Kwong Lung Enterprise Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Kwong Lung Enterprise Co., Ltd. and its subsidiaries (collectively, the "Group") as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income or loss for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of certain non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2026 and 2025, the combined total assets of these non-significant subsidiaries were NT$2,243,046 thousand and NT$3,191,669 thousand, respectively, representing 22% and 31%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$637,877 thousand and NT$1,397,359 thousand, respectively, representing 12% and 27%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2026 and 2025, the amounts of combined comprehensive income or loss of these non-significant subsidiaries were NT$21,254 thousand and NT$(97,692) thousand, respectively, representing 16% and 24%, respectively, of the consolidated total comprehensive income or loss, and for the six months ended June 30, 2026 and 2025, the amounts of combined comprehensive income or loss of these non-significant subsidiaries were NT$37,309 thousand and NT$(79,321) thousand, respectively, representing 20% and 26%, respectively, of the consolidated total comprehensive income or loss. In addition, as disclosed in Note 14, the investments accounted for using the equity method, as of June 30, 2026 and 2025, were NT$269,986 thousand and NT$302,764 thousand, respectively, and the consolidated equity in these investees' net (loss) gain for the three months ended June 30, 2026 and 2025 amounted to NT$1,658 thousand and NT$(8,609) thousand, respectively, and the consolidated equity in these investees' net (loss) gain for the six months ended June 30, 2026 and 2025 amounted to NT$(8,809) thousand and NT$(14,992) thousand, respectively, and the related investment amounts as well as additional disclosures are based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the certain non-significant subsidiaries and other investees accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 6, 2026

Notice to Readers

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

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 834,985	8	$ 850,588	9	$ 672,186	6
Financial assets at fair value through profit or loss - current (Note 7)	20,266	-	8,040	-	13,815	-
Financial assets at amortized cost - current (Note 9)	350,318	4	453,763	4	435,457	4
Notes receivable (Note 10)	17,050	-	70,430	1	23,253	-
Trade receivables (Notes 10 and 31)	1,237,742	12	644,622	6	880,046	9
Other receivables (Notes 10 and 31)	316,120	3	193,376	2	309,709	3
Inventories (Note 12)	1,961,514	19	1,637,699	17	2,499,338	25
Other current assets (Notes 11, 19 and 31)	232,806	2	192,610	2	271,568	3
Total current assets	4,970,801	48	4,051,128	41	5,105,372	50
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	609,636	6	583,661	6	524,032	5
Investments accounted for using the equity method (Notes 14 and 31)	269,986	2	308,408	3	302,764	3
Property, plant and equipment (Note 15)	1,518,734	15	1,380,990	14	2,278,077	23
Right-of-use assets (Notes 16 and 31)	106,277	1	119,036	1	120,492	1
Investment properties, net (Notes 17, 31 and 32)	2,668,162	26	3,076,145	32	1,581,475	16
Intangible assets (Note 18)	23,756	-	24,235	-	24,681	-
Deferred tax assets	60,722	-	70,085	1	79,495	1
Other non-current assets (Notes 11 and 19)	177,669	2	181,751	2	120,472	1
Total non-current assets	5,434,942	52	5,744,311	59	5,031,488	50
TOTAL	$ 10,405,743	100	$ 9,795,439	100	$ 10,136,860	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 20)	$ 2,064,594	20	$ 1,980,962	20	$ 1,738,554	17
Short-term bills payable (Notes 20 and 32)	161,785	1	105,861	1	164,847	2
Financial liabilities at fair value through profit or loss - current (Note 7)	894	-	170	-	8,783	-
Contract liabilities - current (Notes 24 and 31)	21,264	-	45,312	-	194,430	2
Notes payable	2,997	-	5,169	-	7,534	-
Trade payables (Note 31)	1,061,883	10	633,586	7	787,925	8
Other payables (Notes 21 and 31)	795,158	8	398,297	4	929,281	9
Current tax liabilities (Note 4)	68,043	1	91,091	1	33,192	-
Lease liabilities - current (Notes 16 and 31)	29,282	-	33,236	-	29,832	-
Current portion of long-term liabilities (Note 20)	109,176	1	75,194	1	274,187	3
Other current liabilities	13,013	-	65,602	1	33,264	-
Total current liabilities	4,328,089	41	3,434,480	35	4,201,829	41
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	-	-	-	-	1,202	-
Long-term borrowings (Notes 20 and 32)	831,810	8	753,856	8	723,805	7
Deferred tax liabilities	115,931	1	115,331	1	137,316	1
Lease liabilities - non-current (Notes 16 and 31)	40,853	1	48,575	1	55,247	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	2,727	-	2,968	-	3,941	-
Other non-current liabilities (Note 31)	27,732	-	43,242	-	39,186	1
Total non-current liabilities	1,019,053	10	963,972	10	960,697	10
Total liabilities	5,347,142	51	4,398,452	45	5,162,526	51
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 23, 28 and 29)						
Share capital						
Ordinary shares	1,503,756	15	1,501,965	15	1,513,515	15
Preference shares	2,495	-	2,569	-	2,698	-
Advance receipts for ordinary shares	-	-	1,891	-	1,223	-
Total share capital	1,506,251	15	1,506,425	15	1,517,436	15
Capital surplus	2,163,840	21	2,234,409	23	2,261,526	22
Retained earnings						
Legal reserve	831,863	8	790,899	8	790,899	8
Special reserve	276,914	3	-	-	-	-
Unappropriated earnings	637,770	6	1,124,303	12	923,370	9
Total retained earnings	1,746,547	17	1,915,202	20	1,714,269	17
Other equity interests						
Exchange differences on translation of the financial statements of foreign operations	(280,784)	(3)	(304,991)	(3)	(528,633)	(5)
Unrealized valuation (loss) gain on financial assets at fair value through other comprehensive income	(12,851)	-	28,077	-	9,736	-
Total other equity interests	(293,635)	(3)	(276,914)	(3)	(518,897)	(5)
Treasury shares	(84,740)	(1)	-	-	-	-
Total equity attributable to owners of the Company	5,038,263	49	5,379,122	55	4,974,334	49
NON-CONTROLLING INTERESTS (Notes 23 and 29)	20,338	-	17,865	-	-	-
Total equity	5,058,601	49	5,396,987	55	4,974,334	49
TOTAL	$ 10,405,743	100	$ 9,795,439	100	$ 10,136,860	100

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

(With Deloitte & Touche review report dated August 6, 2026)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	$ 2,275,232	100	$ 2,430,253	100	$ 3,721,568	100	$ 4,098,741	100
OPERATING COSTS (Notes 12, 25 and 31)	(1,948,008)	(85)	(2,019,477)	(83)	(3,223,961)	(86)	(3,457,210)	(84)
GROSS PROFIT	327,224	15	410,776	17	497,607	14	641,531	16
OPERATING EXPENSES (Notes 25 and 31)								
Selling and marketing expenses	(90,745)	(4)	(72,862)	(3)	(156,080)	(4)	(150,047)	(4)
General and administrative expenses	(96,979)	(4)	(90,711)	(4)	(190,527)	(5)	(190,195)	(4)
Research and development expenses	(13,952)	(1)	(13,646)	-	(25,205)	(1)	(26,796)	(1)
Expected credit gain (loss)	578	-	4,970	-	1,330	-	(2,192)	-
Total operating expenses	(201,098)	(9)	(172,249)	(7)	(370,482)	(10)	(369,230)	(9)
PROFIT FROM OPERATIONS	126,126	6	238,527	10	127,125	4	272,301	7
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)								
Interest income	10,836	-	9,246	-	21,236	1	22,402	1
Other income	11,476	1	3,841	-	17,780	-	6,684	-
Other gains and losses	109,976	5	(105,929)	(4)	151,551	4	(66,826)	(2)
Finance costs	(15,242)	(1)	(12,501)	(1)	(29,802)	(1)	(24,035)	(1)
Share of loss of associates accounted for using the equity method	1,658	-	(8,609)	-	(8,809)	-	(14,992)	-
Total non-operating income and expenses	118,704	5	(113,952)	(5)	151,956	4	(76,767)	(2)
PROFIT BEFORE INCOME TAX	244,830	11	124,575	5	279,081	8	195,534	5
INCOME TAX EXPENSE (Notes 4 and 26)	(63,356)	(3)	(23,391)	(1)	(71,422)	(2)	(43,012)	(1)
NET PROFIT FOR THE PERIOD	181,474	8	101,184	4	207,659	6	152,522	4
OTHER COMPREHENSIVE INCOME OR LOSS								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(12,231)	(1)	(12,154)	-	(13,380)	-	(28,223)	(1)
Unrealized loss on investments in equity instruments of associates at fair value through other comprehensive income	(8,047)	-	(15,519)	(1)	(17,025)	(1)	(14,102)	-
	(20,278)	(1)	(27,673)	(1)	(30,405)	(1)	(42,325)	(1)

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KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	$ (31,875)	(1)	$ (467,239)	(19)	$ 23,771	-	$ (408,302)	(10)
Unrealized (loss) gain on investments in debt investments at fair value through other comprehensive income	50	-	(17,213)	(1)	(10,523)	-	(4,320)	-
	(31,825)	(1)	(484,452)	(20)	13,248	-	(412,622)	(10)
Other comprehensive loss for the period, net of income tax	(52,103)	(2)	(512,125)	(21)	(17,157)	(1)	(454,947)	(11)
TOTAL COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD	$ 129,371	6	$ (410,941)	(17)	$ 190,502	5	$ (302,425)	(7)
NET INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ 181,491	8	$ 101,184	4	$ 207,732	6	$ 152,522	4
Non-controlling interests	(17)	-	-	-	(73)	-	-	-
	$ 181,474	8	$ 101,184	4	$ 207,659	6	$ 152,522	4
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ 129,823	6	$ (410,941)	(17)	$ 191,011	5	$ (302,425)	(7)
Non-controlling interests	(452)	-	-	-	(509)	-	-	-
	$ 129,371	6	$ (410,941)	(17)	$ 190,502	5	$ (302,425)	(7)
EARNINGS PER SHARE (Note 27)								
From continuing operations								
Basic	$ 1.21		$ 0.67		$ 1.39		$ 1.00	
Diluted	$ 1.21		$ 0.67		$ 1.38		$ 1.00	

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

(With Deloitte & Touche review report dated August 6, 2026) (Concluded)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company													
	Share Capital					Retained Earnings			Other Equity Interests					
	Ordinary Shares	Preference Shares	Advance Receipts for Ordinary Shares	Subtotal	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2025	$ 1,511,202	$ 2,801	$ 22	$ 1,514,025	$ 2,254,850	$ 726,885	$ 94,005	$ 1,229,453	$ (120,331)	$ 130,015	$ -	$ 5,828,902	$ 143,062	$ 5,971,964
Appropriation of the 2024 earnings														
Legal reserve	-	-	-	-	-	64,014	-	(64,014)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	(544,057)	-	-	-	(544,057)	-	(544,057)
Cash dividends of preference shares	-	-	-	-	-	-	-	(745)	-	-	-	(745)	-	(745)
Reversal of special reserve	-	-	-	-	-	-	(94,005)	94,005	-	-	-	-	-	-
Net profit for the six months ended June 30, 2025	-	-	-	-	-	-	-	152,522	-	-	-	152,522	-	152,522
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(408,302)	(46,645)	-	(454,947)	-	(454,947)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	-	152,522	(408,302)	(46,645)	-	(302,425)	-	(302,425)
Convertible preference shares converted	103	(103)	-	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	-	-	-	(17,428)	-	-	-	(17,428)	(143,062)	(160,490)
Issuance of ordinary shares under employee share options	2,210	-	1,201	3,411	6,676	-	-	-	-	-	-	10,087	-	10,087
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	73,634	-	(73,634)	-	-	-	-
BALANCE AT JUNE 30, 2025	$ 1,513,515	$ 2,698	$ 1,223	$ 1,517,436	$ 2,261,526	$ 790,899	$ -	$ 923,370	$ (528,633)	$ 9,736	$ -	$ 4,974,334	$ -	$ 4,974,334
BALANCE AT JANUARY 1, 2026	$ 1,501,965	$ 2,569	$ 1,891	$ 1,506,425	$ 2,234,409	$ 790,899	$ -	$ 1,124,303	$ (304,991)	$ 28,077	$ -	$ 5,379,122	$ 17,865	$ 5,396,987
Appropriation of the 2025 earnings														
Legal reserve	-	-	-	-	-	40,964	-	(40,964)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(75,142)	-	-	(375,709)	-	-	-	(450,851)	-	(450,851)
Cash dividends of preference shares	-	-	-	-	-	-	-	(678)	-	-	-	(678)	-	(678)
Special reserve	-	-	-	-	-	-	276,914	(276,914)	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	-	207,732	-	-	-	207,732	(73)	207,659
Other comprehensive income (loss) for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	-	-	24,207	(40,928)	-	(16,721)	(436)	(17,157)
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	-	207,732	24,207	(40,928)	-	191,011	(509)	190,502
Convertible preference shares converted	74	(74)	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares under employee share options	1,717	-	(1,891)	(174)	4,573	-	-	-	-	-	-	4,399	-	4,399
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	(84,740)	(84,740)	-	(84,740)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	2,982	2,982
BALANCE AT JUNE 30, 2026	$ 1,503,756	$ 2,495	$ -	$ 1,506,251	$ 2,163,840	$ 831,863	$ 276,914	$ 637,770	$ (280,784)	$ (12,851)	$ (84,740)	$ 5,038,263	$ 20,338	$ 5,058,601

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

(With Deloitte & Touche review report dated August 6, 2026)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 279,081	$ 195,534
Adjustments for:		
Depreciation expense	88,770	85,576
Amortization expense	524	450
Expected credit (gain) loss	(1,330)	2,192
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(2,222)	(3,830)
Finance costs	29,802	24,035
Interest income	(21,236)	(22,402)
Dividend income	(5,174)	(1,202)
Compensation costs of employee share options	59	711
Share of loss of associates accounted for using the equity method	8,809	14,992
Loss (gain) on disposal of property, plant and equipment	4	(10,611)
Gain on disposal of associates accounted for using the equity method	-	(801)
Gain on disposal of investment property	(130,887)	-
Gain on disposal of investment	(4,020)	-
Write-downs of inventories	5,218	9,116
Net (gain) loss on foreign currency exchange	(17,012)	134,393
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	8,040	9,700
Notes receivable	53,380	22,441
Trade receivables	(585,940)	(183,019)
Other receivables	(110,437)	1,924
Inventories	(330,125)	(45,974)
Other current assets	(39,553)	(13,589)
Financial liabilities held for trading	(170)	(4,552)
Notes payable	(2,172)	(4,796)
Trade payables	428,883	(236,899)
Contract liabilities	(24,048)	(7,872)
Other payables	(71,685)	(65,944)
Other current liabilities	(52,589)	3,635
Net defined benefit liabilities	(241)	(740)
Cash used in operations	(496,271)	(97,532)
Interest received	18,111	27,445
Interest paid	(30,689)	(23,451)
Income tax paid	(84,507)	(71,747)
Net cash used in operating activities	(593,356)	(165,285)

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KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (71,723)	$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	31,635	153,035
Acquisition of financial assets at amortized cost	(2,230)	(90,304)
Proceeds from disposal of financial assets at amortized cost	109,963	55,638
Purchase of financial assets at fair value through profit or loss	(17,150)	-
Net cash inflow on disposal of associates	-	5,378
Acquisition of property, plant and equipment	(35,285)	(113,202)
Proceeds from disposal of property, plant and equipment	12	11,416
Acquisition of intangible assets	-	(210)
Acquisition of investment properties	(107,384)	(707)
Proceeds from disposal of investment properties	487,953	-
Increase in other non-current assets	-	(8,698)
Decrease in other non-current assets	5,759	-
Dividends received from associates	-	5,262
Dividends received	-	1,202
Net cash generated from investing activities	401,550	18,810
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	83,632	534,515
Proceeds from short-term bills payable	55,924	19,423
Proceeds from long-term borrowings	450,000	833,000
Repayments of long-term borrowings	(336,800)	(802,768)
Repayments of the principal portion of lease liabilities	(17,704)	(15,558)
Increase in other non-current liabilities	4,490	7,257
Decrease in other non-current liabilities	(20,000)	-
Proceeds from share options exercised	4,340	9,376
Payments for buy-back of ordinary shares	(84,740)	-
Acquisition of additional interests in subsidiaries	-	(80,245)
Increase in non-controlling interests	2,982	-
Net cash generated from financing activities	142,124	505,000
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	34,079	(315,424)

(Continued)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	$ (15,603)	$ 43,101
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	850,588	629,085
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 834,985	$ 672,186

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

(With Deloitte & Touche review report dated August 6, 2026) (Concluded)

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on August 6, 2026.

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

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

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments and Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned “similar entity” includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

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

The Group has decided not to apply IFRS 18 and consequential amendments earlier.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

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

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

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

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

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

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 2,398	$ 1,494	$ 1,816
Checking accounts and demand deposits	547,686	799,638	644,611
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	284,901	49,456	25,759
	$ 834,985	$ 850,588	$ 672,186

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at FVTPL - current			
Mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	$ 3,116	$ 8,040	$ 13,815
Domestic unlisted stock	17,150	-	-
	$ 20,266	$ 8,040	$ 13,815
Financial liabilities at FVTPL - current			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ 894	$ 170	$ 8,783
Financial liabilities at FVTPL - non-current			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ -	$ -	$ 1,202

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

	Currency	Maturity Date	Notional Amount (In Thousands)
June 30, 2026			
Buy	USD/JPY	2026.12.24-2027.4.27	USD3,446/JPY540,697
Buy	EUR/USD	2026.7.27	EUR800/USD932
Buy	EUR/JPY	2027.1.20-2027.6.21	EUR1,852/JPY336,846
Buy	USD/NTD	2026.7.15-2026.7.27	USD2,000/NTD63,424
December 31, 2025			
Buy	EUR/JPY	2026.04.30	EUR158/JYP25,254
Buy	EUR/USD	2026.1.15-2026.2.12	EUR613/USD726
Buy	USD/JPY	2026.1.22-2026.10.20	USD3,861/JPY561,517
Sell	USD/VND	2026.1.30	USD1,000/VND26,390,000
Sell	USD/RMB	2026.1.30	USD200/RMB1,400
June 30, 2025			
Buy	USD/JPY	2025.7.03-2026.8.20	USD6,693/JPY986,387
Buy	EUR/USD	2025.7.17-2026.2.12	EUR1,443/USD1,635
Buy	EUR/JPY	2025.12.30-2026.4.30	EUR1,510/JPY242,332
Sell	USD/NTD	2025.7.10-2025.10.15	USD14,000/NTD418,849

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current			
Investments in equity instruments (a)			
Domestic listed shares	$ 95,617	$ 57,672	$ 45,462
Investments in debt instruments (b) - (d)			
Domestic corporate bonds	20,000	-	-
Foreign corporate bonds	494,019	525,989	478,570
	$ 609,636	$ 583,661	$ 524,032

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

b. The Group held foreign corporate bonds with coupon rates ranging from 1.375% to 5.35%.

c. The Group held a 10-year corporate bond issued by Nan Shan Life Insurance Co., Ltd. with a coupon rate of 3.75% in April 2026.

d. The Group held a 10-year corporate bond issued by TransGlobe Life Insurance Inc. with a coupon rate of 4.2% in June 2026.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Domestic investments			
Restricted assets - trust account*	$ -	$ 79,863	$ 24,220
Time deposits with original maturities of more than 3 months	350,318	373,900	411,237
	$ 350,318	$ 453,763	$ 435,457

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

10. NOTES RECEIVABLES, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable			
At amortized amount			
Gross carrying amount	$ 17,050	$ 70,430	$ 23,253
Less: Allowance for impairment loss	-	-	-
	$ 17,050	$ 70,430	$ 23,253
Trade receivables (including related parties)			
At amortized cost			
Gross carrying amount	$ 1,266,712	$ 673,622	$ 910,818
Less: Allowance for impairment loss	(28,970)	(29,000)	(30,772)
	$ 1,237,742	$ 644,622	$ 880,046
Other receivables (including related parties)			
Sale of raw materials	$ 403,047	$ 291,357	$ 397,136
Tax refund receivable	42,360	33,651	34,864
Interest receivable	13,421	10,296	11,960
Receivables from insurance claims*	-	-	17,324
Dividends receivable	5,174	-	-
Others	10,810	16,601	5,323
Less: Allowance for impairment loss	(158,692)	(158,529)	(156,898)
	$ 316,120	$ 193,376	$ 309,709

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

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

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

The aging of receivables was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Less than 30 days	$ 659,110	$ 349,047	$ 473,683
31-60 days	453,962	236,929	278,633
61-120 days	124,907	59,292	116,073
More than 121 days	28,733	28,354	42,429
	$ 1,266,712	$ 673,622	$ 910,818

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

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

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 29,000	$ 11,256
Add: Net remeasurement of loss allowance*	-	19,516
Less: Net remeasurement of loss allowance	(30)	-
Balance at June 30	$ 28,970	$ 30,772

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

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

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 158,529	$ 158,254
Foreign exchange gains and losses	163	(1,356)
Balance at June 30	$ 158,692	$ 156,898

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

11. FINANCE LEASE RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Undiscounted lease payments			
Year 1	$ 85,391	$ 86,691	$ 87,072
Less: Unearned finance income	(4,683)	(4,683)	(4,699)
Less: Allowance for impairment loss	(80,708)	(82,008)	(53,425)
Net investment in leases (presented as finance lease receivables)	$ -	$ -	$ 28,948

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

The implied interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. The range of implied interest rates inherent in the finance leases was approximately 9.44%-10.44% per annum as of June 30, 2026.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of June 30, 2026, part of finance lease receivables was past due. The Group has recognized a loss allowance of $80,708 thousand for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Merchandise	$ 63,285	$ 57,977	$ 32,154
Finished goods	552,558	472,125	535,675
Work in progress	633,852	532,646	804,140
Raw materials	588,105	368,158	512,490
Goods to subcontractor	28,675	9,847	6,195
Inventory in transit	95,039	147,960	50,025
Buildings and land held for sale	-	48,986	-
Lands and buildings under construction	-	-	558,659
	$ 1,961,514	$ 1,637,699	$ 2,499,338

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2026 and for the six months ended June 30, 2026 included inventories (reversed) write-downs of $(8,527) thousand and $5,218 thousand, respectively.

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

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%)			
Investor	Investee	Nature of Activities	June 30, 2026	December 31, 2025	June 30, 2025	Remark
The Company	Kwong Lung (B.V.I.) Ltd.	Overseas reinvested holding company.	100.00	100.00	100.00	Major subsidiary
	Kwong Lung Meko Co., Ltd.	Processing and manufacturing of apparel, down and bedding	100.00	100.00	100.00	Major subsidiary
	Kwong Lung Japan Co., Ltd.	Selling of down and bedding.	100.00	100.00	100.00	2)
	Bo Hsing Enterprise Co., Ltd.	Processing and manufacturing of apparel and bedding	100.00	100.00	100.00	Major subsidiary
	Toptex Garment Co., Ltd.	Processing and manufacturing of apparel	100.00	100.00	100.00	1)
	P&B Collection Co., Ltd.	Investment activities and product services	100.00	100.00	100.00	1)
	Kwong Lung-O Mon Company Limited	Processing and manufacturing of apparel	100.00	100.00	100.00	1)
	Manumech Corporation	Wholesale.	100.00	100.00	100.00	1)
	Fuhua Garment Co., Ltd.	Processing and manufacturing of apparel and bedding	100.00	100.00	100.00	1)
	Gonglong Co., Ltd.	Real estate rental and leasing	100.00	100.00	100.00	1)
Gonglong Co., Ltd.	Koutou Co., Ltd.	Construction business.	100.00	100.00	100.00	1) and 3)
Kwong Lung (B.V.I.) Ltd.	Kwong Lung Feather (B.V.I.) Limited	Overseas reinvested holding company.	100.00	100.00	100.00	1)
	Snowdown Merchandise (Suzhou) Co., Ltd.	Processing and manufacturing of down and bedding	100.00	100.00	100.00	1)
Kwong Lung Japan Co., Ltd.	Makoto Build Co., Ltd.	Construction business	70.00	70.00	-	1) and 4)
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	Overseas reinvested holding company.	40.00	40.00	40.00	1)
Kwong Lung Meko Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	Overseas reinvested holding company.	60.00	60.00	60.00	1)

1) It is a non-significant subsidiary; its financial statements have not been reviewed as of June 30, 2026 and 2025.

2) It is a non-significant subsidiary; its financial statements have been reviewed as of June 30, 2026, while those as of June 30, 2025 were not reviewed.

3) In January 2025, the Group acquired 5,952 thousand shares of Koutou Co., Ltd. in the amount of $160,490 thousand. This acquisition resulted in an increase in shareholding from 60% to 100%. Refer to Note 29 for the details.

4) In July 2025, the Group made a cash investment of JPY 210,000 thousand to establish Makoto Build Co., Ltd., a joint venture in Japan, and acquired a 70% equity interest.

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

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	June 30, 2026	December 31, 2025	June 30, 2025
Associates that are not individually material	$ 269,986	$ 308,408	$ 302,764

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

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

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Transpor-tation Equipment	Other Equipment	Property under Construction	Total
Cost							
Balance at January 1, 2026	$ 162,049	$ 1,682,898	$ 555,675	$ 42,023	$ 162,142	$ 28,451	$ 2,633,238
Additions	-	5,378	15,676	938	9,104	6,676	37,772
Disposals	-	-	(449)	-	(1,267)	-	(1,716)
Reclassification	53,508	96,330	-	-	34,480	(35,124)	149,194
Effects of foreign currency exchange differences	-	11,190	5,382	411	652	(3)	17,632
Balance at June 30, 2026	$ 215,557	$ 1,795,796	$ 576,284	$ 43,372	$ 205,111	$ -	$ 2,836,120
Accumulated depreciation and impairment							
Balance at January 1, 2026	$ -	$ 617,567	$ 474,389	$ 28,581	$ 131,711	$ -	$ 1,252,248
Depreciation expense	-	34,989	14,064	1,699	5,696	-	56,448
Disposals	-	-	(449)	-	(1,251)	-	(1,700)
Effects of foreign currency exchange differences	-	4,709	4,857	345	479	-	10,390
Balance at June 30, 2026	$ -	$ 657,265	$ 492,861	$ 30,625	$ 136,635	$ -	$ 1,317,386
Carrying amount on June 30, 2026	$ 215,557	$ 1,138,531	$ 83,423	$ 12,747	$ 68,476	$ -	$ 1,518,734
Cost							
Balance at January 1, 2025	$ 694,917	$ 1,501,523	$ 603,336	$ 35,210	$ 150,288	$ 646,249	$ 3,631,523
Additions	-	11,849	8,096	-	6,297	71,224	97,466
Disposals	-	(6,912)	(709)	(414)	(280)	-	(8,315)
Reclassification	-	317,854	(41)	-	8,471	(326,747)	(463)
Effects of foreign currency exchange differences	-	(99,968)	(62,807)	(3,603)	(7,204)	(3,057)	(176,639)
Balance at June 30, 2025	$ 694,917	$ 1,724,346	$ 547,875	$ 31,193	$ 157,572	$ 387,669	$ 3,543,572

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Transpor-tation Equipment	Other Equipment	Property under Construction	Total
Accumulated depreciation							
Balance at January 1, 2025	$ -	$ 663,719	$ 506,566	$ 27,101	$ 127,154	$ -	$ 1,324,540
Depreciation expense	-	33,092	19,514	1,034	6,663	-	60,303
Disposals	-	(6,108)	(709)	(414)	(279)	-	(7,510)
Reclassification	-	1,256	(41)	-	(1,256)	-	(41)
Effects of foreign currency exchange differences	-	(46,904)	(57,056)	(2,698)	(5,139)	-	(111,797)
Balance at June 30, 2025	$ -	$ 645,055	$ 468,274	$ 25,023	$ 127,143	$ -	$ 1,265,495
Carrying amount on June 30, 2025	$ 694,917	$ 1,079,291	$ 79,601	$ 6,170	$ 30,429	$ 387,669	$ 2,278,077

(Concluded)

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Land	$ 42,362	$ 42,801	$ 40,802
Buildings	51,936	61,236	64,684
Machinery	2,423	1,618	1,938
Transportation equipment	9,556	13,381	13,068
	$ 106,277	$ 119,036	$ 120,492

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Additions to right-of-use assets			$ 5,425	$ 3,813
Depreciation charge for right-of-use assets				
Land	$ 483	$ 453	$ 985	$ 960
Buildings	5,943	5,369	11,911	10,999
Machinery	184	-	322	123
Transportation equipment	2,796	2,457	5,855	5,041
	$ 9,406	$ 8,279	$ 19,073	$ 17,123

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Current	$ 29,282	$ 33,236	$ 29,832
Non-current	$ 40,853	$ 48,575	$ 55,247

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	1.28%	1.28%	1.28%
Buildings	0.37%-9.64%	0.37%-9.64%	0.37%-9.64%
Machinery	1.35%-5%	1.64%-5%	5%
Transportation equipment	1.6%-1.75%	0.77%-1.7%	0.77%-1.7%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 6,538	$ 7,138	$ 13,313	$ 15,221
Expenses relating to low-value asset leases	$ 356	$ 80	$ 646	$ 345
Total cash outflow for leases	$ (16,373)	$ (15,452)	$ (32,991)	$ (32,449)

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

17. INVESTMENT PROPERTIES

	Land	Buildings	Investment Properties under Construction	Total
Cost				
Balance at January 1, 2026	$ 2,062,626	$ 600,621	$ 551,175	$ 3,214,422
Additions	156	471	121,169	121,796
Disposals	(215,148)	(145,799)	-	(360,947)
Reclassification	86,808	549,115	(635,923)	-
Transfers to property, plant and equipment	(58,818)	(91,019)	-	(149,837)
Effects of foreign currency exchange differences	(5,703)	(4,390)	(434)	(10,527)
Balance at June 30, 2026	$ 1,869,921	$ 908,999	$ 35,987	$ 2,814,907
Accumulated depreciation				
Balance on January 1, 2026	$ -	$ 138,277	$ -	$ 138,277
Depreciation expense	-	13,249	-	13,249
Disposals	-	(3,881)	-	(3,881)
Effects of foreign currency exchange differences	-	(900)	-	(900)
Balance at June 30, 2026	$ -	$ 146,745	$ -	$ 146,745
Carrying amount at June 30, 2026	$ 1,869,921	$ 762,254	$ 35,987	$ 2,668,162
Cost				
Balance at January 1, 2025	$ 1,026,537	$ 518,219	$ 96,982	$ 1,641,738
Additions	-	683	24	707
Effects of foreign currency exchange differences	(9,590)	(6,874)	-	(16,464)
Balance at June 30, 2025	$ 1,016,947	$ 512,028	$ 97,006	$ 1,625,981
Accumulated depreciation				
Balance at January 1, 2025	$ -	$ 37,114	$ -	$ 37,114
Depreciation expense	-	8,150	-	8,150
Effects of foreign currency exchange differences	-	(758)	-	(758)
Balance on June 30, 2025	$ -	$ 44,506	$ -	$ 44,506
Carrying amount at June 30, 2025	$ 1,016,947	$ 467,522	$ 97,006	$ 1,581,475

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

Main buildings	10-50 years

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

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value	$ 2,828,646	$ 3,259,939	$ 1,830,140

Management of the Group had assessed and determined that there were no significant changes in the fair value of remaining investment properties as of June 30, 2026 and 2025, as compared to the fair values as of December 31, 2025 and 2024.

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

18. INTANGIBLE ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Goodwill	$ 22,022	$ 22,022	$ 22,022
Cost of computer software	704	1,150	1,623
Others	1,030	1,063	1,036
	$ 23,756	$ 24,235	$ 24,681

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

19. OTHER ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Overpaid tax retained for offsetting future tax payable	$ 82,150	$ 100,342	$ 92,125
Prepayments	48,128	19,914	35,806
Finance lease receivables (Note 11)	-	-	28,948
Incremental costs of obtaining a contract	-	-	34,776
Prepayments for insurance	14,756	13,368	15,265
Current tax assets	13,873	13,493	1,069
Others	73,899	45,493	63,579
	$ 232,806	$ 192,610	$ 271,568

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current			
Prepayments for land use rights	$ 36,136	$ 36,136	$ 36,136
Refundable deposits	26,075	24,753	26,538
Prepayments for equipment	377	-	143
Prepayments for land and building	65,878	72,460	10,239
Others	49,203	48,402	47,416
	$ 177,669	$ 181,751	$ 120,472

(Concluded)

20. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured borrowings			
Line of credit borrowings	$ 2,064,594	$ 1,980,962	$ 1,738,554
Range of interest rates	1.3%-1.98%	0.99%-1.83%	0.8%-1.88%

b. Short-term bills payable

	June 30, 2026	December 31, 2025	June 30, 2025
Commercial paper	$ 162,400	$ 106,000	$ 165,500
Less: Unamortized discounts on bills payable	(615)	(139)	(653)
	$ 161,785	$ 105,861	$ 164,847

Outstanding short-term bills payable were as follows:

June 30, 2026

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
China Bills Finance Corporation	$ 162,400	$ 615	$ 161,785	3.238%-3.388%	Investment properties	$ 555,460

December 31, 2025

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

June 30, 2025

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
Commercial paper						
China Bills Finance Corporation	$ 165,500	$ 653	$ 164,847	3.14%-3.24%	Investment properties	$ 560,667

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

c. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings			
Bank loans (1)	$ 54,876	$ 57,731	$ 59,634
Unsecured borrowings			
Credit borrowings (2)	886,110	771,319	938,358
	940,986	829,050	997,992
Less: Current portions	(109,176)	(75,194)	(274,187)
Long-term borrowings	$ 831,810	$ 753,856	$ 723,805
Range of interest rates	1.65%-2.22%	1.46%-2.22%	0.5%-2.87%

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

2) In 2024, the Company obtained a policy loan from Fubon Bank for overseas investment. The loan matures on December 10, 2029, with a two-year grace period. Starting from the third year, the principal will be repaid in 36 monthly installments. As of June 30, 2026, the effective annual interest rate was 1.65%.

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

   a) A maximum debt ratio (Liabilities/Tangible net worth) of 100% should be maintained.

   b) A minimum current ratio (Current Assets/Current Liabilities) of 100% should be maintained.

   c) A minimum times interest earned ratio ((Earnings Before Tax + Interest Expense + Depreciation + Amortization)/Interest Expense) of 10 should be maintained.

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

21. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Payables for payroll and employee benefit	$ 154,027	$ 177,792	$ 141,122
Payables for compensation of employees	15,000	22,130	11,250
Payables for remuneration of directors	7,036	14,000	9,000
Payables for fabrication expense	39,728	31,139	38,152
Payables for purchase of equipment and construction	39,670	22,394	13,743
Payables for dividends	451,529	-	544,802
Payables for VAT	3,215	8,135	7,046
Payables for investment	-	-	80,245
Others	84,953	122,707	83,921
	$ 795,158	$ 398,297	$ 929,281

22. RETIREMENT BENEFIT PLANS

Employee benefit expenses for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 in respect of the Group’s defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2025 and 2024. The Group recognized the pension amounts of $26 thousand and $40 thousand for the three months ended June 30, 2026 and 2025, respectively, and the pension amounts of $52 thousand and $80 thousand for the six months ended June 30, 2026 and 2025, respectively.

23. EQUITY

a. Share capital

Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	180,000	180,000	180,000
Shares authorized	$ 1,800,000	$ 1,800,000	$ 1,800,000
Number of shares issued and fully paid (in thousands)	150,376	150,197	151,352
Shares issued	$ 1,503,756	$ 1,501,965	$ 1,513,515
Number of shares representing advance receipts for ordinary shares	-	46,250	33,550
Advance receipts for ordinary shares	$ -	$ 1,891	$ 1,223

The change in the Company's share capital is mainly due to the exercise of employee share options and converted preference shares. In the second quarter of 2026, the total number of employee share options exercised and preference shares converted were 46,000 and 2,000 shares, respectively. The Company has not registered with the Ministry of Economic Affairs as of the date of approval for issuance of the financial statements.

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

Preference shares

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

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

1) The preference shares are perpetual.

2) The dividends of preference shares A is capped at 5% per annum on the issue price. The dividend rate will be set as 5-year IRS + (Fixed rate). The fixed rate will be reset after one business day when 7-year is due.

3) The fiscal year-end earnings of the Company shall be applied to the following in order: Payments of taxes, adjustments per financial and accounting principle, making-up of deficit, legal reserve, special reserve by law or reversal, and the remaining shall be paid to holders of preference shares as the current year's dividends. The Company has discretion over the dividend distribution of preference shares A. The Company may decide not to distribute dividends of preference shares in the following circumstances: (a) there are no earnings in a fiscal year, and (b) the earnings are insufficient to distribute dividends of preference shares. The cancellation of dividend payment should not constitute an event of default. The preference shares are noncumulative, and the preference shareholders do not have the right to claim any of the unpaid or omitted dividends in the future. Preference shares dividends will be paid in cash every year after the annual general meeting has approved on the audited financial reports. The board will decide on a payment record date for distributing the dividend. Preference shares dividend on the issued year and redeemed year will be calculated based on actual number of days issued.

4) Preference shareholders are not entitled to receive ordinary shares' cash or share dividends derived from earnings or capital reserve.

5) Preference shares may be redeemed in whole or in part at issue price anytime after five years of issuance at the original issued price. Unredeemed preference shares shall continue to have the rights and obligations of issuance terms prescribed in this Article. Preference shares dividend on the redeemed year will be calculated based on actual number of days issued.

6) The order of claim for distribution of property is prior to ordinary shares. The claim of all series of preference shareholders is equal but subordinate to the holders of debts. The repayment shall be capped at the respective issue amount of preference shares upon liquidation.

7) Preference shareholders do not have voting rights or suffrage. However, they have voting rights with respect to agendas related to the rights and obligations of preference shares in shareholders' meetings.

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

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

As of June 30, 2026, a total of 17,950 thousand shares of the Company's preferred share A have been converted to the Company's ordinary shares.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	$ 1,495,140	$ 1,564,532	$ 1,560,251
Conversion of bonds	640,431	640,431	640,431
Treasury share transactions	-	-	29,284
Expire options	21,851	21,851	21,801
May only be used to offset a deficit (2)			
Share of changes in capital surplus of associates	2,460	2,460	2,460
Changes in net assets of affiliated companies recognized under the equity method	1,221	1,221	1,221
May not be used for any purpose			
Employee share options	2,737	3,914	6,078
	$ 2,163,840	$ 2,234,409	$ 2,261,526

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

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

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

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

The appropriations of earnings for 2025 and 2024 were approved in the shareholders' meeting on May 29, 2026 and May 27, 2025, respectively, were as follows:

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

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

The Company's shareholders' meeting also resolved on May 29, 2026, to distribute cash in the amount of $75,142 thousand from capital surplus.

d. Non-controlling interests

	For the Six Months Ended June 30	
	2026	**2025**
Balance at January 1	$ 17,865	$ 143,062
Share in loss for the period	(73)	-
Exchange differences on translating the financial statements of foreign entities	(436)	-
Acquisition of non-controlling interests in subsidiaries (Note 29)	-	(143,062)
Issuance of ordinary shares for cash	2,982	-
Balance at June 30	$ 20,338	$ -

e. Treasury shares

Purpose of Buy-back	**Shares Cancelled (In Thousands of Shares)**
Number of shares on January 1,2026	-
Increase during the period	1,784
Number of shares on June 30,2026	1,784

To maintain the Company's credit and shareholders' equity, the Company's board of directors resolved on March 9, 2026, to buy back up to 2,000 thousand ordinary shares with the buyback price ranging from $35.00 to $49.00 from March 10, 2026 to May 8, 2026 on the Taipei Exchange. As of June 30, 2026, the Company had bought back a total of 1,784 thousand ordinary shares amounting to a total of NT$84,740 thousand.

As of June 30, 2026, the Company had bought back a total of 1,784 thousand ordinary shares. The purpose of the buyback was to maintain the Company's credit and shareholders' equity, and in accordance with the regulations, the shares shall be cancelled within six months from the buyback date.

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

24. REVENUE

a. Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes and accounts receivable (Note 10)	$ 1,254,792	$ 715,052	$ 903,299	$ 803,008
Contract liabilities				
Sale of textile	$ 21,264	$ 4,565	$ 46,856	$ 60,332
Sale of land and buildings	-	40,747	147,574	141,982
Contract liabilities - current	$ 21,264	$ 45,312	$ 194,430	$ 202,314

b. Assets related to contract costs

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Incremental costs of obtaining a contract	$ -	$ -	$ 34,776

c. Disaggregation of revenue

	For the Six Months Ended June 30	
	2026	2025
Type of goods or services		
Sale of textile	$ 3,640,653	$ 4,068,953
Sale of land and buildings	55,281	-
Other income	25,634	29,788
	$ 3,721,568	$ 4,098,741

25. NET PROFIT

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Bank deposits	$ 5,050	$ 4,823	$ 9,465	$ 11,177
Investments in debt instruments measured at FVTOCI	5,786	4,335	11,771	10,990
Net investments in leases	-	88	-	235
	$ 10,836	$ 9,246	$ 21,236	$ 22,402

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Rental income	$ 6,302	$ 2,639	$ 12,566	$ 5,455
Dividend income	5,174	1,202	5,174	1,202
Others	-	-	40	27
	$ 11,476	$ 3,841	$ 17,780	$ 6,684

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Foreign exchange gains	$ 22,574	$ 192,174	$ 84,035	$ 236,825
Foreign exchange losses	(26,711)	(313,252)	(74,261)	(353,590)
Gain (loss) on financial assets and liabilities designated as at FVTPL	3,646	(451)	2,491	(1,340)
Gain on disposal of investment in debt instruments at FVTOCI	4,020	-	4,020	-
(Loss) gain on disposal of property, plant and equipment	-	10,577	(4)	10,611
Gain on disposal of investment properties	106,588	-	130,887	-
Gain on disposal of associates	-	801	-	801
Others	(141)	4,222	4,383	39,867
	$ 109,976	$ (105,929)	$ 151,551	$ (66,826)

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest on bank loans	$ 14,606	$ 14,316	$ 28,474	$ 27,601
Interest on lease liabilities	636	620	1,328	1,325
Less: Amounts included in the cost of qualifying assets	-	(2,435)	-	(4,891)
	$ 15,242	$ 12,501	$ 29,802	$ 24,035

Information about capitalized interest is as follows:

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

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	**2025**	**2026**	**2025**
An analysis of depreciation by function				
Operating costs	$ 20,577	$ 22,931	$ 41,348	$ 47,214
Operating expenses	18,716	16,840	36,776	32,815
Other gains and losses	7,690	3,314	10,646	5,547
	$ 46,983	$ 43,085	$ 88,770	$ 85,576
An analysis of amortization by function				
Operating costs	$ -	$ -	$ -	$ -
Operating expenses	249	234	524	450
	$ 249	$ 234	$ 524	$ 450

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	**2025**	**2026**	**2025**
Post-employment benefits				
Defined contribution plans	$ 3,363	$ 3,296	$ 6,786	$ 6,715
Defined benefit plans	26	40	52	80
	3,389	3,336	6,838	6,795
Share-based payments				
Equity-settled	30	355	59	711
Other employee benefits	300,566	299,757	589,631	590,379
Total employee benefits expense	$ 303,985	$ 303,448	$ 596,528	$ 597,885
An analysis of employee benefits expense by function				
Operating costs	$ 215,111	$ 204,426	$ 393,373	$ 393,626
Operating expenses	88,874	99,022	203,155	204,259
	$ 303,985	$ 303,448	$ 596,528	$ 597,885

g. Compensation of employees and remuneration of directors

According to the Company’s Articles, the Company accrued compensation of employees and remuneration of directors at the rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company’s Articles at their 2025 shareholders’ meeting. The amendments explicitly stipulate that, in the event of profit in a given year, no less than 1% shall be allocated as compensation of employees, of which no less than 50% shall be reserved as compensation distributions for non-executive employees. For the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the compensation of employees and remuneration of directors are as follows:

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
	Cash	Cash	Cash	Cash
Compensation of employees	$ 7,500	$ -	$ 15,000	$ 11,250
Remuneration of directors	$ 5,000	$ 5,269	$ 7,036	$ 9,000

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

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

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

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

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

26. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
In respect of the current period	$ 58,824	$ 23,887	$ 62,935	$ 42,486
Adjustments for prior year	(1,476)	-	(1,476)	-
Income tax on unappropriated earnings	-	6,266	-	6,266
Deferred tax				
In respect of the current period	6,008	(6,762)	9,963	(5,740)
Income tax expense recognized in profit or loss	$ 63,356	$ 23,391	$ 71,422	$ 43,012

b. Income tax assessments

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

27. EARNINGS PER SHARE

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

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Profit for the period attributable to owners of the Company	$ 181,491	$ 101,184	$ 207,732	$ 152,522
Less: Declared dividends on preference shares	6	10	(661)	(731)
Earnings used in the computation of basic earnings per share	181,497	101,194	207,071	151,791
Add: Dividends on preference shares	(6)	(10)	661	731
Earnings used in the computation of diluted earnings per share	$ 181,491	$ 101,184	$ 207,732	$ 152,522

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	149,598	151,185	149,508	151,157
Effect of potentially dilutive ordinary shares:				
Employee share options	144	293	153	405
Compensation of employees	298	221	471	430
Convertible preference shares	-	273	252	274
Weighted average number of ordinary shares used in the computation of diluted earnings per share	150,040	151,972	150,384	152,266

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

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

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

	For the Six Months Ended June 30							
	2026				2025			
	Granted 2023		Granted 2022		Granted 2023		Granted 2022	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance at January 1	292	$ 44.9	319	$ 33.5	371	$ 48.4	951	$ 36.1
Options exercised	(12)	44.9	(114)	33.5	(17)	48.4	(237)	36.1
Options forfeited	(3)	44.9	-	-	(9)	48.4	-	-
Balance at June 30	277	44.9	205	33.5	345	48.4	714	36.1
Options exercisable, end of period	277		205		164		714	

Compensation costs recognized were $30 thousand and $355 thousand for the three months ended June 30, 2026 and 2025, respectively and $59 thousand and $711 thousand for the six months ended June 30, 2026 and 2025, respectively.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

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

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

30. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 95,617	$ -	$ -	$ 95,617
Investment in debt instruments				
Domestic corporate bonds	20,000	-	-	20,000
Foreign corporate bonds	494,019	-	-	494,019
	$ 609,636	$ -	$ -	$ 609,636

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 3,116	$ -	$ 3,116
Domestic unlisted stock	-	-	17,150	17,150
	$ -	$ 3,116	$ 17,150	$ 20,266
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 894	$ -	$ 894

(Concluded)

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 57,672	$ -	$ -	$ 57,672
Investment in debt instruments				
Foreign corporate bonds	525,989	-	-	525,989
	$ 583,661	$ -	$ -	$ 583,661
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 8,040	$ -	$ 8,040
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 170	$ -	$ 170

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 45,462	$ -	$ -	$ 45,462
Investment in debt instruments				
Foreign corporate bonds	478,570	-	-	478,570
	$ 524,032	$ -	$ -	$ 524,032
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 13,815	$ -	$ 13,815

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 9,985	$ -	$ 9,985

(Concluded)

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

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

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

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Unlisted foreign equity investments are measured using the income approach based on the discounted cash flow method, which calculates the present value of expected future cash flows from holding such investments. The fair values of these investments would increase if the long-term revenue growth rate or long-term pre-tax operating profit margin increases, or if the weighted average cost of capital or liquidity discount decreases.

c. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 20,266	$ 8,040	$ 13,815
Financial assets at amortized cost (1)	2,713,855	2,179,128	2,285,787
Financial assets at FVTOCI	609,636	583,661	524,032
Financial liabilities			
FVTPL			
Held for trading	894	170	9,985
Amortized cost (2)	4,851,340	3,759,003	4,484,761

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

a) Foreign currency risk

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

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

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
<u>Assets</u>			
EUR	$ 575	$ 750	$ 4,518
USD	2,541	7,290	9,297
<u>Liabilities</u>			
EUR	617	168	-
USD	277	2	9,985

Sensitivity analysis

The Group is mainly exposed to the USD and VND.

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

	USD Impact		**VND Impact**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**	
	2026	**2025**	**2026**	**2025**
Profit or loss*	$ 46,405	$ 43,118	$ (1,119)	$ (1,105)

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

b) Interest rate risk

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

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

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Fair value interest rate risk			
Financial assets	$ 635,219	$ 923,345	$ 435,944
Financial liabilities	1,526,514	356,365	395,267
Cash flow interest rate risk			
Financial assets	544,154	376,196	696,634
Financial liabilities	1,710,986	2,661,319	2,611,205

Sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2026 and 2025 would have decreased/increased by $2,917 thousand and decreased/increased by $4,786 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 10% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2026 and 2025 would have increased/decreased by $9,562 thousand and $4,546 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group had available unutilized bank loan facilities in the amounts of $5,723,613 thousand, $5,365,205 thousand and $5,630,129 thousand, respectively.

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

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

June 30, 2026

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-interest bearing	$ 818,247	$ 846,147	$ 195,644	$ -	$ -
Undiscounted lease	2,912	5,780	22,287	39,426	2,852
Borrowings	385,207	1,451,213	525,449	804,755	52,890
	$ 1,206,366	$ 2,303,140	$ 743,380	$ 844,181	$ 55,742

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	**1-5 Years**	**5-10 Years**	**10-15 Years**	**15-20 Years**	**20+ Years**
Lease liabilities	$ 30,979	$ 39,426	$ 1,584	$ 1,268	$ -	$ -

December 31, 2025

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-interest bearing	$ 590,439	$ 399,128	$ 47,485	$ -	$
Undiscounted lease	3,156	5,956	25,872	48,333	2,907
Borrowings	563,534	997,939	625,133	757,800	57,932
Other long-term liabilities	42	81	377	21,090	-
	$ 1,157,171	$ 1,403,104	$ 698,867	$ 827,223	$ 60,839

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	**1-5 Years**	**5-10 Years**	**10-15 Years**	**15-20 Years**	**20+ Years**
Lease liabilities	$ 34,984	$ 48,333	$ 1,571	$ 1,336	$ -	$ -

June 30, 2025

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

Additional information about the maturity analysis for lease liabilities

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

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

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

June 30, 2026

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Gross settled - outflows				
Foreign exchange forward contracts	$ 93,095	$ -	$ 172,262	$ -

December 31, 2025

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

June 30, 2025

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

31. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and relationships

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

b. Sales of goods

Related Party Name/Category	For the Three Months Ended June 30 2026	2025	For the Six Months Ended June 30 2026	2025
Associates				
Daquan Hanshi Co., Ltd.	$ -	$ -	$ 56	$ -
BBL Premium Co., Ltd.	-	-	-	140
Related party in substance				
Li Chiou Investment Co., Ltd.	-	-	19,947	-
Yueh Sheng Investment Co., Ltd.	-	-	12,900	-
Huang Lu Investment Co., Ltd.	-	-	23,729	-
Snowdown Merchandise Corporation	-	79	2,895	3,755
	$ -	$ 79	$ 59,527	$ 3,895

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

c. Purchases of goods

Related Party Name	For the Three Months Ended June 30 2026	2025	For the Six Months Ended June 30 2026	2025
Pt. Tactical Garment Garut	$ -	$ 2,436	$ -	$ 2,436

d. Contract liabilities

Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Related party in substance	$ -	$ 40,747	$ 18,553

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

Related Party Name	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables			
BBL Premium Co., Ltd.	$ -	$ -	$ 28
Other receivables			
Pt. Tactical Garment Garut	$ -	$ -	$ 1,471

The outstanding trade receivables from related parties are unsecured. For the six months ended June 30, 2026 and 2025, no impairment loss was recognized for trade receivables from related parties.

f. Other current assets

Related Party Name	June 30, 2026	December 31, 2025	June 30, 2025
Temporary payments			
Pt. Tactical Garment Garut	$ 12,304	$ -	$ -

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

Related Party Name/Category	June 30, 2026	December 31, 2025	June 30, 2025
Trade payables			
Pt. Tactical Garment Garut	$ -	$ -	$ 2,407
Other payables			
Associates	$ 210	$ 992	$ 210
Related party in substance			
Snowdown Merchandise Corporation	-	-	80,373
Cave & Wine Co., Ltd.	30	-	-
	$ 240	$ 992	$ 80,583

The outstanding trade payables to related parties are unsecured.

h. Disposal of investment properties

	Proceeds		Gain (Loss) on Disposal	
	For the Three Months Ended June 30		For the Three Months Ended June 30	
Related Party Name	2026	2025	2026	2025
Huang Lu Investment Co., Ltd.	$ 63,124	$ -	$ 10,662	$ -

	Proceeds		Gain (Loss) on Disposal	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
Related Party Name	2026	2025	2026	2025
Huang Lu Investment Co., Ltd.	$ 63,124	$ -	$ 10,662	$ -

i. Lease arrangements

	For the Six Months Ended June 30	
Related Party Name	2026	2025
Acquisition of right-of-use assets		
Gong Tong Zu Lin Co., Ltd.	$ 2,030	$ 2,899

Account	Related Party Name	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities	Gong Tong Zu Lin Co., Ltd.	$ 9,602	$ 13,285	$ 15,372

Related Party Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest expense				
Gong Tong Zu Lin Co., Ltd.	$ 46	$ 62	$ 98	$ 129

j. Acquisition of financial assets

For the three months ended June 30, 2026: None

For the six months ended June 30, 2025

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

k. Disposal of financial assets

For the three months ended June 30, 2026: None

For the three months ended June 30, 2025

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

For the six months ended June 30, 2026: None

For the six months ended June 30, 2025

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

l. Non-current liabilities

Related Party Name	June 30, 2026	December 31, 2025	June 30, 2025
Zhonglu Investment Co., Ltd.	$ -	$ 20,000	$ 20,000

m. Other income

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Associates	$ -	$ -	$ -	$ 205
Related party in substance	29	28	60	57
	$ 29	$ 28	$ 60	$ 262

n. Expenses

Related Party Name/Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Manufacturing overheads				
Pt. Tactical Garment Garut	$ 25,008	$ 8	$ 33,010	$ 8
Operating expenses				
Associates	$ 600	$ 604	$ 1,200	$ 1,409
Related party in substance	1,404	3,796	2,489	4,765
	$ 2,004	$ 4,400	$ 3,689	$ 6,174

The expenses included fabrication expense, rents, other expenses, etc.

o. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 21,232	$ 23,089	$ 40,959	$ 43,160
Post-employment benefits	153	135	306	260
Share-based payments	-	78	-	187
Long-term employee benefits	5,873	8,053	11,748	15,473
	$ 27,258	$ 31,355	$ 53,013	$ 59,080

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	June 30, 2026	December 31, 2025	June 30, 2025
Investment properties	$ 642,653	$ 648,398	$ 653,328

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2026 and 2025 were as follows:

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

	June 30, 2026	December 31, 2025	June 30, 2025
USD	$ 2,482	$ 8,065	$ 1,884

b. As of June 30, 2026, December 31, 2025 and June 30, 2025, guarantees issued by financial institutions for purchases of raw materials and development of technology all amounted to $3,000 thousand, $3,000 thousand and $3,000 thousand, respectively.

c. Unrecognized commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property, plant and equipment	$ 30,302	$ 104,396	$ 144,635

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. To maintain the Company's credit standing and protect shareholders' interests, the Company repurchased 1,784 thousand common shares between March 10, 2026 and May 8, 2026. On August 6, 2026, the Board of Directors resolved to cancel the treasury shares and reduce capital, with August 14, 2026 as the record date. Upon completion of the capital reduction, the Company's paid-in capital decreased from $1,506,252 thousand to $1,488,412 thousand, and the total number of issued shares decreased to 148,592 thousand common shares and 250 thousand preferred shares.

b. To enhance asset utilization, the Company's Board of Directors resolved on August 6, 2026, to dispose of a portion of its investment properties located in Nantun District, Taichung City, and authorized the Chairman to proceed with the sale at a price no more than 5% below the appraised value.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

June 30, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 98,576	31.85 (USD:NTD)	$ 3,139,646
USD	3,273	6.7910 (USD:RMB)	104,245
USD	31,005	26,322 (USD:VND)	987,509
VND	44,487,418	0.000038 (VND:USD)	53,830
Non-monetary items			
Investments in associates accounted for using equity method			
CAD	2,755	22.39 (CAD:NTD)	61,681
IDR	67,562,132	0.00178 (IDR:NTD)	120,261
Financial liabilities			
Monetary items			
USD	77,796	31.85 (USD:NTD)	2,477,803
USD	1,967	6.7910 (USD:RMB)	62,649
USD	3,284	26,322 (USD:VND)	104,595
USD	1,284	162.25 (USD:JPY)	40,895
VND	75,760,481	0.000038 (VND:USD)	91,670

December 31, 2025

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

(Continued)

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

(Concluded)

June 30, 2025

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

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

	For the Three Months Ended June 30			
	2026		2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
VND	0.00120 (VND:NTD)	$ 724	0.00119 (VND:NTD)	$ 4,705
NTD	1 (NTD:NTD)	(1,642)	1 (NTD:NTD)	(127,434)
USD	31.597 (USD:NTD)	(86)	30.823 (USD:NTD)	685
RMB	4.643 (RMB:NTD)	(903)	4.260 (RMB:NTD)	(240)
JPY	0.1983 (JPY:NTD)	(2,230)	0.2136 (JPY:NTD)	1,206
		$ (4,137)		$ (121,078)

	For the Six Months Ended June 30			
	2026		2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
VND	0.00121 (VND:NTD)	$ 7,172	0.00124 (VND:NTD)	$ 502
NTD	1 (NTD:NTD)	8,533	1 (NTD:NTD)	(120,495)
USD	31.614 (USD:NTD)	(385)	31.866 (USD:NTD)	1,014
RMB	4.606 (RMB:NTD)	(1,711)	4.385 (RMB:NTD)	(574)
JPY	0.2000 (JPY:NTD)	(3,835)	0.2146 (JPY:NTD)	2,788
		$ 9,774		$ (116,765)

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

6) Intercompany relationships and significant intercompany transactions (Table 5)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

37. SEGMENT INFORMATION

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

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

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

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

Others

Segment revenue and results

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

	Segment Revenue		Segment Profit (Loss)	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Apparel department	$ 2,217,337	$ 2,335,656	$ 128,261	$ 184,393
Down material department	1,022,952	1,125,259	26,664	61,009
Home textile department	454,618	642,834	(31,871)	29,063
Others	80,915	29,788	4,071	(2,164)
Segment revenue	3,775,822	4,133,537	127,125	272,301
Eliminations	(54,254)	(34,796)	-	-
Segment revenue or segment income	$ 3,721,568	$ 4,098,741	127,125	272,301
Interest income			21,236	22,402
Other income			17,780	6,684
Other gains and losses			151,551	(66,826)
Finance costs			(29,802)	(24,035)
Share of profit or loss of associates			(8,809)	(14,992)
Profit before tax			$ 279,081	$ 195,534

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 3)	Business Transaction Amount (Note 4)	Reasons for Short-term Financing (Note 5)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 6)	Aggregate Financing Limit (Note 6)	Note
													Item	Value			
1	P&B Collection Co., Ltd.	Koutou Co., Ltd.	Other receivables from related parties	Yes	$ 95,500	$ -	$ -	-	2	$ -	Operating capital	$ -	N/A	$ -	$ 97,166 (Note 6, a)	$ 97,166 (Note 6, b)	
		Manumech Corporation	Other receivables from related parties	Yes	12,000	9,850	9,850	2	2	-	Operating capital	-	N/A	-	97,166 (Note 6, a)	97,166 (Note 6, b)	

Note 1: The numbers denote the following:

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

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

Note 3: Purpose of fund financing for the borrower:

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

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

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

Note 6: a. Individual loans should not exceed 40% of the lender’s net equity of the prior year. For No. 1: $242,914 (net worth) × 40% = $97,166.
b. Total loans should not exceed 40% of the lender’s net equity of the prior year. For No. 1: $242,914 (net worth) × 40% = $97,166.

TABLE 2

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Kwong Lung Enterprise Co., Ltd.	Ordinary shares							
	J&B International Inc.	-	Financial assets at FVTOCI - non-current	1,000,000	$ 50,300	3.09	$ 50,300	
Gonglong Co., Ltd.	Ordinary shares							
	Speed Tech Corporation	-	Financial assets at FVTOCI - non-current	300,000	10,245	0.15	10,245	
	Taihan Precision Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	8,880	0.77	8,880	
P&B Collection Co., Ltd.	Financial bonds							
	Nan Shan Life Insurance Co., Ltd.	-	Financial assets at FVTOCI - non-current		10,000		10,000	
	TransGlobe Life Insurance Inc.	-	Financial assets at FVTOCI - non-current		10,000		10,000	
Kwong Lung (B.V.I.) Ltd.	Ordinary shares							
	J&B International Inc.	-	Financial assets at FVTOCI - non-current	520,718	26,192	1.61	26,192	
	Financial bonds							
	Foxconn (Far East) Limited	-	Financial assets at FVTOCI - non-current		29,058		29,058	
	Tsmc Global Ltd.	-	Financial assets at FVTOCI - non-current		28,102		28,102	
	United Health Group Inc.	-	Financial assets at FVTOCI - non-current		93,853		93,853	
	American Express	-	Financial assets at FVTOCI - non-current		179,389		179,389	
	Chilean government international bonds	-	Financial assets at FVTOCI - non-current		4,551		4,551	
	Broadcom Corporation	-	Financial assets at FVTOCI - non-current		159,066		159,066	

TABLE 3

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Trade Receivables (Payables)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Account	Ending Balance	% of Total	
Kwong Lung Enterprise Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	Subsidiary	Purchase	$ 709,602	26	T/T 30-180 days	No significant difference	No significant difference	Trade payables	$ 742,199	34	
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	709,602	90	T/T 30-180 days	No significant difference	No significant difference	Trade receivables	742,199	92	
Kwong Lung Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	Subsidiary	Purchase	860,875	32	T/T 30-180 days	No significant difference	No significant difference	Trade payables	829,211	38	
Kwong Lung Meko Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	860,875	72	T/T 30-180 days	No significant difference	No significant difference	Trade receivables	829,211	93	
Kwong Lung Enterprise Co., Ltd.	Fuhua Garment Co., Ltd.	Subsidiary	Purchase	328,623	12	Prepayment or T/T 30-180 days	No significant difference	No significant difference	Trade payables	155,136	7	
Fuhua Garment Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	328,623	95	Sales revenue received in advance or T/T 30-180 days	No significant difference	No significant difference	Trade receivables	155,136	97	
Kwong Lung Enterprise Co., Ltd.	Snowdown Merchandise (Suzhou) Co., Ltd.	Sub-subsidiary	Purchase	111,972	4	Prepayment or T/T 30-180 days	No significant difference	No significant difference	Trade payables	104,173	5	
Snowdown Merchandise (Suzhou) Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Sale	111,972	24	Sales revenue received in advance or T/T 30-180 days	No significant difference	No significant difference	Trade receivables	104,173	63	

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

TABLE 4

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Receivables from Relates Parties Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
			Account	Ending Balance		Amount	Actions Taken		
Kwong Lung Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	Subsidiary	Other receivables	$ 166,997	-	$ -	-	$ 52,648	$ -
	Fuhua Garment Co., Ltd.	Subsidiary	Other receivables	282,913	-	-	-	31,971	-
Snowdown Merchandise (Suzhou) Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	104,173	3.10	-	-	18,831	-
Fuhua Garment Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	155,136	5.30	-	-	87,818	-
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	742,199	1.91	-	-	95,272	-
Kwong Lung Meko Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	Parent company	Trade receivables	829,211	2.37	-	-	182,828	-

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

TABLE 5

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Kwong Lung Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	a	Sales revenue	$ 42,239	No significant difference	1
			a	Cost of goods sold	860,875	No significant difference	23
			a	Trade receivables	23,172	No significant difference	-
			a	Trade payables	829,211	No significant difference	8
			a	Other receivables	166,997	-	2
		Kwong Lung Japan Co., Ltd.	a	Sales revenue	88,276	No significant difference	2
			a	Trade receivables	75,368	No significant difference	1
		Toptex Garment Co., Ltd.	a	Cost of goods sold	9,483	No significant difference	-
			a	Trade payables	9,602	No significant difference	-
			a	Other receivables	6,640	-	-
		Bo Hsing Enterprise Co., Ltd.	a	Cost of goods sold	709,602	No significant difference	19
			a	Trade payables	742,199	No significant difference	7
			a	Other receivables	93,007	-	1
		Fuhua Garment Co., Ltd.	a	Cost of goods sold	328,623	No significant difference	9
			a	Trade payables	155,136	No significant difference	1
			a	Other receivables	282,913	-	3
		Snowdown Merchandise (Suzhou) Co., Ltd.	a	Cost of goods sold	111,972	No significant difference	3
			a	Trade payables	104,173	No significant difference	1
			a	Other receivables	40,690	-	-
1	Kwong Long-O Mon Company Limited	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	24,073	No significant difference	1
			c	Trade receivables	7,542	No significant difference	-
		Kwong Lung Meko Co., Ltd.	c	Processing revenue	8,714	No significant difference	-
		Fuhua Garment Co., Ltd.	c	Processing revenue	16,221	No significant difference	-
			c	Trade receivables	7,089	No significant difference	-
2	Bo Hsing Enterprise Co., Ltd.	Kwong Lung Meko Co., Ltd.	c	Processing revenue	14,131	No significant difference	-
		Fuhua Garment Co., Ltd.	c	Processing revenue	17,689	No significant difference	-
			c	Trade receivables	47,919	No significant difference	-
			c	Other receivables	12,465	-	-
3	Kwong Lung Meko Co., Ltd.	Snowdown Merchandise (Suzhou) Co., Ltd.	c	Sales revenue	30,601	No significant difference	1
			c	Trade receivables	21,857	No significant difference	-
		Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	12,806	No significant difference	-
			c	Trade receivables	6,921	No significant difference	-
		Fuhua Garment Co., Ltd.	c	Sales revenue	9,150	No significant difference	-
			c	Trade receivables	14,556	No significant difference	-

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
4	Fuhua Garment Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	$ 14,635	No significant difference	-
5	Toptex Garment Co., Ltd.	Bo Hsing Enterprise Co., Ltd.	c	Processing revenue	43,784	No significant difference	1
			c	Trade receivables	27,567	No significant difference	-
		Fuhua Garment Co., Ltd.	c	Trade receivables	8,742	No significant difference	-
6	P&B Collection Co., Ltd.	Manumech Corporation	c	Other receivables	9,850	-	-
7	Koutou Co., Ltd.	Kwong Lung Enterprise Co., Ltd.	b	Other receivables	11,409	-	-

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

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

Note 2: Nature of relationship is as follows:

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

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage to the consolidated total assets as of June 30, 2026. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenue for the six months ended June 30, 2026.

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

(Concluded)

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Shares	%	Carrying Amount			
Kwong Lung Enterprise Co., Ltd.	Kwong Lung (B.V.I.) Ltd.	British Virgin Islands	Investment holding company	$ 660,552	$ 660,552	18,000	100	$ 1,037,305	$ 29,246	$ 29,246	Subsidiary
	Kwong Lung Meko Co., Ltd.	Vietnam	Processing and manufacturing of apparel, down and bedding	198,399	198,399	-	100	1,693,472	7,574	7,550	Subsidiary
	Kwong Lung Japan Co., Ltd.	Japan	Selling of down and bedding	280,977	280,977	10,500	100	435,805	60,027	60,027	Subsidiary
	Bo Hsing Enterprise Co., Ltd.	Vietnam	Manufacturing of apparel and bedding	386,911	386,911	-	100	1,259,770	26,378	26,378	Subsidiary
	Toptex Garment Co., Ltd.	Vietnam	Manufacturing of apparel	191,809	191,809	-	100	72,269	(2,207)	(2,207)	Subsidiary
	P&B Collection Co, Ltd.	Taiwan	Investment activities and product services	260,000	260,000	21,600,000	100	238,468	1,143	3,557	Subsidiary
	Manumech Corporation	Taiwan	Wholesale	103,319	103,319	1,899,235	100	(9,713)	988	988	Subsidiary
	Kwong Lung-O Mon Company Limited	Vietnam	Manufacturing of apparel	69,799	69,799	-	100	38,174	(10,078)	(10,078)	Subsidiary
	Fuhua Garment Co., Ltd.	Vietnam	Manufacturing of apparel and bedding	93,135	93,135	-	100	100,097	54,580	54,580	Subsidiary
	Gonglong Co., Ltd.	Taiwan	Real estate rental and leasing	429,178	429,178	42,200,000	100	482,408	4,687	(1,043)	Subsidiary
	Pt. Tactical Garment Garut	Indonesia	Manufacturing of apparel	210,443	210,443	6,750	45	120,261	(24,240)	(10,908)	Associate
Kwong Lung (B.V.I.) Ltd.	Kwong Lung Feather (B.V.I.) Limited	British Virgin Islands	Investment holding company	-	-	1	100	130,493	4,197	NA	Sub-subsidiary
Kwong Lung Japan Co., Ltd.	Makoto Build Co., Ltd.	Japan	Construction business	49,029	42,071	24,500	70	47,456	(242)	NA	Sub-subsidiary
Bo Hsing Enterprise Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	British Virgin Islands	Investment holding company	60,180	60,180	2,000,000	40	58,411	2,405	NA	Sub-subsidiary
Kwong Lung Meko Co., Ltd.	Kwong Lung Meko (B.V.I.) Ltd.	British Virgin Islands	Investment holding company	92,880	92,880	3,000,000	60	98,772	2,405	NA	Sub-subsidiary
Gonglong Co., Ltd.	Koutou Co., Ltd.	Taiwan	Construction business	240,442	240,442	15,727,982	100	162,730	6,575	NA	Sub-subsidiary
P&B Collection Co, Ltd.	Gong Tong Zu Lin Co., Ltd.	Taiwan	Leasing business	27,300	27,300	7,020,000	39	75,471	5,260	NA	Associate of subsidiary
	Daquan Hanshi Co., Ltd.	Taiwan	Food service activities	5,513	5,513	780,000	39	12,573	587	NA	Associate of subsidiary
Kwong Lung Meko (B.V.I.) Ltd.	Lyon Ventures Holdings Ltd.	Canada	Selling of home products	18,231	18,231	90,000	49	7,758	(305)	NA	Associate of sub-subsidiary
	O’casa Lk Property Group Inc.	Canada	Real estate investment	67,114	67,114	289,100	49	53,923	(64)	NA	Associate of sub-subsidiary

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

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
Snowdown Merchandise (Suzhou) Co., Ltd.	Processing and manufacturing of down and bedding	US$ 5,000 (Including registration)	b. 1)	$ 149,546	$ -	$ -	$ 149,546	$ 11,151	100	$ 11,151 b. 3)	$ 232,801	$ -

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Kwong Lung Enterprise Co., Ltd.	$ 598,186 (Note 3)	$ 600,875 (US$ 20,000)	$ 3,035,161 (Note 4)

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

a. The investment was made directly in China.

b. The investment was made through a company registered in a third region.

1) Through Kwong Lung (B.V.I.) Ltd.

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

a. If it is in preparation, there is no investment loss, it should be noted.

b. Recognition of gains or losses was based on the following three information:

1) Financial statements which were audited by an international accounting firm with a cooperative relationship with an ROC accounting firm.
2) Financial statements which were audited by the parent company’s accounting firm.
3) Not been reviewed.

Note 3: The Group disposed of the subsidiary Snowdown Merchandise (Suzhou) Co., Ltd. (formerly a sister company of Kwong Lung (Suzhou) Co., Ltd.) in December 2021. The original investment amount of $448,640 thousand had not been remitted to the Company as of June 30, 2026.

Note 4: The maximum allowable limit on investment was 60% of the consolidated net asset value of the Company $5,058,601 (consolidated net worth) × 60% = $3,035,161.

KWONG LUNG ENTERPRISE CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gain
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Snowdown Merchandise (Suzhou) Co., Ltd.	Purchase	$ 111,972	4	Normal	Prepayment or T/T 30-180 days	No significant difference	Trade payables $ 104,173	5	$ -

Note 1: As of June 30, 2026, the Company had transactions with Snowdown Merchandise (Suzhou) Co., Ltd. for processing of materials and purchasing materials amounted to $40,690 thousand of the Company’s other receivables.

Note 2: The aforementioned intercompany transactions have been eliminated upon consolidation.