Stock Code: 1476

ECLAT TEXTILE CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024

Address: **17F., No. 738, Zhongyang Rd., Xinzhuang Dist., New Taipei City**
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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Eclat Textile Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Eclat Textile Co., Ltd. (the "Company") and its subsidiaries (together referred to as the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. 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 Standards ("IASs") 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 Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, " Review of Financial Information Performed by the Independent Auditor of the Entity"of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $1,207,555 thousand and $1,077,994 thousand, constituting 3.23% and 3.16% of the total consolidated assets as of March 31, 2025 and 2024, respectively, total liabilities amounting to $529,471 thousand and $381,796 thousand, constituting 4.67% and 3.64% of the total consolidated liabilities as of March 31, 2025 and 2024, respectively. Also, the total comprehensive loss amounting to $420,720 thousand and $290,441 thousand, constituting (23.97)% and (17.65)% of the total consolidated comprehensive income for the three months ended March 31, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors' review report are Hui-Chih Kou and Hsin-Yi Kuo.

KPMG

Taipei, Taiwan (Republic of China)
May 8, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 3,032,203	8	3,618,179	10	4,329,811	13
1150	Notes receivable (including related parties) (notes 6(b) and 7)	13,641	-	17,451	-	16,895	-
1170	Accounts receivable, net (note 6(b))	6,512,715	18	6,535,797	18	4,773,812	14
1200	Other receivables	145,022	-	31,308	-	125,244	-
1220	Current tax assets	-	-	71	-	-	-
1310	Inventories, net (note 6(c))	6,024,920	16	5,521,849	16	5,045,845	15
1470	Other current assets (notes 6(f) and 8)	7,278,733	20	5,783,367	16	5,244,839	15
	Total current assets	23,007,234	62	21,508,022	60	19,536,446	57
	Non-current assets:						
1550	Investments accounted for using equity method	-	-	-	-	-	-
1600	Property, plant and equipment (notes 6(d) and 7)	12,921,619	35	12,993,610	36	13,112,101	39
1755	Right-of-use assets	66,852	-	67,263	-	61,886	-
1760	Investment property, net (note 6(e))	750,323	2	752,694	2	735,945	2
1780	Intangible assets	31,380	-	26,838	-	28,876	-
1840	Deferred tax assets	13,222	-	13,222	-	47,370	-
1975	Net defined benefit asset, non-current	165,319	-	163,930	1	118,111	-
1990	Other non-current assets, others (note 6(f))	389,640	1	339,541	1	452,744	2
	Total non-current assets	14,338,355	38	14,357,098	40	14,557,033	43
	Total assets	**$ 37,345,589**	**100**	**35,865,120**	**100**	**34,093,479**	**100**

		March 31, 2025		December 31, 2024		March 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Current borrowings (notes 6(g) and (p))	$ 1,537,890	4	1,804,322	5	771,680	2
2150	Notes payable	122,724	-	100,093	-	125,575	-
2170	Accounts payable	2,285,136	6	2,163,054	6	2,133,270	7
2200	Other payables (note 6(i))	5,609,131	15	1,516,604	4	4,684,600	14
2230	Current tax liabilities	1,229,707	4	855,720	3	1,881,829	6
2280	Current lease liabilities	12,975	-	13,358	-	11,286	-
2320	Long-term liabilities, current portion (notes 6(h) and (p))	-	-	-	-	426,667	1
2399	Other current liabilities, others	356,816	1	313,705	1	365,590	1
	Total current liabilities	11,154,379	30	6,766,856	19	10,400,497	31
	Non-current liabilities:						
2570	Deferred tax liabilities	103,112	-	103,078	-	13,394	-
2580	Non-current lease liabilities	57,747	-	57,628	-	54,168	-
2640	Net defined benefit liability, non-current	10,936	-	9,428	-	6,582	-
2645	Guarantee deposits received	6,477	-	6,469	-	6,453	-
	Total non-current liabilities	178,272	-	176,603	-	80,597	-
	Total liabilities	11,332,651	30	6,943,459	19	10,481,094	31
	Equity (note 6(k))						
3110	Ordinary share	2,743,671	8	2,743,671	8	2,743,671	8
3200	Capital surplus	3,769,803	10	3,769,803	11	3,769,803	11
	Retained earnings:						
3310	Legal reserve	5,326,981	14	5,326,981	15	4,809,262	14
3350	Unappropriated retained earnings	13,769,084	37	16,753,936	46	12,029,894	35
	Total retained earnings	19,096,065	51	22,080,917	61	16,839,156	49
3490	Other equity, others	403,399	1	327,270	1	259,755	1
	Total equity	26,012,938	70	28,921,661	81	23,612,385	69
	Total liabilities and equity	**$ 37,345,589**	**100**	**35,865,120**	**100**	**34,093,479**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(m))**	$ 9,374,606	100	7,632,681	100
5000	**Operating costs (notes 6(c), (d), (i), (n) and 12)**	6,543,209	70	5,386,042	71
	Gross profit from operations	2,831,397	30	2,246,639	29
	Operating expenses (notes 6(d), (e), (i), (n), 7 and 12):				
6100	Selling expenses	418,534	5	386,611	5
6200	Administrative expenses	398,913	4	347,369	5
6300	Research and development expenses	38,592	-	36,175	-
	Total operating expenses	856,039	9	770,155	10
	Net operating income	1,975,358	21	1,476,484	19
	Non-operating income and expenses (notes 6(d), (o), 7 and 12):				
7010	Other income	8,106	-	7,349	-
7020	Other gains and losses, net	107,029	1	289,999	4
7050	Finance costs	(26,384)	-	(18,893)	-
7100	Interest income	22,979	-	22,310	-
	Total non-operating income and expenses	111,730	1	300,765	4
7900	**Income before income tax**	2,087,088	22	1,777,249	23
7950	**Less: Tax expense (note 6(j))**	407,699	4	351,971	4
8200	**Profit**	1,679,389	18	1,425,278	19
8300	**Other comprehensive income:**				
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	76,129	1	220,226	3
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss (note 6(k))	76,129	1	220,226	3
8300	**Other comprehensive income, net of income tax**	76,129	1	220,226	3
8500	**Total comprehensive income**	**$ 1,755,518**	**19**	**1,645,504**	**22**
	Earnings per share (in dollars) (note 6(l))				
9750	**Basic earnings per share**	**$ 6.12**		**5.19**	
9850	**Diluted earnings per share**	**$ 6.12**		**5.19**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Three Months Ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity	
	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2024	$ 2,743,671	3,769,547	4,809,262	14,308,572	19,117,834	39,529	25,670,581
Profit	-	-	-	1,425,278	1,425,278	-	1,425,278
Other comprehensive income (loss)	-	-	-	-	-	220,226	220,226
Total comprehensive income (loss)	-	-	-	1,425,278	1,425,278	220,226	1,645,504
Appropriation and distribution of retained earnings:							
Cash dividends of ordinary share	-	-	-	(3,703,956)	(3,703,956)	-	(3,703,956)
Other changes in capital surplus:							
Other changes in capital surplus	-	256	-	-	-	-	256
Balance at March 31, 2024	**$ 2,743,671**	**3,769,803**	**4,809,262**	**12,029,894**	**16,839,156**	**259,755**	**23,612,385**
Balance at January 1, 2025	$ 2,743,671	3,769,803	5,326,981	16,753,936	22,080,917	327,270	28,921,661
Profit	-	-	-	1,679,389	1,679,389	-	1,679,389
Other comprehensive income (loss)	-	-	-	-	-	76,129	76,129
Total comprehensive income (loss)	-	-	-	1,679,389	1,679,389	76,129	1,755,518
Appropriation and distribution of retained earnings:							
Cash dividends of ordinary share	-	-	-	(4,664,241)	(4,664,241)	-	(4,664,241)
Balance at March 31, 2025	**$ 2,743,671**	**3,769,803**	**5,326,981**	**13,769,084**	**19,096,065**	**403,399**	**26,012,938**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2025	**2024**
Cash flows from (used in) operating activities:		
Profit before tax	$ 2,087,088	1,777,249
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	210,290	214,476
Amortization expense	7,303	6,192
Interest expense	26,384	18,893
Interest income	(22,979)	(22,310)
Loss (gain) on disposal of property, plant and equipment	-	(942)
Loss (gain) on disposal of non-current assets held for sale	-	(56,697)
Gain on lease modification	-	(23)
Total adjustments to reconcile profit	220,998	159,589
Changes in operating assets and liabilities**:**		
Decrease (increase) in notes receivable	3,810	2,564
Decrease (increase) in accounts receivable	23,082	(82,488)
Decrease (increase) in other receivables	(104,589)	(80,228)
Decrease (increase) in inventories	(503,137)	(643,564)
Decrease (increase) in other current assets	31,089	178,536
Decrease (increase) in other operating assets	(1,389)	(1,045)
Increase (decrease) in notes payable	22,631	35,272
Increase (decrease) in accounts payable	122,082	557,421
Increase (decrease) in other payables	(565,141)	(436,825)
Increase (decrease) in other current liabilities	43,111	166,551
Increase (decrease) in net defined benefit liability	1,508	880
Total changes in operating assets and liabilities	(926,943)	(302,926)
Total adjustments	(705,945)	(143,337)
Cash inflow generated from operations	1,381,143	1,633,912
Interest received	13,854	7,584
Interest paid	(32,499)	(22,440)
Income taxes paid	(33,641)	(27,900)
Net cash flows from (used in) operating activities	1,328,857	1,591,156
Cash flows from (used in) investing activities:		
Proceeds from disposal of non-current assets held for sale	-	82,560
Acquisition of property, plant and equipment	(68,685)	(78,319)
Proceeds from disposal of property, plant and equipment	-	942
Increase in refundable deposits	(58)	-
Decrease in refundable deposits	-	545
Acquisition of intangible assets	(8,817)	(6,713)
Increase in other financial assets	(1,519,794)	(8,463)
Increase in other non-current assets	(50,041)	(74,093)
Net cash flows from (used in) investing activities	(1,647,395)	(83,541)
Cash flows from (used in) financing activities:		
Increase in current borrowings	2,462,191	729,594
Decrease in current borrowings	(2,749,035)	(610,091)
Repayments of long-term borrowings	-	(136,258)
Increase in guarantee deposits received	8	8
Payment of lease liabilities	(4,994)	(8,497)
Other financing activities	-	256
Net cash flows from (used in) financing activities	(291,830)	(24,988)
Effect of exchange rate changes on cash and cash equivalents	24,392	33,451
Net increase (decrease) in cash and cash equivalents	(585,976)	1,516,078
Cash and cash equivalents at beginning of period	3,618,179	2,813,733
Cash and cash equivalents at end of period	**$ 3,032,203**	**4,329,811**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Eclat Textile Co., Ltd. (the "Company") was incorporated on November 28, 1977. The Company has established the Hsi-Chou Plant and Da-Shan Plant in Miaoli, and Da-Yuan Plant in Taoyuan. The Company and its subsidiaries (the " Group") have mainly been involved in the manufacturing and marketing of knitwear. Please refer to note 4(b) for more details about the operation of the Group.

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

The consolidated financial statements were approved by the Board of Directors and issued on May 8, 2025.

(3) New standards, amendments and interpretations adopted

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

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

- Amendments to IAS 21 "Lack of Exchangeability"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

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

- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

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

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

Standards or Interpretations	Content of amendment	Effective date issued by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

ECLAT TEXTILE CO., LTD AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date issued by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

ECLAT TEXTILE CO., LTD AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- Amendments to IFRS 9 and IFRS 7 “ Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7.
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “ Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the FSC. The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to “IFRS Accounting Standards” endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) The subsidiaries in the consolidated financial statements

			Shareholding Ratio			
Investor	**Name of Subsidiary**	**Primary Business**	**March 31, 2025**	**December 31, 2024**	**March 31, 2024**	**Note**
The Company	Grand Elite Holdings Inc. (Grand Elite)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	Note 2
The Company	Eclat Cayman Islands Holdings (Eclat Cayman)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	-
The Company	PT Eclat Textile International (Eclat Textile (ID))	Design, manufacture, processing, sale of clothing, knit fabrics mill, printing, dyeing and finishing mill	100.00 %	100.00 %	100.00 %	Note 1
Grand Elite	Eclat Textile (Cambodia) Co., Ltd. (Eclat Textile (Cambodia))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	Eclat Textile Co., Ltd. (Vietnam) (Eclat Textile (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	-
Eclat Cayman	Eclat Fabrics (Vietnam) Co., Ltd. (Fabrics)	Knit fabrics mill, printing, dyeing and finishing mill	100.00 %	100.00 %	100.00 %	-
Eclat Cayman	E-TOP (Vietnam) Co., Ltd. (E-TOP (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	-

ECLAT TEXTILE CO., LTD AND SUBSIDIARIES
Notes to Consolidated Financial Statements

			Shareholding Ratio			
Investor	Name of Subsidiary	Primary Business	March 31, 2025	December 31, 2024	March 31, 2024	Note
Eclat Cayman	Colltex Garment Mfy Co., Ltd. (VN) (Colltex)	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	Eclat Enterprise Ltd. (Eclat Enterprise)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	Tai-Yuan Garments Co., Ltd. (Tai-Yuan (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 2
Eclat Cayman	PT Eclat Textile International (Eclat Textile (ID))	Design, manufacture, processing, sale of clothing, knit fabrics mill, printing, dyeing and finishing mill	- %	- %	- %	Note 1

Note1: Eclat Textile (ID) was mutually set up by the Company and Eclat Cayman. The shareholding ratio of the Company and Eclat Cayman are 99.9996% and 0.0004%, respectively.

Note2: One of the non-significant subsidiaries whose financial reports for the three months ended March 31, 2025 and 2024 were not reviewed.

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

(c) Employee benefits

The 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 curtailments, settlements, or other significant onetime events.

(d) Income taxes

The Group evaluates and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense is measured by multiplying together the pre-tax income for the interim reporting period and management’s best estimate of effective annual tax rate. All income tax expense should be recognized as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “ Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Preparing consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those in Note 5 of the consolidated financial statements for the year ended December 31, 2024.

ECLAT TEXTILE CO., LTD AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(6) Explanation to significant accounts

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2024, for more details.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash	$ 5,725	4,845	5,028
Bank deposits	2,499,636	3,586,769	3,272,581
Term deposits	526,842	26,565	1,052,202
Cash and cash equivalents	**$ 3,032,203**	**3,618,179**	**4,329,811**

(b) Notes receivable and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable-operating activities (including related parties)	$ 13,641	17,451	16,895
Accounts receivable	6,536,801	6,559,883	4,797,898
Less: allowance for doubtful accounts	(24,086)	(24,086)	(24,086)
Total	**$ 6,526,356**	**6,553,248**	**4,790,707**

The Group applies the simplified approach to provide for its expected credit losses, which means applying a lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the macroeconomic and related industrial information.

The loss allowance provisions for the notes and accounts receivable of the Group were determined as follows:

	March 31, 2025		
	Gross carrying amount	Weighted-average credit loss rate	Expected credit loss
Current	$ 5,986,586	0%~2.8%	19,429
Within 30 days past due	519,744	0.4%~2.8%	3,091
31 to 120 days past due	43,676	0.4%~100%	1,130
Over 121 days past due	436	100%	436
	$ 6,550,442		**24,086**

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	December 31, 2024		
	Gross carrying amount	Weighted-average credit loss rate	Expected credit loss
Current	$ 5,706,668	0%~1.8%	17,356
Within 30 days past due	863,246	0.4%~1.8%	5,505
31 to 120 days past due	6,973	0.4%~100%	778
Over 121 days past due	447	100%	447
	$ 6,577,334		24,086

	March 31, 2024		
	Gross carrying amount	Weighted-average credit loss rate	Expected credit loss
Current	$ 4,234,195	0%~4.4%	16,597
Within 30 days past due	562,356	0.3%~4.4%	1,680
31 to 120 days past due	17,818	0.3%~100%	5,385
Over 121 days past due	424	100%	424
	$ 4,814,793		24,086

None of notes receivable and accounts receivable held by the Group needed to increase provision for losses due to an increase in overdue credit risk for the three months ended March 31, 2025 and 2024.

None of notes receivable and accounts receivable held by the Group were pledged or collateralized as of March 31, 2025, December 31, and March 31, 2024.

Accounts receivable of the Group had been insured accounts receivable credit risk. The insured amounts were $3,190,241 thousand, $2,971,477 thousand and $2,229,908 thousand as of March 31, 2025, December 31, and March 31, 2024, respectively. Guaranteed fraction was 90% of reviewed credit of policyholder, the recoverable amount of the insurance was considered when deciding impairment amount of accounts receivable.

The Group has signed accounts receivable factoring contracts without recourse with financial institutions. As stated in the contract, the Group does not have to bear the risks of uncollectable accounts receivables but the loss incurred due to commercial arguments, and hence meets the criteria of derecognition of financial assets. Factored accounts receivables which were not due as of the report date were as follows:

March 31, 2025					
Counterparty	Factored amount	Acceptable advances	Amount collected in advance	Interest rate	Pledged items
E.Sun Bank	$ -	5,020,596	-	-	None
CTBC Bank	$ -	3,952,225	-	-	None

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December 31, 2024

Counterparty	Factored amount	Acceptable advances	Amount collected in advance	Interest rate	Pledged items
E.Sun Bank	$ -	4,957,092	-	-	None
CTBC Bank	$ -	4,042,391	-	-	None

March 31, 2024

Counterparty	Factored amount	Acceptable advances	Amount collected in advance	Interest rate	Pledged items
E.Sun Bank	$ -	2,917,440	-	-	None
CTBC Bank	$ -	3,283,200	-	-	None

(c) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials (including raw materials in transit)	$ 3,320,862	3,049,206	2,715,151
Supplies	813,710	733,899	624,984
Work in progress	1,657,993	1,464,720	1,394,412
Finished goods	232,355	274,024	311,298
	$ 6,024,920	5,521,849	5,045,845

For the three months ended March 31, 2025 and 2024, the Group recognized inventory costs as part of cost of goods sold and expenses amounting to $6,543,209 thousand and $5,386,042 thousand, respectively. These amounts include inventory write-downs (gain from value recovery) resulting from changes in inventory prices.

The details were as follows:

	For the three months ended March 31	
	2025	2024
Loss on value depreciation (gain from value recovery)	$ (3,219)	260

None of inventories held by the Group were pledged as of March 31, 2025, December 31, and March 31, 2024.

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(d) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

		Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Construction in progress	Total
Cost:									
Balance at January 1, 2025	$	4,950,105	9,247,598	6,156,167	113,737	370,108	1,781,077	11,338	22,630,130
Additions		-	16,484	35,642	4,109	4,373	6,313	1,764	68,685
Disposals		-	-	(1,973)	(1,381)	(900)	(253)	-	(4,507)
Reclassification		-	5,191	-	-	-	-	(10,602)	(5,411)
Effect of exchange rate changes		10,476	65,078	52,973	957	2,034	19,894	61	151,473
Balance at March 31, 2025	$	**4,960,581**	**9,334,351**	**6,242,809**	**117,422**	**375,615**	**1,807,031**	**2,561**	**22,840,370**
Balance at January 1, 2024	$	4,169,493	8,877,134	5,726,882	119,412	251,070	1,627,310	4,548	20,775,849
Additions		-	14,423	10,119	2,828	34,566	11,847	4,536	78,319
Disposals		-	-	(2,581)	(2,147)	(450)	-	-	(5,178)
Reclassification		756,035	141	-	-	248	-	(4,892)	751,532
Effect of exchange rate changes		14,440	199,679	156,703	2,919	5,834	59,073	179	438,827
Balance at March 31 2024	$	**4,939,968**	**9,091,377**	**5,891,123**	**123,012**	**291,268**	**1,698,230**	**4,371**	**22,039,349**
Depreciation:									
Balance at January 1, 2025	$	-	2,760,999	5,057,204	91,098	233,771	1,493,448	-	9,636,520
Depreciation		-	100,759	71,646	1,668	7,053	22,173	-	203,299
Disposals		-	-	(1,973)	(1,381)	(900)	(253)	-	(4,507)
Effect of exchange rate changes		-	21,993	42,161	850	1,528	16,907	-	83,439
Balance at March 31, 2025	$	**-**	**2,883,751**	**5,169,038**	**92,235**	**241,452**	**1,532,275**	**-**	**9,918,751**
Balance at January 1, 2024	$	-	2,277,812	4,591,811	94,353	212,016	1,312,106	-	8,488,098
Depreciation		-	98,777	72,807	2,162	3,631	30,349	-	207,726
Disposals		-	-	(2,581)	(2,147)	(450)	-	-	(5,178)
Effect of exchange rate changes		-	59,212	121,991	2,606	4,540	48,253	-	236,602
Balance at March 31 2024	$	**-**	**2,435,801**	**4,784,028**	**96,974**	**219,737**	**1,390,708**	**-**	**8,927,248**
Carrying amounts:									
Balance at March 31 2025	$	**4,960,581**	**6,450,600**	**1,073,771**	**25,187**	**134,163**	**274,756**	**2,561**	**12,921,619**
Balance at January 1, 2025	$	**4,950,105**	**6,486,599**	**1,098,963**	**22,639**	**136,337**	**287,629**	**11,338**	**12,993,610**
Balance at March 31 2024	$	**4,939,968**	**6,655,576**	**1,107,095**	**26,038**	**71,531**	**307,522**	**4,371**	**13,112,101**

The property, plant and equipment of the Group were not pledged or mortgaged as collateral for loans as of March 31, 2025, December 31, and March 31, 2024.

When the properties held by the Group are leased out to third parties under operating leases, such properties are reclassified as investment properties at their carrying amounts at the date of change in use, please refer to note 6(e) for further details.

(e) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases which owned by the Group.

The details of the changes were as follows:

		Land	Buildings	Total
Cost:				
Balance at January 1, 2025 (Same as ending balance)	$	**636,494**	**237,521**	**874,015**
Balance at January 1, 2024 (Same as ending balance)	$	**627,050**	**211,042**	**838,092**
Depreciation:				
Balance at January 1, 2025	$	-	121,321	121,321
Depreciation		-	2,371	2,371
Balance at March 31, 2025	$	**-**	**123,692**	**123,692**
Balance at January 1, 2024	$	-	100,312	100,312
Depreciation		-	1,835	1,835
Balance at March 31, 2024	$	**-**	**102,147**	**102,147**
Carrying amounts:				
March 31, 2025	$	**636,494**	**113,829**	**750,323**
January 1, 2025	$	**636,494**	**116,200**	**752,694**
March 31, 2024	$	**627,050**	**108,895**	**735,945**

The fair value of investment property was not significantly different from those disclosed in note 6(g) of the consolidated financial statements for the year ended December 31, 2024.

None of the investment property of the Group were pledged or mortgaged as collateral for loans as of March 31, 2025, December 31, and March 31, 2024.

(f) Other current or non-current assets

Current:

		March 31, 2025	December 31, 2024	March 31, 2024
Tax refund receivables	$	195,610	53,895	170,623
Payment in advance		63,157	42,715	62,924
Prepaid expense		54,899	27,706	37,555
Prepaid value-added tax		80,953	291,902	70,069
Other financial assets-term deposits		6,861,100	5,341,306	4,877,363
Refundable deposits		4,529	4,071	4,142
Others		18,485	21,772	22,163
	$	**7,278,733**	**5,783,367**	**5,244,839**

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The Group's assets were pledged as collaterals to secure natural gas, solar energy and electricity as of March 31, 2025, December 31, and March 31, 2024, please refer to note 8.

Non-current:

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments for business facilities	$ 80,592	31,548	143,878
Long-term prepaid expense	303,903	302,906	304,011
Refundable deposits	5,145	5,087	4,855
	$ 389,640	**339,541**	**452,744**

(g) Current borrowings

Details of current borrowings of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	**$ 1,537,890**	**1,804,322**	**771,680**
Unused quota	**$ 4,675,754**	**4,349,688**	**6,081,626**
Range of interest rates	**4.66%~5.34%**	**4.89%~6.29%**	**5.58%~6.30%**

The changes in current borrowings of the Group were as follows:

	For the three months ended March 31	
	2025	2024
Beginning balance	$ 1,804,322	623,772
Increase in current borrowings	2,462,191	729,594
Repayment of current borrowings	(2,749,035)	(610,091)
Effect of exchange rate changes	20,412	28,405
Ending balance	**$ 1,537,890**	**771,680**
Range of interest rates	**4.54%~4.80%**	**5.55%~5.80%**

None of the Group's assets were pledged as collaterals to secure current borrowings as of March 31, 2025, December 31, and March 31, 2024.

(h) Long-term borrowings

Details of long-term borrowings of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans - due by July 2024	$ -	-	426,667
Less: Maturing within one year	-	-	(426,667)
Total	**$ -**	**-**	**-**
Unused quota	**$ 150,000**	**150,000**	**150,000**
Range of interest rates	**-**	**-**	**5.82%~6.32%**

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None of the Group's assets were pledged as collaterals to secure long-term borrowings as of March 31, 2025, December 31, and March 31, 2024.

(i) Employee benefits

(i) Defined benefit plans

Subsequent to December 31, 2024 and 2023 there were no apparent evidence of any material market volatility, material curtailment, reimbursement and settlement, or other material onetime events. Therefore, pension costs in the interim consolidated financial statements is measured and disclosed according to the respective actuarial report for the years ended December 31, 2024 and 2023.

The expenses (benefit) recognized for the Group were as follows:

	For the three months ended March 31	
	2025	**2024**
Operating costs	$ (217)	(100)
Selling expense	(253)	(140)
Administrative expense	(291)	(142)
	$ (761)	**(382)**

The Group's employee benefit liabilities were as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Compensated absences liability	**$ 65,418**	**68,285**	**67,874**

(ii) Defined contribution plans

The pension costs that were contributed to Bureau of Labor Insurance or local relevant authorities were as follows:

	For the three months ended March 31	
	2025	**2024**
Operating costs	$ 7,473	5,750
Selling expense	6,038	5,892
Administrative expense	4,789	4,175
R&D expense	589	548
	$ 18,889	**16,365**

(j) Income taxes

(i) The details of the Group's income tax expense were as follows:

	For the three months ended March 31	
	2025	**2024**
Current tax expense		
Current period	$ 402,775	352,312
Adjustment for prior periods	4,924	(341)
	407,699	351,971
Deferred tax expense		
The occurrence and reversal of temporary differences	-	-
Income tax expense	**$ 407,699**	**351,971**

(ii) The Company's income tax returns through 2023 have been examined by the R.O.C. tax authority.

(iii) Global minimum top-up tax

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(k) Capital and other equity

Except for the following disclosure, there were no significant change for capital and other equity for the three months ended March 31, 2025 and 2024. For the related information, please refer to note 6 (o) of the consolidated financial statements for the year ended December 31, 2024.

(i) Retained earnings

According to the Company’s articles of incorporation, 10% of annual net earnings (net of income taxes), after deducting accumulated deficits, must be set aside as legal reserve. The remaining portion is to be distributed upon a proposal by the Board of Directors.

In accordance with the Article 240, paragraph 5 of the Company Act and the Company’s articles 37-1, the Company authorizes the Board of Directors, with the presence of more than two-thirds of the directors and the approval of a majority of the directors, to distribute all or part of the dividends and bonuses payable by way of cash, and to report to the shareholders’ meeting. For the issuance of new shares, the proposal should be resolved during the shareholders’ meeting.

The Company is now in the growth stage and has a plan to expand the product line. Due to the need for capital to fulfill the plan, the policy for dividend distribution should reflect factors such as investment planning, financial structure, future fund requirements, and status of earnings. In a normal consideration, the percentage of earnings distribution shall not be less than 50% of the net earnings of the current year after compensating for accumulated deficits, if any. The ratio for distributing cash dividends shall not be lower than 20% of the total distribution.

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Earnings distributions for 2024 and 2023 were resolved by the Board of Directors held on February 27, 2025 and February 29, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2024		2023	
	Per share (in dollars)	Amount	Per share (in dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash dividends	$ 17.00	4,664,241	13.50	3,703,956

Relevant information can be obtained through the Market Observation Post System or other public information channels.

(ii) Other equity (net of income tax)

	Financial statements translation differences from foreign operations
Balance at January 1, 2025	$ 327,270
Exchange differences on translation of foreign financial statements	76,129
Balance at March 31, 2025	$ 403,399
Balance at January 1, 2024	$ 39,529
Exchange differences on translation of foreign financial statements	220,226
Balance at March 31, 2024	$ 259,755

(l) Earnings per share

The basic and diluted earnings per share were calculated as follows:

	For the three months ended March 31	
	2025	2024
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 1,679,389	1,425,278
Weighted average number of ordinary shares outstanding (in thousands)	274,367	274,367
Basic earnings per share (in dollars)	$ 6.12	5.19
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	$ 1,679,389	1,425,278
Weighted average number of ordinary shares outstanding (basic)(in thousands)	274,367	274,367
Effect on employee's profit-sharing bonus (in thousands)	10	9
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	274,377	274,376
Diluted earnings per share (in dollars)	$ 6.12	5.19

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(m) Revenue from contracts with customers

	For the three months ended March 31, 2025		For the three months ended March 31, 2024	
	Knitted fabrics	**Garments**	**Knitted fabrics**	**Garments**
Main market:				
Americas	$ 196,585	4,812,442	219,822	3,431,779
Asia	2,487,210	591,062	2,146,892	476,849
Europe	3,816	880,349	9,040	870,146
the Middle East	272,144	26,312	340,735	16,347
ANZ	1,558	62,080	308	44,283
Africa	30,277	10,771	68,389	8,091
	$ 2,991,590	6,383,016	2,785,186	4,847,495

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Main product:		
Knitted fabrics	$ 2,991,590	2,785,186
Garments	6,383,016	4,847,495
	$ 9,374,606	7,632,681

(n) Employees' profit-sharing bonus

The Company's articles of incorporation require where the Company has a profit in current year, if there is surplus after covering the accumulated loss, no less than 0.1% shall be appropriated for the employee's compensation for the distribution according to the resolution of the Board of Directors' meeting, and be reported to the shareholders' meeting. The distribution of employee's compensation may be made in the form of shares or cash.

For the three months ended March 31, 2025 and 2024, the employee profit sharing bonuses were calculated based on the Company's profit excluding tax as well as employee profit sharing bonus and earnings allocation a minimum of 0.1% as stated under the Company's articles of incorporation. We did not estimate the liabilities due to the minor estimated expense for the three months ended March 31, 2025 and 2024. The differences between the amounts approved in the shareholders' meeting and those recognized in the consolidated financial statements, if any, are accounted for as a change in accounting estimate and recognized as profit or loss in the following year.

The estimated employee's profit-sharing bonuses amounted to $9,000 thousand and $7,000 thousand for 2024 and 2023, respectively. There were no differences between the estimated and the distributed employee's profit-sharing bonuses, the related information can be obtained from the Market Observation Post System website of the Taiwan Stock Exchange.

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(o) Non-operating income and expenses

(i) Interest income

The Group's interest income were as follows:

	For the three months ended March 31	
	2025	**2024**
Interest income from bank deposits	$ 22,979	22,310

(ii) Other income

The Group's other income were as follows:

	For the three months ended March 31	
	2025	**2024**
Rental income	$ 8,106	7,349

(iii) Other gains and losses, net

The Group's other gains and losses were as follows:

	For the three months ended March 31	
	2025	**2024**
Gain on disposal of property, plant and equipment	$ -	942
Gain on disposal of non-current assets held for sale	-	56,697
Foreign exchange gain (loss)	112,961	226,293
Others	(5,932)	6,067
	$ 107,029	289,999

(iv) Finance costs

The Group’s finance costs were as follows:

	For the three months ended March 31	
	2025	**2024**
Interest expense		
Bank borrowings	$ 25,926	18,453
Lease liabilities	458	440
	$ 26,384	18,893

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(p) Financial instruments

There were no material changes of financial instruments for the three months ended March 31, 2025 and 2024 except for followings. Please refer to note 6 (t) of the consolidated financial report of 2024 for further information.

(i) Market risks

1) Foreign currency risk

The Group’s significant exposure to foreign currency risk was as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency (thousands)	Exchange rate	NTD	Foreign currency (thousands)	Exchange rate	NTD	Foreign currency (thousands)	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 250,808	33.205	8,328,080	265,618	32.785	8,708,286	205,187	32.000	6,565,984
VND	525,688,483	0.0013	687,224	549,105,812	0.0013	712,375	410,441,271	0.0013	533,045
IDR	5,301,798	0.0020	10,627	4,962,604	0.0020	10,067	18,284,166	0.0020	36,907
Financial liabilities									
Monetary items									
USD	$ 89,938	33.205	2,986,391	110,299	32.785	3,616,153	80,104	32.000	2,563,328
VND	581,200,310	0.0013	759,794	293,639,247	0.0013	380,949	500,974,829	0.0013	650,614
IDR	41,093,663	0.0020	82,368	80,139,854	0.0020	162,566	105,014,980	0.0020	211,978

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, current borrowings, long-term borrowings, accounts payable and other payables. A 1% depreciation or appreciation of the NTD against the USD, VND and IDR as of March 31, 2025 and 2024 would have increased or decreased the net income after tax by $41,579 thousand and $29,680 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis was based on the same basis.

3) Foreign currency gain or loss on monetary items

Since the Group adopts multiple functional currencies, the amounts for foreign currency gain or loss are consolidated for presentation. For the three months ended March 31, 2025 and 2024, the foreign currency gain (loss), including realized and unrealized, amounted to $112,961 thousand and $226,293 thousand, respectively.

(ii) Interest rate risk

For floating rate liabilities, the analysis assumes that the balances of outstanding liabilities on the reporting date have been outstanding for the whole period, and their rational change intervals are being estimated. If the interest rate increases/decreases by 1%, representing the reasonable interest rates changes made by management.

If the interest rate increases/decreases by 1%, the Group's net income will decrease/increase by $15,379 thousand and $11,983 thousand for the three months ended March 31, 2025 and 2024, respectively, with all other variable factors that remain constant. This was mainly due to the Group's borrowings in variable rates.

(iii) Fair value

The Group’s management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value.

(q) Financial risk management

The objectives and the policies of the financial risk management are consistent with those disclosed in note 6(u) of the consolidated financial statements for the year ended December 31, 2024.

(r) Capital management

The objectives, policies, and procedures of the Group’s capital management are the same as those stated in the consolidated financial statements for the year ended December 31, 2024. There was no material change on quantitative data of the capital management. For relevant information, please refer to note 6(v) of the consolidated statements for the year ended December 31, 2024.

(7) Related party transactions

(a) Names and relationship of related parties

The Group had transactions with related parties during the periods covered in the consolidated financial statements, as follows:

Name of related parties	Relationship with the Group
Yih-Yuan Investment Corp.	The entity's chairman was related to the former chairman of the Company within the second degree of kinship, after the board re-election on June 12, 2024, they are no longer considered related parties.

(b) Material transactions among related parties

The Group’s purchases and processes from related party were as follows:

(i) Receivables from related parties

The Group’s receivables from related parties were as follows:

Account	Types of related parties	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	Other related parties	$ -	-	236

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(ii) Leases

Types of related parties	For the three months ended March 31	
	2025	2024
Other related parties	$ -	75

The Group charged their rentals based on the local market prices which were paid monthly.

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended March 31	
	2025	2024
Short-term employee benefits	$ 121,967	122,740

Cars provided to key management personnel were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Cost	$ 20,227	20,227	30,894
Quantities	7	7	9
Book value	$ 10,366	10,958	12,511

(8) Pledged assets

The Group's pledged assets were as follows:

Pledged assets	Pledged to secure	March 31, 2025	December 31, 2024	March 31, 2024
Other financial assets - current	Natural gas, solar energy and electricity security deposit	$ 1,216	1,197	1,171

(9) Commitments and contingencies

(a) The balances of unused letters of credit of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unused letters of credit	$ 16,336	10,450	23,894

(b) Significant unrecognized commitments of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Contract for building construction and machinery	$ 57,982	23,902	148,366

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(c) The balances of issued promissory notes of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Issued promissory notes	$ 20,000	20,000	20,000

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other

(a) The Group's employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

By function / By nature	For the three months ended March 31, 2025				For the three months ended March 31, 2024			
	Operating costs	Operating expenses	Non-Operating expenses	Total	Operating costs	Operating expenses	Non-Operating expenses	Total
Employee benefits								
Salary	883,105	406,037	-	1,289,142	706,563	393,229	-	1,099,792
Labor and health insurance	82,602	43,766	-	126,368	72,563	40,275	-	112,838
Pension	7,256	10,872	-	18,128	5,650	10,333	-	15,983
Director's remuneration	-	3,271	-	3,271	-	1,989	-	1,989
Others	45,301	21,932	-	67,233	35,782	18,471	-	54,253
Depreciation	145,147	64,812	331	210,290	150,837	63,308	331	214,476
Amortization	2,725	4,578	-	7,303	2,460	3,732	-	6,192

(b) Seasonality of operations

The operation of the Group was not materially influenced by seasonality and periodicity.

(13) Other disclosures

(a) Information on significant transactions

The followings were the disclosures on significant transactions required under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2025:

(i) Loans to other parties:

No.	Name of lender	Name of borrower (Note 4)	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing (Note 1)
													Item	Value		
0	The Company	Fabrics	Other receivables	Yes	664,100	664,100	26,564	4.54%	2	-	Operating capital	-	-	-	2,601,293	5,202,587
0	The Company	Eclat Textile (ID)	Other receivables	Yes	1,859,480	1,859,480	710,587	4.50%~4.58%	2	-	Operating capital	-	-	-	2,601,293	5,202,587

Note 1: The total amount available for financing purposes shall not exceed 40% of the Company's net worth. For entities that the Company has business with, the total amount available for financing shall not exceed 20% of the Company's net worth; and for each entity that the Company has business with, the amount available for financing shall not exceed the transaction amount within 12 months and 10% of the Company's net worth. The total amount for short-term financing shall not exceed 20% of the Company's net worth; and for each entity the amount available for short-term financing shall not exceed 10% of the Company's net worth.

Note 2: Approved by Board of Directors

Note 3: Nature of financing: 1. Business transaction purpose. 2. Short-term financing purpose.

Note 4: Transaction listed above has been eliminated during preparing consolidated financial statements.

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(ii) Guarantees and endorsements for other parties: None.

(iii) The securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the Company's paid-in capital:

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchases/ (sales)	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	Note
The Company	Eclat Textile (VN)	Indirectly held subsidiaries	processing	421,182	15.69 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (89,028)	(3.61)%	(Note) (Note 1)
Eclat Textile (VN)	The Company	Parent company	(sales)	(421,182)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 89,028	100.00 %	(Note 1)
The Company	Fabrics	Indirectly held subsidiaries	purchasing	507,574	12.47 %	30	(Note 2)	(Note 2)	Accounts payable (33,327)	(1.35)%	(Note 1)
Fabrics	The Company	Parent company	(sales)	(507,574)	(92.54)%	30	(Note 2)	(Note 2)	Accounts receivable 33,327	95.59 %	(Note 1)
The Company	E-TOP (VN)	Indirectly held subsidiaries	processing	252,057	9.39 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (56,182)	(2.28)%	(Note) (Note 1)
E-TOP (VN)	The Company	Parent company	(sales)	(252,057)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 56,182	97.34 %	(Note 1)
The Company	Colltex	Indirectly held subsidiaries	processing	240,753	8.97 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (50,911)	(2.07)%	(Note) (Note 1)
Colltex	The Company	Parent company	(sales)	(240,753)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 50,911	99.63 %	(Note 1)
The Company	Eclat Textile (Cambodia)	Indirectly held subsidiaries	processing	122,208	4.55 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (44,074)	(1.79)%	(Note) (Note 1)
Eclat Textile (Cambodia)	The Company	Parent company	(sales)	(122,208)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 44,074	100.00 %	(Note 1)
The Company	Eclat Textile (ID)	Subsidiaries	processing	396,521	14.77 % (Note)	30	(Note 2)	(Note 2)	Accounts payable (83,157)	(3.38)%	(Note) (Note 1)
Eclat Textile (ID)	The Company	Parent company	(sales)	(396,521)	(100.00)%	30	(Note 2)	(Note 2)	Accounts receivable 83,157	100.00 %	(Note 1)

Note: Percentage on processing expense
Note 1: Transaction listed above has been eliminated during preparing consolidated financial statements.
Note 2: The same as general processing/purchasing/sales

(v)Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the Company's paid in capital:

(In thousands of NTD/USD)

Name of Company	Name of counterparty	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Eclat Textile (ID)	Subsidiaries	713,598 (USD21,491)	(Note 3)	-	-	227,552 (USD6,853)	-	(Note1) (Note2)

Note 1: Transaction listed above has been eliminated during preparing consolidated financial statements.
Note 2: The rate as of March 31, 2025 was USD 1 to NTD 33.205.
Note 3: It is the amount due from loan to other receivable parties, so there is no need to calculate turnover rate.

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(vi) Business relationships and significant intercompany transactions:

No. (Note 1)	Company name	Counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Financial statements item (Note 3)(Note 4)	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The Company	Eclat Textile (ID)	1	Other receivables	713,598	Loan	1.91 %
1	Fabrics	The Company	2	Sales	507,574	The same as general sales	5.41 %
2	Eclat Textile (VN)	The Company	2	Processing revenue	421,182	The same as general processing	4.49 %
3	Colltex	The Company	2	Processing revenue	240,753	The same as general processing	2.57 %
4	E-TOP (VN)	The Company	2	Processing revenue	252,057	The same as general processing	2.69 %
5	Eclat Textile (Cambodia)	The Company	2	Processing revenue	122,208	The same as general processing	1.30 %
6	Eclat Textile (ID)	The Company	2	Processing revenue	396,521	The same as general processing	4.23 %

Note 1: Numbers are filled in as follows:
1. 0 represents the parent company.
2. Subsidiaries are numbered from 1.

Note 2: Classification of relation with counterparty is listed as follows:
1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

Note 3: Only disclosed the amount of important transactions over NT$100 million, no need to disclosed corresponding transactions.

Note 4: Transaction listed above has been eliminated during preparing consolidated financial statements.

(b) Information on investees:

The following were the information on investment for the three months ended March 31, 2025 (excluding these in Mainland China):

(In thousands of NTD/USD)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value (Note 4)			
The Company	Grand Elite	British Virgin Islands	Investments in securities, real estate, and manufacturing industry	282,907 (USD 8,520)	282,907 (USD 8,520)	21	100.00 %	183,063	(7,540)	(7,540)	Subsidiaries (Note 1)(Note 2)
The Company	Eclat Cayman	Cayman Islands	Investments in securities, real estate, and manufacturing industry	4,164,106 (USD 125,406)	4,164,106 (USD 125,406)	121,080	100.00 %	4,565,478	(1,413)	(1,413)	Subsidiaries (Note 1)(Note 2)
The Company	Eclat Textile (ID)	Indonesia	Design, manufacture, processing, sale of clothing, knit fabric mills, printing, dyeing and finishing mill	1,660,250 (USD 50,000)	1,660,250 (USD 50,000)	5,000	100.00 %	1,290,282	100,684	100,684	Subsidiaries (Note 1)(Note 2) (Note 3)
Grand Elite	Eclat Textile (Cambodia)	Cambodia	Design, manufacture, processing and sale of clothing	265,640 (USD 8,000)	265,640 (USD 8,000)	8,000	100.00 %	163,968	(7,479)	(7,479)	Subsidiaries of Grand Elite (Note 1)(Note 2)

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value (Note 4)			
Eclat Cayman	Colltex	Vietnam	Design, manufacture, processing and sale of clothing	529,786 (USD 15,955)	529,786 (USD 15,955)	16,800	100.00 %	614,388	6,465	6,075	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	E-TOP (VN)	Vietnam	Design, manufacture, processing and sale of clothing	1,195,380 (USD 36,000)	1,195,380 (USD 36,000)	36,000	100.00 %	1,328,951	6,602	6,602	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Eclat Enterprise	Cambodia	Investments in securities, real estate, and manufacturing industry	33 (USD 1)	33 (USD 1)	1	100.00 %	(2,061)	(169)	(169)	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Eclat Textile (VN)	Vietnam	Design, manufacture, processing and sale of clothing	702,983 (USD 21,171)	702,983 (USD 21,171)	22,000	100.00 %	774,802	3,399	3,399	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Fabrics	Vietnam	Knit fabric mills, printing, dyeing and finishing mill	1,328,200 (USD 40,000)	1,328,200 (USD 40,000)	40,000	100.00 %	1,839,913	(28,824)	(20,282)	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Tai - Yuan (VN)	Vietnam	Design, manufacture, processing and sale of clothing	229,613 (USD 6,915)	229,613 (USD 6,915)	6,800	100.00 %	(4,362)	3,372	3,296	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	E&I Printing	Vietnam	Design, printing, dyeing and finishing mill	33,205 (USD 1,000)	33,205 (USD 1,000)	1,000	40.00 %	-	-	-	Invested company under equity method (Note 1)
Eclat Cayman	Eclat Textile (ID)	Indonesia	Design, manufacture, processing, sale of clothing, knit fabric mills, printing, dyeing and finishing mill	7 (USD 0.20)	7 (USD 0.20)	0.02	- %	5	100,684	-	Subsidiaries (Note 1)(Note 2) (Note 3)

Note 1: The rate as of March 31, 2025 was USD 1 to NTD 33.205.
Note 2: Transaction listed above has been eliminated during preparing consolidated financial statements.
Note 3: Eclat Textile (ID) was mutually set up by the Company and Eclat Cayman. The shareholding ratios are 99.9996% and 0.0004%, respectively.
Note 4: Accumulated translation is included.

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

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(14) Segment information

The reconciliation of operating segments of the Group were as follows:

	For the three months ended March 31, 2025			
	Fabrics	**Garments**	**Adjustments and write off**	**Total**
Revenue				
From external clients	$ 2,991,590	6,383,016	-	9,374,606
Inter-segments	1,639,010	1,502,604	(3,141,614)	-
Total revenue	**$ 4,630,600**	**7,885,620**	**(3,141,614)**	**9,374,606**
Profit or loss from reportable segment	**$ 993,600**	**1,185,219**	**(91,731)**	**2,087,088**

	For the three months ended March 31, 2024			
	Fabrics	**Garments**	**Adjustments and write off**	**Total**
Revenue				
From external clients	$ 2,785,186	4,847,495	-	7,632,681
Inter-segment	1,246,581	1,075,025	(2,321,606)	-
Total revenue	**$ 4,031,767**	**5,922,520**	**(2,321,606)**	**7,632,681**
Profit or loss from reportable segment	**$ 841,375**	**946,337**	**(10,463)**	**1,777,249**