849</u>	<u>\$ -</u>	<u>\$ 1,167,849</u>
June 30, 2024			
	Cost	Allowance for inventory valuation loss	Carrying amount
Raw materials	\$ 409,267	\$ -	\$ 409,267
Work in process	533,477	-	533,477
Finished goods	2,357	-	2,357
	<u>\$ 945,101</u>	<u>\$ -</u>	<u>\$ 945,101</u>

The Group's inventory costs recognized as expenses for the current period:

	Three months ended June 2025	Three months ended June 2024
Cost of goods sold	\$ 1,273,870	\$ 1,326,471
Income from sale of scraps	(4,303)	(4,406)
	<u>\$ 1,269,567</u>	<u>\$ 1,322,065</u>
	Six months ended June 2025	Six months ended June 2024
Cost of goods sold	\$ 3,299,962	\$ 3,203,974
Income from sale of scraps	(5,629)	(7,493)
	<u>\$ 3,294,333</u>	<u>\$ 3,196,481</u>

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

Item	June 30, 2025	December 31, 2024	June 30, 2024
Equity instruments			
Listed stocks	\$ 1,452	\$ 1,452	\$ 1,452
Valuation adjustments	(597)	(213)	(255)
	<u>\$ 855</u>	<u>\$ 1,239</u>	<u>\$ 1,707</u>

1. The Group elected to classify equity investments that are strategic investments as financial assets at fair value through other comprehensive income. The fair values of such investments amounted to \$855, \$1,239, and \$1,707 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.
2. Details of financial assets measured at fair value through other comprehensive income recognized in other comprehensive income are as follows:

	Three months ended June 2025	Three months ended June 2024
Fair value changes	(\$ 203)	\$ 969
	Six months ended June 2025	Six months ended June 2024
Fair value changes	(\$ 384)	\$ 1,162

3. Without considering collateral held or other credit enhancements, the maximum exposure to credit risk for the Group's financial assets measured at fair value through other comprehensive income as of June 30, 2025, December 31, 2024, and June 30, 2024 is approximately equal to their book values.
4. The Group did not pledge any financial assets measured at fair value through other comprehensive income as of June 30, 2025, December 31, 2024, and June 30, 2024.

(VII) Investments accounted for under equity method

1. Movements of investments accounted for under equity method:

	Six months ended June 2025	Six months ended June 2024
At January 1	\$ 96,357	\$ 86,619
Share of profit or loss of associates and joint ventures accounted for under equity method	4,517	4,201
Earnings distribution from equity-accounted investments	(3,753)	(6,700)
Changes in other equity - unrealized gains on financial assets at fair value through other comprehensive income	(14,899)	22,001
Changes in other equity - Financial statements translation differences of foreign operations	(1)	(3)
At June 30	<u>\$ 82,221</u>	<u>\$ 106,118</u>

2. Details of investments accounted for under equity method are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	<u>\$ 82,221</u>	<u>\$ 96,357</u>	<u>\$ 106,118</u>

3. Associates:

(1) The basic information of the Group's major associates is as follows:

Company name	Principal place of business	Shareholding percentage			Nature of relationship	Measuremen t method
		June 30, 2025	December 31, 2024	June 30, 2024		
Tainan Enterprise (Cayman) Co., Ltd.	Republic of China (Note)	13.39%	13.39%	13.39%	Strategic investment	Equity method

(Note) Country of incorporation is the Cayman Islands.

(2) The summarized financial information of the associates that is material to the group is as follows:

Balance sheet

Tainan Enterprise (Cayman) Co., Ltd. and subsidiaries			
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 887,253	\$ 951,019	\$ 878,409
Non-current assets	887,682	1,028,892	1,079,449
Current liabilities	(915,275)	(914,020)	(785,340)
Non-current liabilities	(165,000)	(263,562)	(293,718)
Non-controlling interests	(80,613)	(82,712)	(86,280)
Total net assets	<u>\$ 614,047</u>	<u>\$ 719,617</u>	<u>\$ 792,520</u>
Share in associates’ net assets	<u>\$ 82,221</u>	<u>\$ 96,357</u>	<u>\$ 106,118</u>
Carrying of comprehensive associates	<u>\$ 82,221</u>	<u>\$ 96,357</u>	<u>\$ 106,118</u>

Statements of comprehensive income

	Tainan Enterprise (Cayman) Co., Ltd. and subsidiaries	
	Three months ended June 2025	Three months ended June 2024
Revenue	\$ 359,869	\$ 417,722
Profit after income tax	\$ 20,307	\$ 6,453
Other comprehensive income, net of tax	(111,360)	147,511
Total comprehensive income	(\$ 91,053)	\$ 153,964
Dividends received from associates (Note)	\$ 4,690	\$ 8,933

	Tainan Enterprise (Cayman) Co., Ltd. and subsidiaries	
	Six months ended June 2025	Six months ended June 2024
Revenue	\$ 838,567	\$ 915,107
Profit after income tax	\$ 31,636	\$ 31,869
Other comprehensive income, net of tax	(111,273)	164,310
Total comprehensive income	(\$ 79,637)	\$ 196,179
Dividends received from associates (Note)	\$ 4,690	\$ 8,933

Note: Includes cash dividends and stock dividends.

- (3) Shares of the Group's significant associate Tainan Enterprise (Cayman) Co., Ltd. are quoted in open market, and the fair value was \$233,325 (NT\$49.75 per share), \$254,195 (NT\$54.20 per share), and \$292,563 (NT\$65.50 per share) as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.
4. The Group did not pledge any investments accounted for under equity method as of June 30, 2025, December 31, 2024, and June 30, 2024.

(VIII) Property, plant and equipment

	Land	Buildings	Machinery	Utilities equipment	Transportation and office equipment	Leasehold Improvement	Other equipment	Construction in progress and equipment pending inspection	Total
<u>January 1, 2025</u>									
Cost	\$ 316,312	\$ 997,564	\$ 679,895	\$ 194,224	\$ 172,264	\$ 36,439	\$ 17,773	\$ 2,024	\$ 2,416,495
Accumulated depreciation	-	(542,916)	(547,489)	(148,807)	(145,439)	(25,469)	(15,639)	-	(1,425,759)
	<u>\$ 316,312</u>	<u>\$ 454,648</u>	<u>\$ 132,406</u>	<u>\$ 45,417</u>	<u>\$ 26,825</u>	<u>\$ 10,970</u>	<u>\$ 2,134</u>	<u>\$ 2,024</u>	<u>\$ 990,736</u>
<u>Six months ended June 2025</u>									
At January 1	\$ 316,312	\$ 454,648	\$ 132,406	\$ 45,417	\$ 26,825	\$ 10,970	\$ 2,134	\$ 2,024	\$ 990,736
Additions	-	-	25,884	2,829	5,464	281	16	1,750	36,224
Reclassification from									
repayments for equipment	-	-	-	314	-	-	-	-	314
Reclassifications - cost	-	-	1,578	-	438	-	-	(2,016)	-
Depreciation	-	(13,234)	(19,809)	(4,948)	(5,146)	(1,753)	(61)	-	(44,951)
Disposals - cost	-	-	(15,513)	-	(4,187)	-	(26)	-	(19,726)
- Accumulated depreciation	-	-	15,376	-	4,169	-	23	-	19,568
Net currency exchange differences	(6,103)	(36,940)	(14,360)	(4,427)	(1,552)	(1,049)	(187)	(148)	(64,766)
At June 30	<u>\$ 310,209</u>	<u>\$ 404,474</u>	<u>\$ 125,562</u>	<u>\$ 39,185</u>	<u>\$ 26,011</u>	<u>\$ 8,449</u>	<u>\$ 1,899</u>	<u>\$ 1,610</u>	<u>\$ 917,399</u>
<u>June 30, 2025</u>									
Cost	\$ 310,209	\$ 918,706	\$ 622,331	\$ 176,717	\$ 160,470	\$ 32,819	\$ 16,185	\$ 1,610	\$ 2,239,047
Accumulated depreciation	-	(514,232)	(496,769)	(137,532)	(134,459)	(24,370)	(14,286)	-	(1,321,648)
	<u>\$ 310,209</u>	<u>\$ 404,474</u>	<u>\$ 125,562</u>	<u>\$ 39,185</u>	<u>\$ 26,011</u>	<u>\$ 8,449</u>	<u>\$ 1,899</u>	<u>\$ 1,610</u>	<u>\$ 917,399</u>

January 1, 2024									
Cost	\$ 312,675	\$ 1,015,629	\$ 659,045	\$ 177,549	\$ 165,292	\$ 34,127	\$ 17,580	\$ 1,078	\$ 2,382,975
Accumulated depreciation	- (553,755)	(526,293)	(130,823)	(136,546)	(19,928)	(15,351)	-	(1,382,696)	
	<u>\$ 312,675</u>	<u>\$ 461,874</u>	<u>\$ 132,752</u>	<u>\$ 46,726</u>	<u>\$ 28,746</u>	<u>\$ 14,199</u>	<u>\$ 2,229</u>	<u>\$ 1,078</u>	<u>\$ 1,000,279</u>
<u>Six months ended June 2024</u>									
At January 1	\$ 312,675	\$ 461,874	\$ 132,752	\$ 46,726	\$ 28,746	\$ 14,199	\$ 2,229	\$ 1,078	\$ 1,000,279
Additions	-	-	15,428	1,306	3,154	-	-	1,502	21,390
Reclassifications - cost	-	-	1,120	-	-	-	- (1,120)	-	-
Depreciation	- (15,588)	(17,690)	(4,465)	(5,243)	(2,331)	(65)	(-)	(45,382)	
Disposals – cost	-	- (36,974)	-	(5,863)	-	(105)	-	(42,942)	
– accumulated depreciation	-	-	36,470	-	5,825	-	94	-	42,389
Net currency exchange differences	3,043	19,800	7,075	2,586	622	764	72	68	34,030
At June 30	<u>\$ 315,718</u>	<u>\$ 466,086</u>	<u>\$ 138,181</u>	<u>\$ 46,153</u>	<u>\$ 27,241</u>	<u>\$ 12,632</u>	<u>\$ 2,225</u>	<u>\$ 1,528</u>	<u>\$ 1,009,764</u>
<u>June 30, 2024</u>									
Cost	\$ 315,718	\$ 1,053,728	\$ 672,767	\$ 188,925	\$ 169,172	\$ 36,061	\$ 18,053	\$ 1,528	\$ 2,455,952
Accumulated depreciation	- (587,642)	(534,586)	(142,772)	(141,931)	(23,429)	(15,828)	-	(1,446,188)	
	<u>\$ 315,718</u>	<u>\$ 466,086</u>	<u>\$ 138,181</u>	<u>\$ 46,153</u>	<u>\$ 27,241</u>	<u>\$ 12,632</u>	<u>\$ 2,225</u>	<u>\$ 1,528</u>	<u>\$ 1,009,764</u>

1. The Group's land located in Cambodia, due to restrictions under local Cambodian laws and regulations, is registered under the name of Koche Investment Co., Ltd., with the rights and obligations of both parties specified through a nominee property registration agreement. The substantive owner of such land is the Group.
2. The Group's property, plant and equipment as of June 30, 2025, December 31, 2024, and June 30, 2024 were all assets for self-use.
3. There was no capitalization of borrowing costs for property, plant and equipment for the six months ended June 30, 2025 and 2024.
4. The Group did not pledge any property, plant and equipment as collateral as of June 30, 2025, December 31, 2024, and June 30, 2024.

(IX) Lease arrangements - Lessee

1. The Group's leased assets include land use rights and buildings, with lease terms typically ranging from 1 to 50 years. Lease contracts are individually negotiated and contain various terms and conditions. Apart from the restriction that leased assets cannot be used as collateral for borrowings, no other restrictions are imposed.
2. Some of the Group's leased plants and offices have lease terms not exceeding 12 months, and the Group also leases low-value assets such as office equipment.
3. Information on the book values of right-of-use assets and depreciation expenses recognized is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Book value	Book value	Book value
Land	\$ 35,234	\$ 28,686	\$ 37,338
Buildings	56,430	54,246	61,564
	<u>\$ 91,664</u>	<u>\$ 82,932</u>	<u>\$ 98,902</u>

	Three months ended June 2025	Three months ended June 2024
	Depreciation	Depreciation
Land	\$ 4,734	\$ 4,455
Buildings	4,138	4,062
	<u>\$ 8,872</u>	<u>\$ 8,517</u>

	Six months ended June 2025	Six months ended June 2024
	Depreciation	Depreciation
Land	\$ 9,434	\$ 8,787
Buildings	8,131	8,524
	<u>\$ 17,565</u>	<u>\$ 17,311</u>

4. The Group's additions and remeasurements of right-of-use assets for the three months and six months ended June 30, 2025 and 2024, were \$16,785, \$-, \$37,257, and \$-, respectively.

5. Information on profit or loss items related to lease contracts is as follows:

	Three months ended June 2025	Three months ended June 2024
<u>Items affecting current period profit or loss</u>		
Interest expense on lease liabilities	\$ 505	\$ 627
Expenses for short-term lease contracts	849	980
Gain from lease modification	-	(6)
	Six months ended June 2025	Six months ended June 2024
<u>Items affecting current period profit or loss</u>		
Interest expense on lease liabilities	\$ 563	\$ 1,004
Expenses for short-term lease contracts	1,724	1,605
Gain from lease modification	-	(5)

6. For the three months and six months ended June 30, 2025 and 2024, the group's total cash outflow on leases were \$9,644 and \$10,079, and \$18,008 and \$17,137, respectively.

(X) Lease arrangements - lessor

1. The Group's leased assets are primarily investment properties, with lease terms typically ranging from 1 to 10 years. Lease contracts are individually negotiated and contain various terms and conditions. To protect the usage of leased assets, lessees are typically required not to lend, sublease, transfer, or allow others to use the leased assets through other disguised methods, or to place rental deposits upon contract signing.

2. The Group recognized rental income of \$776 and \$646, and \$1,422 and \$1,292 from operating lease contracts for the three months and six months ended June 30, 2025 and 2024, with no variable lease payment provisions.
3. The maturity analysis of the above operating lease contracts is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Within 1 year	\$ 1,755	\$ 2,617	\$ 1,769
1 to 5 years	3,605	4,325	5,045
Over 5 years	61	120	181
	<u>\$ 5,421</u>	<u>\$ 7,062</u>	<u>\$ 6,995</u>

(XI) Investment property, net

	Land	Buildings	Total
<u>January 1, 2025</u>			
Cost	\$ 95,130	\$ 76,956	\$ 172,086
Accumulated depreciation	-	(34,685)	(34,685)
	<u>\$ 95,130</u>	<u>\$ 42,271</u>	<u>\$ 137,401</u>
<u>Six months ended June 2025</u>			
At January 1	\$ 95,130	\$ 42,271	\$ 137,401
Additions	-	1,581	1,581
Reclassification from repayments for equipment	-	76	76
Depreciation	-	(1221)	(1221)
At June 30	<u>\$ 95,130</u>	<u>\$ 42,707</u>	<u>\$ 137,837</u>
<u>June 30, 2025</u>			
Cost	\$ 95,130	\$ 78,613	\$ 173,743
Accumulated depreciation	-	(35,906)	(35,906)
	<u>\$ 95,130</u>	<u>\$ 42,707</u>	<u>\$ 137,837</u>

	Land	Buildings	Total
<u>January 1, 2024</u>			
Cost	\$ 95,130	\$ 74,194	\$ 169,324
Accumulated depreciation	-	(32,390)	(32,390)
	<u>\$ 95,130</u>	<u>\$ 41,804</u>	<u>\$ 136,934</u>
<u>Six months ended June 2024</u>			
At January 1	\$ 95,130	\$ 41,804	\$ 136,934
Depreciation	-	(1,128)	(1,128)
At June 30	<u>\$ 95,130</u>	<u>\$ 40,676</u>	<u>\$ 135,806</u>
<u>June 30, 2024</u>			
Cost	\$ 95,130	\$ 74,194	\$ 169,324
Accumulated depreciation	-	(33,518)	(33,518)
	<u>\$ 95,130</u>	<u>\$ 40,676</u>	<u>\$ 135,806</u>

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

	Three months ended June 2025	Three months ended June 2024
Rental income investment property (listed as "other income")	<u>\$ 627</u>	<u>\$ 628</u>
Direct operating expenses arising from investment properties that generated rental income during the period	<u>\$ 619</u>	<u>\$ 564</u>
	Six months ended June 2025	Six months ended June 2024
Rental income investment property (listed as "other income")	<u>\$ 1,261</u>	<u>\$ 1,256</u>
Direct operating expenses arising from investment properties that generated rental income during the period	<u>\$ 1,221</u>	<u>\$ 1,128</u>

2. The fair value of investment properties held by the Group as of June 30, 2025, December 31, 2024, and June 30, 2024 was \$502,583, \$502,583, and \$472,473, respectively, which were valued based on announced market prices and actual transaction registration information, representing Level 2 fair value.
3. The group has not capitalized borrowing costs during the six months ended June 30, 2025 and 2024.
4. The Group had no investment properties pledged to others as of June 30, 2025, December 31, 2024, and June 30, 2024.

(XII) Intangible assets

	Computer software	Goodwill	Total
<u>January 1, 2025</u>			
Cost	\$ 13,199	\$ 82,151	\$ 95,350
Accumulated amortization	(6,893)	-	(6,893)
Accumulated impairment	-	(78,081)	(78,081)
Net currency exchange differences	-	(4,070)	(4,070)
	<u>\$ 6,306</u>	<u>\$ -</u>	<u>\$ 6,306</u>
<u>Six months ended June 2025</u>			
At January 1	\$ 6,306	\$ -	\$ 6,306
Acquired separately	1,547	-	1,547
Amortization	(2,589)	-	(2,589)
Disposals - cost	(3,225)	-	(3,225)
- Accumulated amortization	3,225	-	3,225
Net currency exchange differences	(160)	-	(160)
At June 30	<u>\$ 5,104</u>	<u>\$ -</u>	<u>\$ 5,104</u>
<u>June 30, 2025</u>			
Cost	\$ 11,307	\$ 82,151	\$ 93,458
Accumulated amortization	(6,203)	-	(6,203)
Accumulated impairment	-	(78,081)	(78,081)
Net currency exchange differences	-	(4,070)	(4,070)
	<u>\$ 5,104</u>	<u>\$ -</u>	<u>\$ 5,104</u>

	Computer software	Goodwill	Total
<u>January 1, 2024</u>			
Cost	\$ 31,274	\$ 82,151	\$ 113,425
Accumulated amortization	(21,241)	-	(21,241)
Accumulated impairment	-	(78,081)	(78,081)
Net currency exchange differences	-	(4,070)	(4,070)
	<u>\$ 10,033</u>	<u>\$ -</u>	<u>\$ 10,033</u>
<u>Six months ended June 2024</u>			
At January 1	\$ 10,033	\$ -	\$ 10,033
Acquired separately	972	-	972
Reclassification from repayments for equipment	255	-	255
Amortization	(4,444)	-	(4,444)
June 30	<u>\$ 6,816</u>	<u>\$ -</u>	<u>\$ 6,816</u>
<u>June 30, 2024</u>			
Cost	\$ 32,501	\$ 82,151	\$ 114,652
Accumulated amortization	(25,685)	-	(25,685)
Accumulated impairment	-	(78,081)	(78,081)
Net currency exchange differences	-	(4,070)	(4,070)
	<u>\$ 6,816</u>	<u>\$ -</u>	<u>\$ 6,816</u>

1. No borrowing costs were capitalized during the six months ended June 30, 2025 and 2024.
2. Details of intangible asset amortization expenses are as follows:

	Three months ended June 2025	Three months ended June 2024
Operating expenses	<u>\$ 1,314</u>	<u>\$ 2,250</u>
	Six months ended June 2025	Six months ended June 2024
Operating expenses	<u>\$ 2,589</u>	<u>\$ 4,444</u>

3. The Group had no intangible assets pledged as collateral as of June 30, 2025, December 31, 2024, and June 30, 2024.
4. Details of accumulated impairment losses on the Group's goodwill are explained in Note 6(13).

(XIII) Impairment of non-financial assets

1. No such impairment losses were recognized for the six months ended June 2025 and 2024.
2. As of June 30, 2025, December 31, 2024, and June 30, 2024, the accumulated impairment losses on goodwill (presented as "Intangible Assets") were all \$78,081.

(XIV) Short-term borrowings

<u>Type of borrowings</u>	<u>June 30, 2025</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank borrowings			
Unsecured Bank borrowings	<u>\$ 581,781</u>	1.77%~5.08%	None
<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank borrowings			
Unsecured Bank borrowings	<u>\$ 500,925</u>	1.72%~5.25%	None
<u>Type of borrowings</u>	<u>June 30, 2024</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank borrowings			
Unsecured Bank borrowings	<u>\$ 399,205</u>	1.77%~6.07%	None

The Group's interest expenses recognized in profit or loss for the three months and six months ended June 2025 and 2024 are detailed in Note 6(27) Finance Costs.

(XV) Short-term bills payable

<u>Type of borrowings</u>	<u>June 30, 2025</u>	<u>Interest rate</u>	<u>Collateral</u>
Commercial notes payable	\$ 60,000	1.87%	None
Less: unamortized discount	(46)		
	<u>\$ 59,954</u>		

No such circumstance as of June 30, 2025 and December 31, 2024.

1. The commercial notes payable shown above were guaranteed by China Bills Finance Corporation, and issued for short-term financing.
2. The Group's interest expenses recognized in profit or loss for the three months and six months ended June 2025 and 2024 are detailed in Note 6(27) Finance Costs.

(XVI) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Accrued salary and bonus	\$ 225,232	299,637	235,319
Dividends payable	-	-	175,384
Accrued processing fees	38,517	55,167	35,255
Accrued pension expense	33,484	35,272	33,716
Taxes payable	32,737	32,737	33,496
Employee and director compensation payable	20,720	12,600	15,900
Accrued freight charges	10,486	11,727	9,891
Accrued labor insurance and health insurance fee	9,958	10,875	10,104
Import and export fees payable	9,514	9,995	9,918
Payable for equipment	5,398	3,471	523
Others	33,958	28,298	27,401
	<u>\$ 420,004</u>	<u>499,779</u>	<u>586,907</u>

(XVII) Long-term borrowings

Type of borrowings	June 30, 2025	Borrowing period	Interest rate	Collateral
Unsecured Bank borrowings	<u>\$ 47,500</u>	December 2, 2024 to October 17, 2029	1.60%	None

Type of borrowings	December 31, 2024	Borrowing period	Interest rate	Collateral
Unsecured Bank borrowings	<u>\$ 47,500</u>	December 2, 2024 to October 17, 2029	1.60%	None

No such instance as of June 30, 2024.

The Group's interest expenses recognized in profit or loss for the three months and six months ended June 2025 and 2024 are detailed in Note 6(27) Finance Costs.

(XVIII) Pension

1. The Company has established a defined benefit retirement plan in accordance with the provisions of the R.O.C. "Labor Standards Act," which applies to the service years of all regular employees before the implementation of the R.O.C. "Labor Pension Act" on July 1, 2005, as well as the subsequent service years of employees who chose to continue under the Labor Standards Act after the implementation of the R.O.C. "Labor Pension Act." For employees who meet retirement conditions, pension payments are calculated based on years of service and the average salary of the 6 months prior to retirement. For service years within 15 years (inclusive), 2 base units are granted for each full year of service, and for service years exceeding 15 years, 1 base unit is

granted for each full year of service, with a maximum cumulative limit of 45 base units. The Company contributes 7.5% of the total monthly payroll to the retirement fund, which is deposited in a special account under the name of the Labor Retirement Reserve Supervisory Committee at the Bank of Taiwan. Additionally, before the end of each year, the Company estimates the balance of the aforementioned labor retirement reserve account. If the balance is insufficient to pay the retirement benefits calculated as described above for employees who are expected to meet retirement conditions in the following year, the Company will contribute the shortfall in a lump sum by the end of March of the following year. Information disclosure related to the aforementioned defined benefit retirement plan and the defined benefit retirement plans of subsidiaries - P.T. Tainan Enterprises Indonesia and PT. Andalan Mandiri Busana - is as follows:

- (1) For the three months and six months ended June 30, 2025 and 2024, the amounts of pension cost recognized in accordance with the above policy were \$8,936 and \$6,720, and \$17,752 and \$14,174, respectively.
 - (2) The Group expects to contribute NT\$16,546 to the retirement plan in 2026.
2. The Company and its domestic subsidiaries have established a defined contribution retirement plan in accordance with the R.O.C. "Labor Pension Act" since July 1, 2005, which applies to employees with R.O.C. nationality. The Company and its domestic subsidiaries, for employees who choose to apply the labor pension system stipulated in the R.O.C. "Labor Pension Act," contribute 6% of monthly salaries as labor pension to employees' individual accounts at the Bureau of Labor Insurance. The payment of employee pensions is based on the amount in employees' individual pension accounts and accumulated earnings, which can be received as monthly pensions or lump-sum pensions. The Group's overseas subsidiaries voluntarily establish retirement pension reserves and pension insurance systems according to the regulations of local governments in Vietnam, Cambodia, and China, respectively, contributing 7% to 16% of local employees' total monthly salaries as retirement pension reserves and pension insurance funds. Each employee's pension is managed and coordinated by the government. Except for monthly contributions, the Group has no further obligations. For the three months and six months ended June 30, 2025 and 2024, the amounts of pension cost recognized in accordance with the above policy were \$11,857 and \$16,296, and \$29,463 and \$33,173, respectively.

(XIX) Common stock

1. The reconciliation of the Company's outstanding common shares at the beginning and end of the period is as follows: (in thousands of shares)

	Six months ended June 2025	Six months ended June 2024
Number of shares at beginning and end of period	<u>\$ 146,154</u>	<u>\$ 146,154</u>

2. As of June 30, 2025, the Company's authorized capital totaled NT\$2,000,000 (with NT\$100,000 of total shares reserved for issuance of employee stock options), while paid-in capital amounted to NT\$1,461,535, divided into 146,154 thousand shares with a par value of NT\$10 per share. All share payments for the Company's issued shares have been fully collected.

(XX) Capital surplus

1. According to the R.O.C. Company Act, capital surplus derived from premiums on stock issuance in excess of par value and capital contributions received as gifts may be used to offset losses or, when the company has no accumulated losses, distributed to shareholders in proportion to their existing shareholdings through issuance of new shares or cash distributions. Additionally, pursuant to relevant provisions of the R.O.C. Securities and Exchange Act, when the aforementioned capital surplus is used to increase capital, the amount of increase shall not aggregate to more than 10% of paid-in capital each year. The company may not use capital surplus to offset losses unless the surplus reserves are insufficient to cover capital losses.
2. Details of changes in capital surplus are as follows:

Three months ended March 31, 2025	Share premium	Difference between acquisition or disposal price and carrying amount of subsidiaries	Changes in ownership interests in subsidiaries	Changes in equity value of associates and joint ventures accounted for using equity method	Forfeited employee stock options	Others	Total
Balance at beginning and end of period	<u>\$ 736,435</u>	<u>\$ 20,166</u>	<u>\$ 46,042</u>	<u>\$ 12,809</u>	<u>\$ 5</u>	<u>\$ 9,074</u>	<u>\$ 824,531</u>
Three months ended March 31, 2024	Share premium	Difference between acquisition or disposal price and carrying amount of subsidiaries' equity	Changes in ownership interests in subsidiaries	Changes in equity value of associates and joint ventures accounted for using equity method	Forfeited employee stock options	Others	Total
Balance at beginning and end of period	<u>\$ 736,435</u>	<u>\$ 20,166</u>	<u>\$ 46,042</u>	<u>\$ 12,809</u>	<u>\$ 5</u>	<u>\$ 9,074</u>	<u>\$ 824,531</u>

(XXI) Retained earnings

1. Legal reserves may not be used except to offset company losses and to issue new shares or cash to shareholders in proportion to their original shareholdings; however, when issuing new shares or cash, such distribution is limited to the portion of such reserves exceeding 25% of paid-in capital.
2. According to the provisions of the Company's Articles of Incorporation, if the Company has earnings from its annual financial statements, after paying taxes in accordance with law and offsetting accumulated losses, 10% shall be set aside as legal reserve; however, this shall not apply when the legal reserve has reached the Company's paid-in capital. The remainder shall be appropriated or reversed as special reserve in accordance with legal requirements. Any remaining balance shall be the distributable earnings for the current period. The distributable earnings for the current period plus accumulated undistributed earnings from the previous year constitute accumulated distributable earnings. The Board of Directors shall prepare earnings distribution proposals and submit them to the shareholders' meeting for resolution on shareholder dividend distribution. The Company's dividend policy takes into consideration current and future development plans, investment environment, capital requirements, domestic and international competitive conditions, and shareholder interests. The annual dividend distribution to shareholders shall not be less than 30% of the distributable earnings for the current period. Shareholder dividends may be distributed in cash or stock, with cash dividends comprising not less than 10% of total dividends.
3. When the Company distributes earnings, it shall appropriate special capital reserve in accordance with legal requirements for the debit balance of other equity items as of the balance sheet date of the current year before distribution. Subsequently, when the debit balance of other equity items is reversed, the reversed amount may be included in distributable earnings.
4. The Company recognized cash dividends of NT\$175,384 (NT\$1.2 per share) for the distribution of 2023 earnings. On May 26, 2025, the shareholders resolved cash dividend distribution of NT\$292,307 (NT\$2 per share) for 2024 earnings.

(XXII) Others equity items

<u>Six months ended June 2025</u>	Currency translation difference	Financial assets at fair value through other comprehensive income	Total
At January 1	\$ 123,341	\$ 16,075	\$ 139,416
Foreign translation differences			
- The Company	(304,776)	-	(304,776)
- Associates	(1)	-	(1)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income or loss			
- The Company	-	(384)	(384)
- Associates	-	(14,899)	(14,899)
At June 30	<u>(\$ 181,436)</u>	<u>\$ 792</u>	<u>\$ 180,644</u>
<u>Six months ended June 2024</u>	Currency translation difference	Financial assets at fair value through other comprehensive income	Total
At January 1	(\$ 35,776)	\$ 7,035	(\$ 28,741)
Foreign translation differences			
- The Company	133,190	-	133,190
- Associates	(3)	-	(3)
Reclassification of foreign translation differences on liquidated investees to gain/loss on disposal of investments	(1,477)	-	(1,477)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income or loss			
- The Company	-	1,162	1,162
- Associates	-	22,001	22,001
At June 30	<u>\$ 95,934</u>	<u>\$ 30,198</u>	<u>\$ 126,132</u>

(XXIII) Operating revenues

1. Revenue from external customers is mainly from the production and sales of garment, the design, development, production, and sales of self-owned brands, and the provision of processing and business consulting services, as well as the agency of other internationally well-known brands. Details of revenue are as follows:

	Three months ended June 2025	Three months ended June 2024
At a point in time:		
Sales revenue	\$ 1,495,977	\$ 1,633,998
Over time:		
Service revenue	7,437	596
	<u>\$ 1,503,414</u>	<u>\$ 1,634,594</u>
	Six months ended June 2025	Six months ended June 2024
At a point in time:		
Sales revenue	\$ 3,991,106	\$ 3,947,753
Over time:		
Service revenue	8,441	811
	<u>\$ 3,999,547</u>	<u>\$ 3,948,564</u>

2. The Group's contract liabilities related to customer contract revenue recognition and recognized revenue amounts are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities				
- current	<u>\$ 4,608</u>	<u>\$ 2,826</u>	<u>\$ 5,310</u>	<u>\$ 4,891</u>

	Three months ended June 2025	Three months ended June 2024
Contract liabilities - opening balance, revenue recognized for the current period – receipts in advance	<u>\$ 57</u>	<u>\$ -</u>
	Three months ended June 2025	Three months ended June 2024
Contract liabilities - opening balance, revenue recognized for the current period – receipts in advance	<u>\$ 1,751</u>	<u>\$ 2,816</u>

(XXIV) Interest income

	Three months ended June 2025	Three months ended June 2024
Bank deposits	\$ 5,367	\$ 4,585
Financial assets at amortized cost	9,296	10,080
Others	46	68
	<u>\$ 14,709</u>	<u>\$ 14,733</u>
	Six months ended June 2025	Six months ended June 2024
Bank deposits	\$ 9,318	\$ 7,389
Financial assets at amortized cost	19,255	18,497
Others	47	68
	<u>\$ 28,620</u>	<u>\$ 25,954</u>

(XXV) Other income

	Three months ended June 2025	Three months ended June 2024
Rental income	\$ 776	\$ 646
Government grants income	202	26
Other income	1,663	5,668
	<u>\$ 2,641</u>	<u>\$ 6,340</u>
	Six months ended June 2025	Six months ended June 2024
Rental income	\$ 1,422	\$ 1,292
Government grants income	498	390
Other income	3,341	9,505
	<u>\$ 5,261</u>	<u>\$ 11,187</u>

(XXVI) Other gains and losses

	Three months ended June 2025	Three months ended June 2024
Net (loss) gains on financial assets and liabilities at fair value through profit or loss	\$ 938	(\$ 1,210)
Net foreign exchange gains (losses)	(78,967)	26,217
Net gains on disposal of property, plant and equipment	309	-
Gains on disposal of investments	571	1,477
Gain from lease modification	-	6
Other losses	(625)	(660)
	<u>(\$ 77,774)</u>	<u>\$ 25,830</u>
	Six months ended June 2025	Six months ended June 2024
Net (loss) gains on financial assets and liabilities at fair value through profit or loss	\$ 938	(\$ 1,466)
Net foreign exchange gains (losses)	(56,980)	73,357
Net gains on disposal of property, plant and equipment	982	(32)
Gains on disposal of investments	571	1,484
Gain from lease modification	-	5
Other losses	(1,237)	(1,248)
	<u>(\$ 55,726)</u>	<u>\$ 72,100</u>

(XXVII) Finance costs

	Three months ended June 2025	Three months ended June 2024
Interest expense:		
Bank borrowings	\$ 5,271	\$ 4,301
Lease liabilities	505	627
	<u>\$ 5,776</u>	<u>\$ 4,928</u>
	Six months ended June 2025	Six months ended June 2024
Interest expense:		
Bank borrowings	\$ 14,893	\$ 11,713
Lease liabilities	563	1,004
	<u>\$ 15,456</u>	<u>\$ 12,717</u>

(XXVIII) Expenses by nature

	Three months ended June 2025		
	Operating cost	Operating expense	Total
Employee benefits expenses	\$ 354,391	\$ 145,347	\$ 499,738
Depreciation change on property, plant and equipment	17,218	4,533	21,751
Depreciation change on right-of- use assets	8,315	557	8,872
Depreciation change on investment property (Note)	-	619	619
Amortization change on intangible assets	-	1,314	1,314
	<u>\$ 379,924</u>	<u>\$ 152,370</u>	<u>\$ 532,294</u>

	Three months ended June 2024		
	Operating cost	Operating expense	Total
Employee benefits expenses	\$ 338,827	\$ 156,889	\$ 495,716
Depreciation change on property, plant and equipment	18,253	4,910	23,163
Depreciation change on right-of- use assets	7,933	584	8,517
Depreciation change on investment property (Note)	-	564	564
Amortization change on intangible assets	-	2,250	2,250
	<u>\$ 365,013</u>	<u>\$ 165,197</u>	<u>\$ 530,210</u>

	Six months ended June 2025		
	Operating cost	Operating expense	Total
Employee benefits expenses	\$ 755,663	\$ 334,677	\$ 1,090,340
Depreciation change on property, plant and equipment	35,676	9,275	44,951
Depreciation change on right-of- use assets	16,414	1,151	17,565
Depreciation change on investment property (Note)	-	1,221	1,221
Amortization change on intangible assets	-	2,589	2,589
	<u>\$ 807,753</u>	<u>\$ 348,913</u>	<u>\$ 1,156,666</u>

	Six months ended June 2024		
	Operating cost	Operating expense	Total
Employee benefits expenses	\$ 724,265	\$ 325,208	\$ 1,049,473
Depreciation change on property, plant and equipment	35,575	9,807	45,382
Depreciation change on right-of- use assets	15,888	1,423	17,311
Depreciation change on investment property (Note)	-	1,128	1,128
Amortization change on intangible assets	-	4,444	4,444
	<u>\$ 775,728</u>	<u>\$ 342,010</u>	<u>\$ 1,117,738</u>

(Note) Listed as "other gains and losses."

(XXIX) Employee benefits expenses

	Six months ended June 2025		
	Operating cost	Operating expense	Total
Wages and salaries	\$ 314,273	\$ 130,545	\$ 444,818
Labor and health insurance expenses	17,689	8,407	26,096
Pension costs	17,330	3,463	20,793
Other personnel expenses	5,099	2,932	8,031
	<u>\$ 354,391</u>	<u>\$ 145,347</u>	<u>\$ 499,738</u>

	Three months ended June 2024		
	Operating cost	Operating expense	Total
Wages and salaries	\$ 298,921	\$ 139,167	\$ 438,088
Labor and health insurance expenses	16,982	8,143	25,125
Pension costs	16,548	6,468	23,016
Other personnel expenses	6,376	3,111	9,487
	<u>\$ 338,827</u>	<u>\$ 156,889</u>	<u>\$ 495,716</u>

	Six months ended June 2025		
	Operating cost	Operating expense	Total
Wages and salaries	\$ 670,161	\$ 299,071	\$ 969,232
Labor and health insurance expenses	37,351	18,034	55,385
Pension costs	36,776	10,439	47,215
Other personnel expenses	11,375	7,133	18,508
	<u>\$ 755,663</u>	<u>\$ 334,677</u>	<u>\$ 1,090,340</u>

	Six months ended June 2024		
	Operating cost	Operating expense	Total
Wages and salaries	\$ 641,817	\$ 289,872	\$ 931,689
Labor and health insurance expenses	35,470	15,646	51,116
Pension costs	35,076	12,271	47,347
Other personnel expenses	11,902	7,419	19,321
	<u>\$ 724,265</u>	<u>\$ 325,208</u>	<u>\$ 1,049,473</u>

1. According to the Company's Articles of Incorporation, after deducting accumulated losses from the current year's profit, if there is a remaining balance, the Company shall allocate employee remuneration of no less than 1% and director remuneration of no more than 5%. The sum of employee remuneration above shall have no less than 70% of the amount allocated as remuneration for non-executive employees.
2. The Company's estimated employee remuneration for the three months and six months ended June 30, 2025 and 2024, were NT\$1,500 and NT\$1,000, and NT\$3,000 and NT\$2,000, respectively; estimated director remuneration were NT\$1,870 and NT\$1,650, and NT\$3,520 and NT\$3,300, respectively, for both periods. On March 7, 2025, the Board of Directors resolved that the actual employee remuneration and director remuneration distributed for 2024 were NT\$6,000 and NT\$8,200, respectively, with employee remuneration distributed in cash. The difference between the amounts of employee remuneration and director remuneration resolved and the amounts

previously recognized in the 2024 financial statements was NT\$1,600, mainly due to estimation differences, which has been adjusted in the 2025 income statement.

Information on employee remuneration and director remuneration approved by the Company's Board of Directors is available on the Market Observation Post System.

(XXX) Income tax

1. Components of income tax expense:

	Three months ended June 2025	Three months ended June 2024
Current income tax:		
Income tax incurred in current year (loss)	(\$ 966)	\$ 18,523
Tax on undistributed earnings	7,167	5,025
Prior year income tax underestimation (overestimation)	1,686 (173)
	<u>7,887</u>	<u>23,375</u>
Deferred income tax:		
Origination and reversal of temporary differences	(3,269)	(2,364)
Net currency exchange differences	(3,705)	421
	<u>(6,974)</u>	<u>(1,943)</u>
Income tax expense	<u>\$ 913</u>	<u>\$ 21,432</u>

	Six months ended June 2025	Six months ended June 2024
Current income tax:		
Income tax incurred in current year	\$ 24,841	\$ 35,504
Tax on undistributed earnings	7,167	5,025
Prior year income tax underestimation (overestimation)	2,409	173
	<u>34,417</u>	<u>40,702</u>
Deferred income tax:		
Origination and reversal of temporary differences	(1,344)	6,069
Net currency exchange differences	(3,315)	1,726
	<u>(4,659)</u>	<u>7,795</u>
Income tax expense	<u>\$ 29,758</u>	<u>\$ 48,497</u>

2. The profit-seeking enterprise income tax of the Company and its subsidiaries has been assessed by the tax authorities up to 2023, and as of August 11, 2025, there were no administrative remedy proceedings.

(XXXI) Earnings (losses) per share

	Three months ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in dollars)
<u>Basic and diluted losses per share</u>			
Net loss for the current period attributable to owners of ordinary shares of the parent company	(\$ 50,115)	146,154	(\$ 0.34)

	Three months ended June 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 89,115	146,154	\$ 0.61
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 89,115	146,154	
Assumed conversion of all dilutive potential ordinary shares of the parent			
Profit sharing bonus to employees	-	46	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 89,115	146,200	\$ 0.61

	Three months ended June 2024		
	Amount after	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
	tax		
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 133,146	146,154	\$ 0.91
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 133,146	146,154	
Assumed conversion of all dilutive potential ordinary shares of the parent			
Employees' compensation	-	179	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 133,146	146,333	\$ 0.91

	Six months ended June 2024		
	Amount after	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
	tax		
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 300,016</u>	<u>146,154</u>	<u>\$ 2.05</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 300,016	146,154	
Assumed conversion of all dilutive potential ordinary shares of the parent			
Employees' compensation	-	98	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 300,016</u>	<u>146,252</u>	<u>\$ 2.05</u>

(XXXII) Supplemental cash flow information

1. Investing activities with partial cash payments:

	Six months ended June 2025	Six months ended June 2024
(1) Acquisition of property, plant and equipment	\$ 36,224	\$ 21,390
Add: Beginning balance of payables for equipment (listed as "Other payables")	3,471	3,840
Less: Ending balance of payables for equipment (listed as "Other payables")	(5,398)	(523)
Cash paid for acquisition of property, plant and equipment	<u>\$ 34,297</u>	<u>\$ 24,707</u>
(2) Acquisition of investment property	\$ 1,581	\$ -

Add: Beginning balance of payables for equipment (listed as "Other payables")	-	666
Cash paid for acquisition of investment property	\$ 1,581	\$ 666

2. Operating and investing activities with no cash flow effects:

	Six months ended June 2025	Six months ended June 2024
(1) Prepayments transferred to prepayments for equipment	\$ -	\$ 390
(2) Prepayments for equipment transferred to property, plant and equipment	\$ 314	\$ -
(3) Prepayments for equipment transferred to investment property	\$ 76	\$ -
(4) Prepayments for equipment transferred to intangible assets	\$ -	\$ 255
(5) Earnings distribution receivable from equity-accounted investments (presented as "Other receivables - related party")	\$ 3,753	\$ 6,700
(6) Cash dividends declared but not yet paid (presented as "Other payables")	\$ -	\$ 175,384

(XXXIII) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1, 2025	\$ 500,925	\$ 47,500	\$ 15,920	\$ 2,920	\$ 567,265
Changes in cash flow from financing activities	114,658	-	(14,801)	(299)	99,558
Changes in other non-cash items	(33,802)	-	25,100	-	(8,702)
At June 30, 2025	\$ 581,781	\$ 47,500	\$ 26,219	\$ 2,621	\$ 658,121

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Total liabilities from financing activities
At January 1, 2024	\$ 609,000	\$ -	\$ 47,358	\$ 2,655	\$ 659,013
Changes in cash flow from financing activities (209,795)	60,000 (14,380)	205 (163,970)
Changes in other non-cash items	-(46)(2,215)	- (2,261)
At June 30, 2024	<u>\$ 399,205</u>	<u>\$ 59,954</u>	<u>\$ 30,763</u>	<u>\$ 2,860</u>	<u>\$ 492,782</u>

VII. RELATED PARTY TRANSACTIONS

(I) Names of related parties and relationships

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Tainan Enterprise (Cayman) Co., LTD.	Associates
NELSON SPORT CO., LTD.	Other related parties

(II) Significant related party transactions

1. Operating revenues

	<u>Three months ended June 2025</u>	<u>Three months ended June 2024</u>
Sale of goods:		
Other related party	<u>\$ 768</u>	<u>\$ 2,218</u>
	<u>Six months ended June 2025</u>	<u>Six months ended June 2024</u>
Sale of goods:		
Other related party	<u>\$ 13,498</u>	<u>\$ 9,298</u>

The collection period for related parties was 60 days after the end of each month, and for the third parties was 30~90 days after the end of each month. Other terms of sales were the same as the third parties.

2. Purchases

	Three months ended June 2025	Three months ended June 2024
Purchase of goods:		
Associates	\$ 207	\$ -
	Six months ended June 2025	Six months ended June 2024
Purchase of goods:		
Associates	\$ 207	\$ 68

The terms of purchases and payments (due within 3 months) to related parties were the same as the third party suppliers.

3. Other income

	Three months ended June 2025	Three months ended June 2024
Associates	\$ 162	\$ 156
	Six months ended June 2025	Six months ended June 2024
Associates	\$ 323	\$ 311

4. Other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends receivable:			
Associates	\$ 3,753	\$ -	\$ 6,700

5. Accounts payable

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	\$ 217	\$ 291	\$ -

(III) Key management compensation

	Three months ended June 2025	Three months ended June 2024
Salaries and other short-term employee benefits	\$ 6,520	\$ 5,814
Post-employment benefits	1,689	159
	<u>\$ 8,209</u>	<u>\$ 5,973</u>
	Six months ended June 2025	Six months ended June 2024
Salaries and other short-term employee benefits	\$ 27,735	\$ 18,821
Post-employment benefits	3,574	449
	<u>\$ 31,309</u>	<u>\$ 19,270</u>

VIII. PLEDGED ASSETS

None.

IX. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (I) As of June 30, 2025, December 31, 2024, and June 30, 2024, the remaining balance due for construction in progress was NT\$299,929, NT\$319,510, and NT\$309,210, respectively.
- (II) As of June 30, 2025, December 31, 2024, and June 30, 2024, the unused letters of credit amounted to NT\$76,512, NT\$316,730, and NT\$98,139, respectively.

X. SIGNIFICANT DISASTER LOSS

None.

XI. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

XII. OTHERS

(I) Capital management

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

(II) Financial instruments

1. Financial instruments by Category

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 86,825	\$ 86,825	\$ 86,825
Financial assets held for trading	938	-	-
	<u>\$ 87,763</u>	<u>\$ 86,825</u>	<u>\$ 86,825</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	<u>\$ 855</u>	<u>\$ 1,239</u>	<u>\$ 1,707</u>
Financial assets at amortized cost			
Cash and cash equivalents	\$ 808,475	\$ 804,611	\$ 878,899
Financial assets at amortized cost	710,802	809,787	781,133
Notes receivable	342	-	813
Accounts receivable	1,228,969	1,404,501	1,216,615
Other receivables (including related parties)	51,649	54,632	64,795
Guarantee deposits paid	13,976	15,748	15,191
	<u>\$ 2,814,213</u>	<u>\$ 3,089,279</u>	<u>\$ 2,957,446</u>

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial liabilities</u>			
Financial liabilities at amortized costs			
Financial liabilities held for trading	\$ -	\$ -	\$ 1210
Financial liabilities at amortized cost			
Short-term borrowings	\$ 581,781	\$ 500,925	\$ 399,205
Short-term bills payable	-	-	59,954
Notes payable	5,226	9,732	4,182
Accounts payable	157,731	426,282	274,417
Other payables	420,004	499,779	586,907
Lease liabilities (including current portion)	26,219	15,920	30,763
Long-term borrowings	47,500	47,500	-
Guarantee deposits received	2,621	2,920	2,860
	<u>\$ 1,241,082</u>	<u>\$ 1,503,058</u>	<u>\$ 1,358,288</u>

2. Risk management policy

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cashflows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (2) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (3) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2), 'Financial assets and liabilities at fair value through profit or loss'.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

- A. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
- B. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting cost of forecast inventory purchases.
- C. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2), 'Financial assets and liabilities at fair value through profit or loss'.
- D. The Group's risk management policy is to hedge the expected future cash flows risk of major currencies (mainly purchase of inventories denominated in USD), so as to reduce the risk exposure of major currencies.
- E. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through liabilities denominated in the relevant foreign currencies.
- F. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2025			
(Foreign currency: functional currencies)	Foreign currencies amount (in thousands)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 47,203	29.30	\$ 1,383,060
NTD:USD	15,961	0.03	15,961
RMB:NTD	3,045	4.091	12,457
VND:USD	6,279,810	0.000040	7,345
KHR:USD	536,665	0.000249	3,918
IDR:USD	2,022,021	0.000062	3,650
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	38,620	29.30	1,131,569
IDR:USD	74,936,233	0.000062	135,258
RMB:NTD	21,649	4.091	88,565
VND:USD	23,612,025	0.000040	27,616

December 31, 2024			
(Foreign currency: functional currencies)	Foreign currencies amount (in thousands)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 51,708	32.79	\$ 1,695,508
RMB:NTD	9,504	4.478	42,558
IDR:USD	9,273,660	0.000062	18,815
NTD:USD	16,181	0.03	16,181
VND:USD	8,355,261	0.000041	11,217
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	39,656	32.79	1,300,319
IDR:USD	68,114,174	0.000062	138,193
RMB:NTD	23,252	4.478	104,122
VND:USD	29,789,079	0.000041	39,991

	June 30, 2024		
(Foreign currency: functional currencies)	Foreign currencies amount (in thousands)	Exchange rate	Book value
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 46,406	32.45	\$ 1,505,871
RMB:NTD	8,046	4.445	35,766
IDR:USD	5,558,623	0.000061	10,985
NTD:USD	16,481	0.03	16,481
KHR:USD	550,305	0.000244	4,364
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	23,516	32.45	763,108
RMB:NTD	26,234	4.445	116,612
IDR:USD	63,204,009	0.000061	124,900
VND:USD	21,600,597	0.000041	28,698

Sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated or depreciated by 1% with all other variables held constant, post-tax profit would have increased/decreased by NT\$434 and NT\$5,401 for the six months ended June 30, 2025 and 2024, respectively.

- G. The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group, amounted to (\$78,967) and \$26,217 for the three-month periods ended June 30, 2025 and 2024, respectively, and (\$56,980) and \$73,357 for the six-month periods ended June 30, 2025 and 2024, respectively.

Price risk

- A. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit would both have increased/decreased by \$868

for the six months ended June 30, 2025 and 2024 respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$9 and \$17 respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The Group's main interest rate risk arises from bank borrowings with variable rates, which expose the Group to cash flow interest rate risk, and part of this risk is offset by cash and cash equivalents held at variable rates. The Group's borrowings issued at floating rates for the six month periods ended June 30, 2025 and 2024 were mainly denominated in New Taiwan Dollars and US Dollars.
- B. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, net profit after tax for the six-month periods ended June 30, 2025 and 2024 would have decreased/increased by \$119 and \$94, respectively. The main factor is that changes in interest expense result from floating rate borrowings..

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.
- B. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- C. The Group adopts management of credit risk, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument.
- D. The Group adopts the assumptions under IFRS 9, that is, the default occurs

when the contract payments are past due over 90 days.

- E. The Group classifies customers' notes and accounts receivable based on credit ratings and the characteristics of customer types. The Group applies the simplified approach using the provision matrix and the loss rate methodology to estimate expected credit losses, which are adjusted for forward-looking considerations based on historical and current information. The loss rate methodology of the Group as of June 30, 2025, December 31, 2024, and June 30, 2024 is as follows:

	Expected loss rate	Book value	Allowance
At June 30, 2025			
Group A	0.00%	\$ 1,228,969	\$ -
At December 31, 2024			
Group A	0.09%	\$ 1,405,480	\$ 1,229
Individual A	53.58%	539	289
Individual B	100%	2,147	2,147
Total		\$ 1,408,166	\$ 3,665
At June 30, 2024			
Group A	0.60%	\$ 1,223,917	\$ 7,302
Individual A	100%	1,302	1,302
Tota		\$ 1,225,219	\$ 8,604

- F. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	Six months ended June 2025	Six months ended June 2024
At January 1	\$ 3,665	\$ 8,604
Expected credit gains (losses)	(3,665)	-
At June 30	\$ -	\$ 8,604

- G. The Group used the forecast ability to adjust historical and timely information to assess the default possibility of debt instrument on June 30, 2025, December 31, 2024, and June 30, 2024, and used collaterals or other credit enhancement held by the Group to estimate expected credit loss.

- H. Movements in loss allowance for investments in debt instruments carried at amortized cost are as follows:

	Six months ended June 2025		Six months ended June 2024	
	Lifetime		Lifetime	
	Significant increase in credit risk	Impairment of credit	Significant increase in credit risk	Impairment of credit
At January 1	\$ -	\$ 55,342	\$ -	\$ 51,831
Effects of foreign exchange	-	(5,890)	-	2,937
At June 30	\$ -	\$ 49,452	\$ -	\$ 54,768

(3) Liquidity risk

- A. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance Department. Group's Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- B. Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to the Group's Finance Department. Group's Finance Department invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- C. The Group has the following undrawn borrowing facilities:

	December 31,		
	June 30, 2025	2024	June 30, 2024
Floating rate			
Expiring within			
one year	\$ 4,355,870	\$ 4,494,621	\$ 4,465,228

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

<u>June 30, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 585,312	\$ -	\$ -	\$ -
Notes payable	5,226	-	-	-
Accounts payable	157,731	-	-	-
Other payables	420,004	-	-	-
Lease liabilities	25,863	1,799	-	-
Long-term borrowings	759	26,996	21,960	-
Guarantee deposits received	-	2,621	-	-

<u>December 31, 2024</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 504,578	\$ -	\$ -	\$ -
Notes payable	9,732	-	-	-
Accounts payable	426,282	-	-	-
Other payables	499,779	-	-	-
Lease liabilities	12,537	4,027	-	-
Long-term borrowings	757	19,020	30,315	-
Guarantee deposits received	-	2,920	-	-

<u>June 30, 2024</u>	<u>Less than 1 year</u>	<u>Between 1 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 400,666	\$ -	\$ -	\$ -
Short-term bills payable	60,000	-	-	-
Notes payable	4,182	-	-	-
Accounts payable	274,417	-	-	-
Other payables	586,907	-	-	-
Lease liabilities	25,710	6,332	-	-
Guarantee deposits received	-	2,860	-	-
Derivative financial liabilities:				
Forward exchange contract	1,210			

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

(III) Fair value information

- The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:
 - Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.
 - Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in forward exchange contract is included in Level 2.
 - Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.
- Fair value information of investment property at cost is provided in Note 6(11), 'Investment property - net'.
- The carrying amount of the Group's financial instruments not measured at fair value

including cash and cash equivalents, Financial assets at amortized cost, notes receivable, accounts receivable, other receivables (including related parties), Guarantee deposits paid, short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, long-term borrowings, and guarantee deposits received are approximate to their fair values.

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

- (1) The related information on the nature of the assets and liabilities is as follows:

<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 86,825	\$ 86,825
Forward exchange contract	-	938	-	938
Financial assets at fair value through other comprehensive income				
Equity securities	855	-	-	855
	<u>\$ 855</u>	<u>\$ 938</u>	<u>\$ 86,825</u>	<u>\$ 88,618</u>
 <u>December 31, 2024</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Financial assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 86,825	\$ 86,825
Financial assets at fair value through other comprehensive income				
Equity securities	1,239	-	-	1,239
	<u>\$ 1,239</u>	<u>\$ -</u>	<u>\$ 86,825</u>	<u>\$ 88,064</u>

<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 86,825	\$ 86,825
Financial assets at fair value through other comprehensive income				
Equity securities	1,707	-	-	1,707
	<u>\$ 1,707</u>	<u>\$ -</u>	<u>\$ 86,825</u>	<u>\$ 88,532</u>
Financial liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contract	\$ -	\$ 1,210	\$ -	\$ 1,210

- (2) The methods and assumptions the Group used to measure fair value as follows:
- The instruments the Group used market quoted prices (closing price of listed shares) as their fair values (that is, Level 1).
 - Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
 - The market approach (Price-to-Book Ratio, P/B ratio) and asset approach (net book value adjustment) are used by the Group to measure its certain equity investment without active market, which is calculating the ratio of recent identical or similar transaction price to book as an observable input to project the fair value of the disposal group.
- (3) For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2, and there was no transfer into or out from Level 3.

- (4) The following chart is the movement of Level 3 for the six months ended June 30, 2025 and 2024:

	Equity securities (Note)	
	Six months ended June	Six months ended June
	2025	2024
Balance at beginning and end of period	\$ 86,825	\$ 86,825

(Note) Considering that the fair value changes of Level 3 equity securities for the six months ended June 30, 2025 and 2024 were not material, no adjustments were made.

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

	Fair value at June 30, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 88,901	The market approach (Price-to-Book Ratio)/Asset method (net book value adjustment)	Discount for lack of marketability /Discount for lack of control	30%	The higher the discount for lack of marketability, the lower the fair value, and the higher the minority interest discount, the lower the fair value.
	Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 96,549	The market approach (Price-to-Book Ratio)/Asset method (net book value adjustment)	Discount for lack of marketability /Discount for lack of control	30%	The higher the discount for lack of marketability, the lower the fair value, and the higher the minority interest discount, the lower the fair value.

	Fair value at June 30, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship of inputs to fair value
Non- derivative equity instruments:					
Unlisted shares	\$ 95,167	The market approach (Price-to-Book Ratio)/Asset method (net book value adjustment)	Discount for lack of marketability /Discount for lack of control	30%	The higher the discount for lack of marketability, the lower the fair value, and the higher the minority interest discount, the lower the fair value.

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

		June 30, 2025				
				Recognized in profit or loss		Recognized in other comprehensive income
		Input	Changes	Favorable changes	Unfavorable changes	Favorable changes
						Unfavorable changes
Financial assets	Equity instruments	Discount for lack of marketability and discount for lack of control	±10%	\$ 12,700	(\$ 12,700)	\$ - \$ -

		December 31, 2024				
				Recognized in profit or loss		Recognized in other comprehensive income
		Input	Changes	Favorable changes	Unfavorable changes	Favorable changes
						Unfavorable changes
Financial assets	Equity instruments	Discount for lack of marketability and discount for lack of control	±10%	\$ 13,793	(\$ 13,793)	\$ - \$ -

			June 30, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets	Input	Changes				
Equity instruments	Discount for lack of marketability and discount for lack of control	±10%	\$ 13,595	(\$ 13,595)	\$ -	\$ -

XIII. SUPPLEMENT DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for January to June 2025 is disclosed.

(I) Significant transactions information

1. Loans to others: Refer to table 1.
2. Provision of endorsements and guarantees to others: None.
3. Holding of marketable securities at the end of the period (excluding subsidiaries, associates and joint ventures): Refer to table 2..
4. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
5. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
6. Significant inter-company transactions during the reporting periods: Refer to table 5.

(II) Information on investees

Names, locations and other information of investee companies (excluding investees in Mainland China) : Refer to table 6.

(III) Information on investment in Mainland China

1. Basic information: Refer to table 7.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 8.

XIV. SEGMENT INFORMATION

(I) General information

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

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

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

	Six months ended June 2025		
	Garment production	Investment	Total
Segment revenue	\$ 6,339,355	\$ -	\$ 6,339,355
Internal segment revenue	(2,339,808)	-	(2,339,808)
Revenue from external customers	3,999,547	-	3,999,547
Interest income	-	28,620	28,620
Depreciation and amortization	66,326	-	66,326
Finance costs	8,020	7,436	15,456
Segment income before tax	114,236	48,668	162,904
Segment assets	3,980,453	1,133,683	5,114,136
Segment liabilities	887,816	561,783	1,449,599

	Six months ended June 2024		
	Garment production	Investment	Total
Segment revenue	\$ 6,277,270	\$ -	\$ 6,277,270
Internal segment revenue	(2,328,706)	-	(2,328,706)
Revenue from external customers	3,948,564	-	3,948,564
Interest income	-	25,954	25,954
Depreciation and amortization	68,265	-	68,265
Finance costs	6,862	5,855	12,717
Segment income before tax	332,603	15,910	348,513
Segment assets	4,341,135	1,231,607	5,572,742
Segment liabilities	1,202,938	391,430	1,594,368

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

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income, and the divisional income amounts provided to the chief operating decision maker are measured in accordance with the Group's consolidated financial statements and therefore do not require reconciliation.

Tainan Enterprises Co., Ltd. and Subsidiaries

Loans to others

Six Months Ended June 30, 2025

Table 1 (Expressed in thousands of New Taiwan dollars)

No.	Name	Name of counterparty	Account	Related parties	Maximum balance	Ending balance	Actual amount drawn down	Interest rate	Nature of financial activity	Total transaction amounts	Reason for short-term financing	Allowance for doubtful accounts	Assets pledged		Loan limit per entity (Note 2)	Maximum amount available for loan (Note 2)	Note
													Item	Value			
1	Tainan Enterprise (BVI) Co., Ltd.	PT. Andalan Mandiri Busana	Other receivables	Y	\$ 58,600	\$ 58,600	\$ 21,975	—	(Note 1)	\$ -	Financing use	\$ -	—	\$ -	\$ 1,252,245	\$ 1,252,245	—
		Tainan Enterprises (Vietnam) Co., Ltd.	Other receivables	Y	146,500	146,500	101,085	—	(Note 1)	-	Financing use	-	—	-	1,252,245	1,252,245	—
		Yong Jeng International Co., Ltd.	Other receivables	N	43,950	43,950	36,124	4%	(Note 1)	-	Financing use	-	—	-	469,592	469,592	—

Note 1: Nature of loans to others is filled for short-term financing.

Note 2: In accordance with the provisions of the operating procedures for loaning to others, the calculation of the capital loan limit of individual objects and the total limit of capital loan is as follows:

1. Loan total limit: 40% of the net worth in the most recent financial report, but only if financing is necessary, 30% of the net worth in the most recent financial report.
2. Limit for a single company
 - (1) Trading partner: each company does not exceed the amount of business transactions.
 - (2) Short-term financing: each company does not exceed 30% net worth of its most recent financial report.
 - (3) Capital loans to foreign companies of the Republic of China that directly or indirectly hold 100% of the voting shares by the same parent company shall not exceed 80% of the net worth of the company's most recent financial report.
 - (4) In the case of (1) and (2) above, the limit shall be calculated in combination, but shall not exceed the total limit of loans.

Note 3: The numbers in the table that involve foreign currencies are expressed in New Taiwan dollars according to the exchange rates on the date of the financial statements (USD: NTD 1:29.3; RMB: USD 1:0.1396).

Tainan Enterprises Co., Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (excluding subsidiaries, associates and joint ventures)

June 30, 2025

Table 2

(Expressed in thousands of New Taiwan dollars)

Investor	Type and name of securities	Relationship with the securities issuer	General ledger account (Note 1)	Ending balance				
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value	Note
Tainan Enterprises Co., Ltd.	Stocks:							
	Koche Development Co., Ltd.	Substantive related party	3	5,565	\$ 60,939	13.58%	\$ 61,972	—
	Koche Global Co., Ltd.	Substantive related party	3	4,350	25,886	10.73%	26,929	—
	Deltamac (Taiwan) Co., Ltd.	—	4	40	855	0.11%	855	—
Tainan Enterprise (BVI) Co., Ltd.	Bonds:							
	ICBC 4.875%	—	1	-	47,130	-	471,130	—
	Bonds DUE 21 SEP 2025							
	Electricite de France 4.75%	—	2	-	657,812	-	657,812	—
	Bonds DUE 13 OCT 2035							
	Stocks:							
	NETSOL TECH-NOLOGIES INC.	—	3	44	-	0.27%	-	—

Note 1: There are four types of account items as follows:

1. Financial assets at amortized cost — current
2. Financial assets at amortized cost - non-current
3. Financial assets at fair value through profit or loss - non-current
4. Financial assets at fair value through other comprehensive income - non-current

Note 2: The numbers in the table that involves foreign currencies are expressed in New Taiwan dollars according to the exchange rate posted on the date of the financial statements (USD: NTD 1:29.3; RMB: USD 1:0.1396).

Tainan Enterprises Co., Ltd. and Subsidiaries

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

Six Months Ended June 30, 2025

Table 3

(Expressed in thousands of New Taiwan dollars)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes/accounts receivable (payable)	
Tainan Enterprises Co., Ltd.	PT. Tainan Enterprises Indonesia	Subsidiary	Purchases	\$ 1,012,244	48%	(Note 1)	\$ -	—	(\$ 240,182)	(69%)	—
PT. Tainan Enterprises Indonesia	Tainan Enterprises Co., Ltd.	The Company	(Sales)	(1,012,244)	(99%)	(Note 1)	-	—	240,182	99%	—

Note 1: Receipt and payment terms for purchases and sales to related parties is closes its accounts in 3 months.

Note 2: The numbers in the table that involves foreign currencies are expressed in New Taiwan dollars according to the exchange rate posted on the date of the financial statements (USD: NTD 1:29.3).

Tainan Enterprises 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

Table 4

(Expressed in thousands of New Taiwan dollars)

Company name	Counterparty	Relationships	Receivables from related party			Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Items	Amount	Turnover rate	Amount	Action taken		
PT. Tainan Enterprises Indonesia	Tainan Enterprises Co., Ltd.	The Company	Accounts receivable	\$ 240,182	7.06	\$ -	—	\$ -	-
PT. Andalan Mandiri Busana	Tainan Enterprises Co., Ltd.	The Company	Accounts receivable	132,117	7.30	-	—	74,474	-
Tainan Enterprises (Cambodia) Co., Ltd.	Tainan Enterprises Co., Ltd.	The Company	Accounts receivable	153,184	5.53	-	—	57,135	-
Gin-Sovann Fashions (Cambodia) Limited	Tainan Enterprises Co., Ltd.	The Company	Accounts receivable	122,646	2.80	-	—	29,886	-
Tainan Enterprise (BVI) Co., Ltd.	Tainan Enterprises (Vietnam) Co., Ltd.	Subsidiary	Other receivables	101,085	—	-	—	-	-

(Note) The numbers in the table that involves foreign currencies are expressed in New Taiwan dollars according to the exchange rate posted on the date of the financial statements (USD: NTD 1:29.3; RMB: USD 1:0.1396).

Tainan Enterprises Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Six Months Ended June 30, 2025

Table 5

(Expressed in thousands of New Taiwan dollars)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transactions		Percentage of consolidated total operating revenues or total assets (Note 3)
				Item	Amount	
0	Tainan Enterprises Co., Ltd.	PT. Tainan Enterprises Indonesia	1	Purchases	\$ 1,012,244	Closes its accounts 3 months after the end of each transaction 25%
			1	Accounts payable	240,182	— 5%
			1	Service revenue	44,554	— 1%
		PT. Andalan Mandiri Busana	1	External process cost	384,980	— 10%
			1	Service revenue	38,625	— 1%
			1	Other payables	132,117	— 3%
		Tainan Enterprises (Cambodia) Co., Ltd.	1	External process cost	463,386	— 12%
			1	Service revenue	41,760	— 1%
			1	Other payables	153,184	— 3%
		Tainan Enterprises (Vietnam) Co., Ltd.	1	External process cost	170,409	— 4%
			1	Service revenue	15,767	— —
			1	Prepayments	11,179	— —
		Yixing Gaoqing Garment Co., Ltd.	1	External process cost	90,490	— 2%
			1	Other payables	88,515	— 2%
		Gin-Sovann Fashions (Cambodia) Limited	1	External process cost	153,676	— 4%
			1	Service revenue	14,096	— —
			1	Other payables	122,646	— 2%
1	Tainan Enterprise (BVI) Co., Ltd.	PT. Andalan Mandiri Busana	3	Other receivables	21,975	— —
		Tainan Enterprises (Vietnam) Co., Ltd.	3	Other receivables	101,085	— 2%
2	Tainan Enterprises (Cambodia) Co., Ltd.	Gin-Sovann Fashions (Cambodia) Limited	3	External process cost	41,645	— 1%
3	Beyoung Fashion Co., Ltd.	Gin-Sovann Fashions (Cambodia) Limited	3	External process cost	16,957	— —
			3	Other payables	47,606	— 1%

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

1. The company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

1. The company to subsidiary.
2. Subsidiary to the company.
3. Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Significant inter-company transactions during the reporting periods are not disclosed since these were corresponding transactions.

Note 5: The disclosure standard for important transactions is more than NT\$10 million.

Note 6: The numbers in the table that involves foreign currencies are expressed in New Taiwan dollars according to the exchange rate posted on the date of the financial statements (USD:NTD 1:32.79; CNY:USD 1:0.1369).

Tainan Enterprises Co., Ltd. and Subsidiaries
Names, locations and other information of investee companies (excluding investees in Mainland China)
Six Months Ended June 30, 2025

Table 6

(Expressed in thousands of New Taiwan dollars)

Investor	Investee	Location	Main businesses	Original investment amount		Shares held as at June 30, 2025			Net income (loss) of the investee	Investment income (loss) recognized by the Company	Note
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Tainan Enterprises Co., Ltd.	Tainan Enterprise (BVI) Co., Ltd.	British Virgin Islands (BVI)	Professional investments	\$ 517,058	\$ 517,058	170,000	100.00	\$ 1,565,306	\$ 56,591	\$ 55,729	Subsidiary
	PT. Tainan Enterprises Indonesia	Indonesia	Garment processing, production and selling	64,446	64,446	2,400,000	100.00	427,415	25,641	25,965	Subsidiary
	PT. Andalan Mandiri Busana	Indonesia	Garment processing, production and selling	182,024	182,024	6,000	100.00	222,839	28,467	28,467	Subsidiary
	PT Cahaya Indah Global	Indonesia	Garment processing, production and selling	74,069	74,069	2,350,000	100.00	68,683	(119)	(119)	Subsidiary
	Tainan Enterprises (Cambodia) Co., Ltd.	Cambodia	Garment processing, production and selling	29,585	29,585	1,000	100.00	259,593	42,182	42,182	Subsidiary
	Tainan Enterprises (Vietnam) Co., Ltd.	Vietnam	Garment processing, production and selling	319,090	319,090	-	100.00	160,697	2,488	2,488	Subsidiary
	Beyoung Fashion Co., Ltd.	Taiwan	Garment processing, production and selling	141,742	141,742	5,050,000	100.00	41,313	4,084	4,084	Subsidiary
Tainan Enterprise (BVI) Co., Ltd.	T&G Fashion Co., Ltd.	Seychelles	Professional investments	114,850	114,850	3,300,000	100.00	227,896	15,693	-	Subsidiary (Note 1)
	Tainan Enterprise (Cayman) Co., Ltd.	Cayman Islands	Professional investments	206,014	206,014	4,689,940	13.39	82,221	33,736	-	(Note 1)
T&G Fashion Co., Ltd.	Gin-Sovann Fashions (Cambodia) Limited	Cambodia	Garment processing, production and selling	29,300	29,300	-	100.00	191,827	15,418	-	Subsidiary (Note 1)
	Camitex II (Cambodia) MFG Co., Ltd.	Cambodia	Garment processing, production and selling	17,964	17,964	100	100.00	76	-	-	Subsidiary (Note 1)(Note 2)
T&G Fashion Co., Ltd.	Golden Harbor Garment (Cambodia) Limited	Cambodia	Garment processing, production and selling	\$ -	\$ -	-	100.00	\$ -	\$ -	\$ -	Subsidiary (Note 3)

Note 1: According to regulations, the amount of investment (loss) recognized in the current period may be exempted from disclosure.

Note 2: The subsidiary has ceased business and was pending for liquidation process.

Note 3: The liquidation was completed in the second quarter of 2025.

Note 4: The numbers in the table that involves foreign currencies are expressed in New Taiwan dollars according to the exchange rate posted on the date of the financial statements (USD: NTD 1:29.3; RMB: USD 1:0.1396).

Tainan Enterprises Co., Ltd. and Subsidiaries
Information on investments in Mainland China—Basic information
Six Months Ended June 30, 2025

(Expressed in thousands of New Taiwan dollars)

Table 7

Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company (Note 2)	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Yixing Gaoqing Garment Co., Ltd.	Garment processing, production and selling	\$ 131,850	(Note 1)	\$ 87,900	\$ -	\$ -	\$ 87,900	\$ 8,256	100.00	\$ 8,256	\$ 128,611	\$ -	(Note 3)

Company Name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
Tainan Enterprises Co., Ltd.	\$ 282,777	\$ 1,139,731	(Note 4)

Note 1: Indirect investment in Mainland China through a company set up in a third region, Tainan Enterprises (BVI) Co., Limited.

Note 2: Investment gains or losses were recognized based on audited financial statements.

Note 3: Among them, \$43,950 (USD 1,500 thousand dollars) was indirect investment in Mainland China through a company set up in a third region, Tainan Enterprises (BVI) Co., Limited.

Note 4: Enterprises that have been approved by the Ministry of Economic Affairs to operate their headquarters are not subject to monetary or proportional limits.

Note 5: The numbers in the table that involves foreign currencies are expressed in New Taiwan dollars according to the exchange rate posted on the date of the financial statements (USD: NTD 1:29.3; RMB: USD 1:0.1396).

Tainan Enterprises Co., Ltd. and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Six Months Ended June 30, 2025

Table 8

(Expressed in thousands of New Taiwan dollars)

Investee in Mainland China	Sales (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing					
	Amount	%	Amount	%	Balance at June 30, 2025	%	Balance at June 30, 2025	Purpose	Maximum balance during the six months ended June, 2025	Balance at June 30, 2025	Interest rate	Interest during the six months ended June, 2025	Others	
Yixing Gaoqing Garment Co., Ltd.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	-	External process cost
													\$	90,490
														Other payables
													\$	88,515

(Note) The numbers in the table that involves foreign currencies are expressed in New Taiwan dollars according to the exchange rate posted on the date of the financial statements (USD: NTD 1:29.3; RMB: USD 1:0.1396).