Stock Code: 1476

ECLAT TEXTILE CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Eclat Textile Co., Ltd. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements of the affiliated enterprises (“affiliates”) is included in the consolidated financial statements. Consequently, Eclat Textile Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements of the affiliates.

Company: Eclat Textile Co., Ltd.
Chairman: Shu-Wen Wang
Date: March 5, 2026

Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this audit report are stated as follow:

Revenue Recognition Timing and Cut-off

Please refer to note 4(p) for details of the accounting policies of the recognition of revenue and note 6(p) revenue from contracts with customers.

How the matter was addressed in our audit:

Revenue recognition of the Group is a matter of significant concern to users and recipients of the financial report. Accordingly, testing of revenue recognition timing constitutes a key assessment item in our audit of the Group's financial statements.

Our principal audit procedures included:
Testing the design and implementation of internal control over revenue recognition, inspecting the accuracy of revenue recognition, reconciling between sales systems and general ledger, implementing cut off test of revenues and further inspecting related transaction documents to ensure that the revenue is recorded in the appropriate period.

Other Matter

Eclat Textile Co., Ltd. has prepared its individual financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2026

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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 3,409,474	10	3,618,179	10
1150	Notes receivable (note 6(b))	17,518	-	17,451	-
1170	Accounts receivable, net (note 6(b))	3,079,117	9	6,535,797	18
1200	Other receivables (note 6(c))	1,667,279	5	31,308	-
1220	Current tax assets	24	-	71	-
1310	Inventories, net (note 6(d))	5,931,258	17	5,521,849	16
1470	Other current assets (notes 6(h) and 8)	7,262,405	20	5,783,367	16
	Total current assets	21,367,075	61	21,508,022	60
	Non-current assets:				
1550	Investments accounted for using equity method	-	-	-	-
1600	Property, plant and equipment (notes 6(e) and 7)	12,323,370	35	12,993,610	36
1755	Right-of-use assets (note 6(f))	68,178	-	67,263	-
1760	Investment property, net (note 6(g))	743,211	2	752,694	2
1780	Intangible assets	20,016	-	26,838	-
1840	Deferred tax assets (note 6(m))	14,235	-	13,222	-
1975	Net defined benefit asset, non-current (note 6(l))	176,607	1	163,930	1
1990	Other non-current assets, others (note 6(h))	324,221	1	339,541	1
	Total non-current assets	13,669,838	39	14,357,098	40
	Total assets	**$ 35,036,913**	**100**	**35,865,120**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Current borrowings (notes 6(i) and (s))	$ 547,353	2	1,804,322	5
2150	Notes payable (note 6(s))	118,726	-	100,093	-
2170	Accounts payable (note 6(s))	1,984,638	6	2,163,054	6
2200	Other payables (notes 6(l) and (q))	1,506,043	4	1,516,604	4
2230	Current tax liabilities	778,947	2	855,720	3
2280	Current lease liabilities (notes 6(j) and (s))	15,689	-	13,358	-
2399	Other current liabilities, others	311,469	1	313,705	1
	Total current liabilities	5,262,865	15	6,766,856	19
	Non-current liabilities:				
2570	Deferred tax liabilities (note 6(m))	58,304	-	103,078	-
2580	Non-current lease liabilities (notes 6(j) and (s))	56,190	-	57,628	-
2640	Net defined benefit liability, non-current (note 6(l))	15,975	-	9,428	-
2645	Guarantee deposits received	6,442	-	6,469	-
	Total non-current liabilities	136,911	-	176,603	-
	Total liabilities	5,399,776	15	6,943,459	19
	Equity (notes 6(n) and (u))				
3110	Ordinary shares	2,743,671	8	2,743,671	8
3200	Capital surplus	3,769,803	11	3,769,803	11
	Retained earnings:				
3310	Legal reserve	5,993,685	17	5,326,981	15
3350	Unappropriated retained earnings	16,943,357	48	16,753,936	46
	Total retained earnings	22,937,042	65	22,080,917	61
3490	Other equity, others	186,621	1	327,270	1
	Total equity	29,637,137	85	28,921,661	81
	Total liabilities and equity	**$ 35,036,913**	**100**	**35,865,120**	**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 Years Ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(p))**	$ 37,989,751	100	36,828,499	100
5000	**Operating costs (notes 6(d), (e), (f), (j), (l), (q) and 12)**	27,108,151	71	25,459,513	69
	Gross profit from operations	10,881,600	29	11,368,986	31
	Operating expenses (notes 6(e), (f), (g), (j), (l), (q), 7 and 12):				
6100	Selling expenses	1,935,731	5	1,848,812	5
6200	Administrative expenses	1,678,174	4	1,593,289	4
6300	Research and development expenses	175,775	1	171,460	1
	Total operating expenses	3,789,680	10	3,613,561	10
	Net operating income	7,091,920	19	7,755,425	21
	Non-operating income and expenses (notes 6(e), (j), (k), (r), 7 and 12):				
7010	Other income	32,235	-	31,297	-
7020	Other gains and losses, net	(257,424)	(1)	525,737	2
7050	Finance costs	(65,021)	-	(78,287)	-
7100	Interest income	163,860	-	116,756	-
	Total non-operating income and expenses	(126,350)	(1)	595,503	2
7900	**Profit before income tax**	6,965,570	18	8,350,928	23
7950	**Less: Income tax expenses (note 6(m))**	1,450,633	3	1,710,076	5
8200	**Profit (note 6(u))**	5,514,937	15	6,640,852	18
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Remeasurements from defined benefit plans (note 6(l))	5,429	-	26,187	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	5,429	-	26,187	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation	(176,751)	(1)	359,677	1
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(m))	(36,102)	-	71,936	-
	Total items that will be reclassified to profit or loss (note 6(n))	(140,649)	(1)	287,741	1
8300	**Other comprehensive income (after tax)**	(135,220)	(1)	313,928	1
8500	**Total comprehensive income**	$ 5,379,717	14	6,954,780	19
	Earnings per share (in dollars) (note 6(o))				
9750	**Basic earnings per share**	$ 20.10		24.20	
9850	**Diluted earnings per share**	$ 20.09		24.20	

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 Years Ended December 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	-	-	-	6,640,852	6,640,852	-	6,640,852
Other comprehensive income (loss)	-	-	-	26,187	26,187	287,741	313,928
Total comprehensive income (loss)	-	-	-	6,667,039	6,667,039	287,741	6,954,780
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	517,719	(517,719)	-	-	-
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 December 31, 2024	2,743,671	3,769,803	5,326,981	16,753,936	22,080,917	327,270	28,921,661
Profit	-	-	-	5,514,937	5,514,937	-	5,514,937
Other comprehensive income (loss)	-	-	-	5,429	5,429	(140,649)	(135,220)
Total comprehensive income (loss)	-	-	-	5,520,366	5,520,366	(140,649)	5,379,717
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	666,704	(666,704)	-	-	-
Cash dividends of ordinary share	-	-	-	(4,664,241)	(4,664,241)	-	(4,664,241)
Balance at December 31, 2025	**$ 2,743,671**	**3,769,803**	**5,993,685**	**16,943,357**	**22,937,042**	**186,621**	**29,637,137**

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 Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before income tax	$ 6,965,570	8,350,928
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	844,454	861,883
Amortization expense	31,350	24,477
Interest expense	65,021	78,287
Interest income	(163,860)	(116,756)
Loss (gain) on disposal of property, plant and equipment	41	(1,313)
Property, plant and equipment transferred to expenses	-	746
Loss (gain) on disposal of non-current assets held for sale	-	(56,697)
Gain on lease modification	-	(334)
Total adjustments to reconcile profit	777,006	790,293
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(67)	2,008
Decrease (increase) in accounts receivable	1,852,076	(1,844,473)
Decrease (increase) in inventories	(409,110)	(1,119,731)
Decrease (increase) in other current assets	(5,458)	(6,630)
Decrease (increase) in other financial assets	(17,958)	113,055
Decrease (increase) in other operating assets	(5,757)	(8,531)
Increase (decrease) in notes payable	18,633	9,790
Increase (decrease) in accounts payable	(178,416)	587,205
Increase (decrease) in other payables	(12,232)	57,559
Increase (decrease) in other current liabilities	(2,236)	114,666
Increase (decrease) in net defined benefit liability	5,056	(16,951)
Total changes in operating assets and liabilities	1,244,531	(2,112,033)
Total adjustments	2,021,537	(1,321,740)
Cash inflow generated from operations	8,987,107	7,029,188
Interest received	150,452	122,367
Interest paid	(75,205)	(70,913)
Income taxes paid	(1,492,269)	(2,360,288)
Net cash flows from (used in) operating activities	7,570,085	4,720,354
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	(369,629)	(484,305)
Proceeds from disposal of property, plant and equipment	179	10,641
Increase in refundable deposits	(5,053)	-
Decrease in refundable deposits	-	1,008
Acquisition of intangible assets	(14,300)	(14,194)
Increase in other financial assets	(1,497,783)	(472,406)
Decrease in other non-current assets	20,373	84,899
Net cash flows from (used in) investing activities	(1,866,213)	(791,797)
Cash flows from (used in) financing activities:		
Increase in current borrowings	5,097,689	5,598,612
Decrease in current borrowings	(6,268,930)	(4,483,683)
Repayments of long-term borrowings	-	(562,925)
Increase in guarantee deposits received	-	24
Decrease in guarantee deposits received	(27)	-
Payment of lease liabilities	(18,313)	(23,356)
Cash dividends paid	(4,664,241)	(3,703,956)
Other financing activities	-	256
Net cash flows from (used in) financing activities	(5,853,822)	(3,175,028)
Effect of exchange rate changes on cash and cash equivalents	(58,755)	50,917
Net increase (decrease) in cash and cash equivalents	(208,705)	804,446
Cash and cash equivalents at beginning of period	3,618,179	2,813,733
Cash and cash equivalents at end of period	**$ 3,409,474**	**3,618,179**

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 years ended December 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 March 5, 2026.

(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:

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

(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:

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”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 (Note)

Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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

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

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

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for note 3, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the net defined benefit assets and liabilities are measured at the fair value of the plan assets, less the present value of the defined benefit obligation, limited as explained in note 4 (q).

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Transactions balances and any unrealized gains or losses between the Group and its subsidiaries have been eliminated while compiling the consolidated financial statements. The comprehensive income of the subsidiary is attributed to the parent, within equity.

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

Accounting policies of the subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) The subsidiaries in the consolidated financial statements

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

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

(d) Foreign currencies

(i) Foreign currency transaction

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

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Group's presentation currency (NTD) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the Group's presentation currency (NTD) at the average exchange rate. Exchange differences are recognized in other comprehensive income, and presented in the translation reserve in equity.

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

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

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

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

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Term deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

·it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

·its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

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

·bank deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable is always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

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

The Group considers a financial asset to be in default when the financial asset is more than 120 days past due.

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

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

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

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

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

·significant financial difficulty of the borrower or issuer;

·a breach of contract such as a default or delay of payments;

·the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

·it is probable that the borrower will enter bankruptcy or other financial reorganization; or

·the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

3) Derecognition of financial assets

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

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

(ii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost.

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

2) Derecognition of financial liabilities

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

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

3) Offsetting of financial assets and liabilities

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

(h) Inventories

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

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

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases.

Gains and losses resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Investment property

Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant, and equipment

(i) Recognition and measurement

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

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

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

(ii)Subsequent expenditure

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

(iii)Depreciation

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

Land is not depreciated.

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

1)	Buildings	3 to 60 years
2)	Machinery	2 to 20 years
3)	Transportation equipment	3 to 10 years
4)	Office equipment	3 to 15 years
5)	Miscellaneous equipment	3 to 15 years

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

(iv)Reclassified to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(l) Leases

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

(i) As a lessee

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

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

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

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

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

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modification

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The

Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

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

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘Rental income’.

(m) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization.

(ii) Subsequent expenditure

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

(iii) Amortization

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

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

Software: 2 to 10 years.

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

(n) Impairment of non-financial assets

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

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

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Carbon fees levied in accordance with Taiwan' s Climate Change Response Act and Regulations Governing the Collection of Carbon Fees are recognized when the annual greenhouse gas emissions are probably to exceed the threshold. The provision for the carbon fee is measured based on the volume of greenhouse gas emissions incurred that exceeds the statutory threshold, using the rate expected to be applied, during the reporting period.

(p) Revenue recognition

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

(i) Sale of goods

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

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Financing components

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

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(r) Income taxes

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

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

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. 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.

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction that affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries and associates that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

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

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

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

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

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

(t) Operating segments

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

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

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

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

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash	$ 4,022	4,845
Bank deposits	2,790,237	3,586,769
Term deposits	615,215	26,565
Cash and cash equivalents	**$ 3,409,474**	**3,618,179**

Please refer to note 6(s) for the exchange risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Notes receivable and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable － operating activities	$ 17,518	17,451
Accounts receivable	3,103,203	6,559,883
Less: allowance for doubtful accounts	(24,086)	(24,086)
Total	**$ 3,096,635**	**6,553,248**

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:

	December 31, 2025		
	Gross carrying amount	Weighted-average credit loss rate	Expected credit loss
Current	$ 2,869,287	0%~2.1%	15,378
Within 30 days past due	220,842	0.5%~2.1%	1,709
31 to 120 days past due	29,249	0.5%~100%	5,656
Over 121 days past due	1,343	100%	1,343
	$ 3,120,721		**24,086**

	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**

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 years ended December 31, 2025 and 2024.

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

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Accounts receivable of the Group had been insured accounts receivable credit risk. The insured amounts were $2,971,477 thousand as of December 31, 2024. 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:

December 31, 2025

Factoring financial institution	Factoring credit limit	Amount Derecognized	Acceptable advances	Amount collected in advance	Transferred to other receivables (Note)	Interest rate	Pledged items
E.Sun Bank	$ 6,473,150	1,889,909	1,214,942	295,136	1,594,773	4.02%	None
CTBC Bank	$ 4,470,918	1,089,250	1,033	1,079,419	9,831	4.15-4.22%	None

December 31, 2024

Factoring financial institution	Factoring credit limit	Amount Derecognized	Acceptable advances	Amount collected in advance	Transferred to other receivables (Note)	Interest rate	Pledged items
E.Sun Bank	$ 4,957,092	-	4,957,092	-	-	-	None
CTBC Bank	$ 4,042,391	-	4,042,391	-	-	-	None

Note: According to the accounts receivable purchase agreements or the approval letters issued by the factoring financial institutions, the accounts receivable were factored without recourse. The funds are transferred to the appointed reserve accounts or directly to the factoring financial institutions.

(c) Other receivables

	December 31, 2025	December 31, 2024
Other receivables － factoring of accounts receivable	$ 1,604,604	-
Other receivables － interest income	21,191	7,783
Others	41,484	23,525
	$ 1,667,279	31,308

None of other receivables held by the Group were past due or impaired as of December 31, 2025 and 2024.

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(d) Inventories

	December 31, 2025	December 31, 2024
Raw materials (including raw materials in transit)	$ 3,223,986	3,049,206
Supplies	820,554	733,899
Work in progress	1,585,787	1,464,720
Finished goods	300,931	274,024
	$ 5,931,258	**5,521,849**

For the years ended December 31, 2025 and 2024, the Group recognized inventory costs as part of cost of goods sold and expenses amounting to $27,108,151 thousand and $25,459,513 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 years ended December 31	
	2025	**2024**
Loss on value depreciation (gain from value recovery)	**$ 1,406**	**(3,639)**

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

(e) 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	-	36,029	172,353	7,419	33,996	110,199	9,633	369,629
Disposals	-	(359)	(10,862)	(2,540)	(1,426)	(1,371)	-	(16,558)
Reclassification	-	11,185	4,580	-	-	-	(15,765)	-
Effect of exchange rate changes	(33,799)	(209,109)	(169,130)	(3,005)	(6,254)	(63,169)	(518)	(484,984)
Balance at December 31, 2025	**$ 4,916,306**	**9,085,344**	**6,153,108**	**115,611**	**396,424**	**1,826,736**	**4,688**	**22,498,217**
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	-	74,852	196,348	13,342	118,103	63,422	18,238	484,305
Disposals	-	(4,727)	(26,619)	(23,705)	(8,839)	(6,443)	-	(70,333)
Reclassification	762,554	(20,594)	4,723	-	248	1,021	(11,878)	736,074
Effect of exchange rate changes	18,058	320,933	254,833	4,688	9,526	95,767	430	704,235
Balance at December 31, 2024	**$ 4,950,105**	**9,247,598**	**6,156,167**	**113,737**	**370,108**	**1,781,077**	**11,338**	**22,630,130**
Depreciation:								
Balance at January 1, 2025	$ -	2,760,999	5,057,204	91,098	233,771	1,493,448	-	9,636,520
Depreciation	-	392,839	264,204	6,438	29,715	123,280	-	816,476
Disposals	-	(359)	(10,862)	(2,335)	(1,426)	(1,356)	-	(16,338)
Effect of exchange rate changes	-	(67,900)	(133,265)	(2,759)	(4,788)	(53,099)	-	(261,811)
Balance at December 31, 2025	**$ -**	**3,085,579**	**5,177,281**	**92,442**	**257,272**	**1,562,273**	**-**	**10,174,847**

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Construction in progress	Total
Balance at January 1, 2024	$ -	2,277,812	4,591,811	94,353	212,016	1,312,106	-	8,488,098
Depreciation	-	402,049	292,411	7,771	23,252	108,919	-	834,402
Disposals	-	(4,340)	(25,571)	(15,223)	(8,814)	(6,311)	-	(60,259)
Reclassification	-	(12,371)	-	-	-	-	-	(12,371)
Effect of exchange rate changes	-	97,849	198,553	4,197	7,317	78,734	-	386,650
Balance at December 31, 2024	**$ -**	**2,760,999**	**5,057,204**	**91,098**	**233,771**	**1,493,448**	**-**	**9,636,520**
Carrying amounts:								
Balance at December 31, 2025	**$ 4,916,306**	**5,999,765**	**975,827**	**23,169**	**139,152**	**264,463**	**4,688**	**12,323,370**
Balance at December 31, 2024	**$ 4,950,105**	**6,486,599**	**1,098,963**	**22,639**	**136,337**	**287,629**	**11,338**	**12,993,610**

The property, plant and equipment of the Group were not pledged or mortgaged as collateral for loans as of December 31, 2025 and 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(g) for further details.

(f) Right-of-use assets

The Group leases assets including land and buildings, transportation equipment, office equipment and miscellaneous equipment. Information about leases for which the Group as a lessee is presented below:

	Land	Buildings	Transportation equipment	Office equipment	Miscellaneous equipment	Total
Balance at January 1, 2025	$ 54,634	1,728	43,868	5,352	-	105,582
Additions	-	-	17,565	3,652	-	21,217
Reductions	-	-	(14,936)	(4,918)	-	(19,854)
Effect of changes in foreign exchange rates	(2,258)	-	-	-	-	(2,258)
Balance at December 31, 2025	**$ 52,376**	**1,728**	**46,497**	**4,086**	**-**	**104,687**
Balance at January 1, 2024	$ 51,168	25,366	44,138	4,864	1,250	126,786
Additions	-	-	19,411	488	-	19,899
Reductions	-	(23,638)	(19,681)	-	(1,250)	(44,569)
Effect of changes in foreign exchange rates	3,466	-	-	-	-	3,466
Balance at December 31, 2024	**$ 54,634**	**1,728**	**43,868**	**5,352**	**-**	**105,582**
Balance at January 1, 2025	$ 11,255	922	22,519	3,623	-	38,319
Depreciation	1,784	345	14,398	1,968	-	18,495
Reductions	-	-	(14,936)	(4,918)	-	(19,854)
Effect of changes in foreign exchange rates	(451)	-	-	-	-	(451)
Balance at December 31, 2025	**$ 12,588**	**1,267**	**21,981**	**673**	**-**	**36,509**
Balance at January 1, 2024	$ 8,784	19,956	28,060	1,825	1,136	59,761
Depreciation	1,838	1,016	14,077	1,798	114	18,843
Reductions	-	(20,050)	(19,618)	-	(1,250)	(40,918)
Effect of changes in foreign exchange rates	633	-	-	-	-	633
Balance at December 31, 2024	**$ 11,255**	**922**	**22,519**	**3,623**	**-**	**38,319**

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		Land	Buildings	Transportation equipment	Office equipment	Miscellaneous equipment	Total
Carrying amount:							
Balance at December 31, 2025	$	**39,788**	**461**	**24,516**	**3,413**	**-**	**68,178**
Balance at December 31, 2024	$	**43,379**	**806**	**21,349**	**1,729**	**-**	**67,263**

(g) 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	$	627,050	211,042	838,092
Reclassification from property, plant and equipment		9,444	26,479	35,923
Balance at December 31, 2024	$	**636,494**	**237,521**	**874,015**
Depreciation:				
Balance at January 1, 2025	$	-	121,321	121,321
Depreciation		-	9,483	9,483
Balance at December 31, 2025	$	**-**	**130,804**	**130,804**
Balance at January 1, 2024	$	-	100,312	100,312
Depreciation		-	8,638	8,638
Reclassification from property, plant and equipment		-	12,371	12,371
Balance at December 31, 2024	$	**-**	**121,321**	**121,321**
Carrying amounts:				
December 31, 2025	$	**636,494**	**106,717**	**743,211**
December 31, 2024	$	**636,494**	**116,200**	**752,694**
Fair value:				
December 31, 2025				$ **1,489,970**
December 31, 2024				$ **1,494,131**

The fair value of investment properties was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The valuation was primarily based on the market comparison approach, taking into account recent transaction prices of similar properties in nearby areas and publicly available information, such as the Ministry of the Interior's actual transaction price registration. The inputs used in the fair value hierarchy in determining the fair value are classified as Level 3: The input parameters used to measure fair value are not information available from active markets.

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

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(h) Other current or non-current assets

Current:

	December 31, 2025	December 31, 2024
Tax refund receivables	$ 52,715	53,895
Payment in advance	66,824	42,715
Prepaid expense	32,868	27,706
Prepaid value-added tax	248,711	291,902
Other financial assets － term deposits	6,839,089	5,341,306
Refundable deposits	2,905	4,071
Others	19,293	21,772
	$ 7,262,405	**5,783,367**

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

Non-current:

	December 31, 2025	December 31, 2024
Prepayments for business facilities	$ 34,609	31,548
Long-term prepaid expense	279,472	302,906
Refundable deposits	10,140	5,087
	$ 324,221	**339,541**

(i) Current borrowings

Details of current borrowings of the Group were as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	**$ 547,353**	**1,804,322**
Unused quota	**$ 6,800,934**	**4,349,688**
Range of interest rates	**4.10%~5.21%**	**4.89%~6.29%**

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

	For the years ended December 31	
	2025	**2024**
Beginning balance	$ 1,804,322	623,772
Increase in current borrowings	5,097,689	5,598,612
Repayment of current borrowings	(6,268,930)	(4,483,683)
Effect of exchange rate changes	(85,728)	65,621
Ending balance	**$ 547,353**	**1,804,322**
Range of interest rates	**4.10%~5.21%**	**1.67%~6.29%**

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

(j) Lease liabilities

The Group lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	$ 15,689	13,358
Non-current	$ 56,190	57,628

For the maturities analysis, please refer to note 6(s).

The amounts of leases recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
Interest on lease liabilities	$ 1,639	1,718
Expenses relating to short-term leases	$ 35,267	28,426

The amounts of leases recognized in the statement of cash flows were as follows:

	For the years ended December 31	
	2025	2024
Total cash outflow for leases	$ 55,219	53,500

(i) Real estate leases

The Group leases land and buildings for its office space and dormitory, leases period are 2 to 35 years.

(ii) Other leases

The Group leases transportation, office and miscellaneous equipment that leases period are 2 to 10 years.

The Group also leases miscellaneous equipment with contract terms of 1 to 10 years. These leases are short term or leases of low value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Operating Leases

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(g) that sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

	December 31, 2025	December 31, 2024
Less than one year	$ 29,981	30,850
Between one and two years	24,559	30,013
Between two and three years	9,920	24,559
Between three and four years	1,200	9,920
Between four and five years	-	1,200
Total undiscounted lease payments	**$ 65,660**	**96,542**

For the years ended December 31, 2025 and 2024, rental income from investment properties were $30,565 thousand and $29,535 thousand, respectively.

(l) Employee benefits

(i) Defined benefit plans

Reconciliation for the Group's present value of defined benefit obligation and fair value of plan assets were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 215,185	190,865
Fair value of plan assets	(375,817)	(345,367)
Net defined benefit (assets) liabilities	**$ (160,632)**	**(154,502)**

The Group's employee benefit liabilities were as follows:

	December 31, 2025	December 31, 2024
Compensated absences liability	**$ 73,770**	**68,285**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

The defined benefit plan of Eclat Textile (ID) is based on the pension scheme by the local government. The payment amount is based on years of service and the average salary for the last month before the employee's retirement.

1) Composition of plan assets

The retirement funds deposited by the Company according to the Labor Standards Law are managed by the Bureau of Labor Funds, Ministry of Labor (the “ BLF”). According to Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the usage of funds and their minimum amount of return distributed by the final accounts shall not be less than the income calculated by the two-year deposit interest rate of local bank.

As of December 31, 2025, the Company's pension fund with Bank of Taiwan amounted to $371,172 thousand. Please refer to the related information published on the website of the Labor Pension Supervisory Committee concerning the utilization of the labor pension fund, related yield rate and its allocation.

2) Movements in present value of the defined benefit obligations

Movements in present value of the defined benefit obligations were as follows:

	For the years ended December 31	
	2025	**2024**
Defined benefit obligation at January 1	$ 190,865	212,686
Current service costs and interest	9,602	9,120
Remeasurement of the net defined benefit liability (asset)		
－Actuarial losses of experience adjustments	11,650	7,584
－Actuarial loss (gain) arising from changes in financial assumptions	5,862	(6,093)
Benefits paid	(2,794)	(32,432)
Defined benefit obligation at December 31	**$ 215,185**	**190,865**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets were as follows:

	For the years ended December 31	
	2025	**2024**
Fair value of plan assets at January 1	$ 345,367	324,050
Expected return on plan assets	6,877	5,100
Remeasurement of the net defined benefit assets		
－Actuarial gain arising from experience adjustments	22,941	27,678
Appropriated amount to the plan	2,715	2,652
Benefits paid	(2,083)	(14,113)
Fair value of plan assets at December 31	**$ 375,817**	**345,367**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss of the Group were as follows:

	For the years ended December 31 2025	For the years ended December 31 2024
Current service costs	$ 5,461	5,607
Net interest of net defined benefit obligations	(2,736)	(1,587)
	$ 2,725	**4,020**

	For the years ended December 31 2025	For the years ended December 31 2024
Operating cost	$ 3,701	4,282
Selling expense	(964)	(536)
Administration expenses	(12)	274
	$ 2,725	**4,020**

5) Remeasurements of the net defined benefit liabilities (assets) recognized in other comprehensive income

The Group's remeasurements of net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	For the years ended December 31 2025	For the years ended December 31 2024
Accumulative amount at January 1	$ (28,137)	(1,950)
Recognized in current period	(5,429)	(26,187)
Accumulative amount at December 31	**$ (33,566)**	**(28,137)**

6) Actuarial assumptions

Major assumptions used to determine the present value of the defined benefit obligations were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.625%~7.11%	2.00%~7.13%
Future salary increases rate	3.00%~7.00%	3.00%~7.00%

The Group is expected allocation payment of $14,097 thousand to the defined plans for the one-year period after the reporting date of 2025.

The weighted average duration of the defined benefit obligation is 9.62~26.74 years.

7) Sensitivity analysis

As of December 31, 2025 and 2024, the effects of the present value of the defined benefit obligation arising from changes in principal actuarial assumptions were as follows:

		Effects on defined benefit obligations	
		Increase 0.25%	**Decrease 0.25%**
December 31, 2025			
Discount rate (change 0.25%)	$	(7,253)	8,507
Future salary increases rate (change 0.25%)		5,488	(5,389)
December 31, 2024			
Discount rate (change 0.25%)		(5,818)	6,628
Future salary increases rate (change 0.25%)		6,498	(5,706)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The sensitivity analysis adopts the same methods for determining the defined benefit assets at the balance sheet date.

There is no change in the methods and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plans

The Company contributes an amount equal to 6% of the employee’s monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act, under which, the Company is not required to bear the regulated or putative obligation subsequent to the payment of fixed rate contribution.
Colltex, Fabrics, E-TOP (VN), Eclat Textile (VN), Tai-Yuan (VN) and Eclat Textile (ID) are restricted by local regulations in Vietnam and Indonesia, contributing an amount equal to specific percent of the employee's monthly total wages to labor pension fund in accordance with local government regulation and paying to relevant authorities.

The Group's pension costs under the defined contribution plan amounted to $73,071 thousand and $65,683 thousand in 2025 and 2024, respectively. Those pension costs have been contributed to Bureau of the Labor Insurance or local relevant authorities.

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(m) Income taxes

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

		For the years ended December 31	
		2025	**2024**
Current tax expense			
Current period	$	1,453,101	1,659,718
Adjustment for prior periods		7,134	(1,475)
		1,460,235	1,658,243
Deferred tax expense			
The occurrence and reversal of temporary differences		(9,602)	51,833
Income tax expense	$	**1,450,633**	**1,710,076**

The components of the Group's income tax recognized in other comprehensive income were as follows:

		For the years ended December 31	
		2025	**2024**
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$	**(36,102)**	**71,936**

The reconciliation between income tax expense and the income tax amount calculated based on pretax financial income were as follows:

		For the years ended December 31	
		2025	**2024**
Profit before income tax.	$	**6,965,570**	**8,350,928**
Income tax using the individual Company’s domestic tax rate	$	1,393,114	1,670,186
Current tax benefits of unrecognized deferred tax liabilities		6,014	-
Tax-exempt income		-	(11,028)
Tax incentives		(54,758)	(8,030)
Effect of tax rates in foreign jurisdiction		3,247	26
Non-deductible expenses		8,190	2,476
The difference of estimated in prior periods		2,629	(1,475)
Undistributed earnings additional tax		66,805	47,776
The difference of tax assessment		20,574	-
Others		4,818	10,145
Income tax expense	$	**1,450,633**	**1,710,076**

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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

As of December 31, 2025 and 2024, deferred tax assets and liabilities have not been recognized in respect of the following items:

		December 31, 2025	December 31, 2024
Unrecognized deferred tax assets:			
Aggregate amount of temporary differences related to investments in subsidiaries	$	74,948	108,339
Others		3,623	4,412
	$	**78,571**	**112,751**
Unrecognized deferred tax liabilities:			
Aggregate amount of temporary differences related to investments in subsidiaries	$	**84,982**	**166,585**

2) Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 were as follows:

		Unrealized foreign exchange loss	Others	Total
Deferred Tax Assets:				
Balance at January 1, 2025	$	-	13,222	13,222
Recognized in profit (loss)		-	1,013	1,013
Balance at December 31, 2025	$	**-**	**14,235**	**14,235**
Balance at January 1, 2024	$	34,766	12,604	47,370
Recognized in profit (loss)		(34,766)	618	(34,148)
Balance at December 31, 2024	$	**-**	**13,222**	**13,222**

		Cumulative translation adjustment	Others	Total
Deferred Tax Liabilities:				
Balance at January 1, 2025	$	82,758	20,320	103,078
Recognized in loss (profit)		-	(8,589)	(8,589)
Recognized in other comprehensive income		(36,102)	-	(36,102)
Effect in exchange rate		-	(83)	(83)
Balance at December 31, 2025	$	**46,656**	**11,648**	**58,304**
Balance at January 1, 2024	$	10,822	2,468	13,290
Recognized in loss (profit)		-	17,685	17,685
Recognized in other comprehensive income		71,936	-	71,936
Effect in exchange rate		-	167	167
Balance at December 31, 2024	$	**82,758**	**20,320**	**103,078**

(iii)The Company’ s income tax returns through 2023 had been examined by the R.O.C. tax authority.

(iv)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. Please refer to note 4(r) for details of the accounting policies.

(n) Capital and other equity

(i)Common stock

As of December 31, 2025 and 2024, the Company’s authorized share capital both amounted to $3,000,000 thousand dollars, divided into 300,000 thousand shares of stock with $10 par value per share. The total number of issued shares were 274,367 thousand shares.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Paid-in capital in excess of par value	$ 3,550,000	3,550,000
Treasury stock transactions	396	396
Unpaid compensation to directors and supervisors	1,377	1,377
Net assets from merger with Everbright Garment	15,866	15,866
Unpaid dividend payables	369	369
Employee stock options	201,795	201,795
	$ 3,769,803	**3,769,803**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) 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.

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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.

1) Legal reserve

If the Company incurs no loss for the year, the legal reserve in whole or in part may be distributed in the form of new shares or cash; when the form of cash is adopted, distribution shall be made based on the resolution of a Board of Directors' meeting attended by more than two-thirds of directors with a majority of voting rights of the attending directors, which shall also be reported to the shareholders' meeting; when the distribution is made by issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution. The distribution amount is limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

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.

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(iv) 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		(140,649)
Balance at December 31, 2025	$	**186,621**
Balance at January 1, 2024	$	39,529
Exchange differences on translation of foreign financial statements		287,741
Balance at December 31, 2024	$	**327,270**

(o) Earnings per share

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

	For the years ended December 31	
	2025	**2024**
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	$ **5,514,937**	**6,640,852**
Weighted average number of ordinary shares outstanding (in thousands)	**274,367**	**274,367**
Basic earnings per share (in dollars)	$ **20.10**	**24.20**
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	$ **5,514,937**	**6,640,852**
Weighted average number of ordinary shares outstanding (basic) (in thousands)	274,367	274,367
Effect on employee's profit-sharing bonus (in thousands)	185	20
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	**274,552**	**274,387**
Diluted earnings per share (in dollars)	$ **20.09**	**24.20**

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(p) Revenue from contracts with customers

	For the years ended December 31, 2025		For the years ended December 31, 2024	
	Knitted fabrics	**Garments**	**Knitted fabrics**	**Garments**
Main market:				
Americas	$ 843,125	18,482,004	757,053	17,739,196
Asia	11,013,320	2,354,520	10,953,676	2,074,193
Europe	10,840	3,898,765	30,970	3,515,788
the Middle East	833,739	113,313	1,039,799	107,910
ANZ	4,669	318,481	2,036	276,170
Africa	64,248	52,727	289,691	42,017
	$ 12,769,941	**25,219,810**	**13,073,225**	**23,755,274**

	For the years ended December 31, 2025	For the years ended December 31, 2024
Knitted fabrics	$ 12,769,941	13,073,225
Garments	25,219,810	23,755,274
	$ 37,989,751	**36,828,499**

(q) Employee's profit-sharing bonus

The Company resolved to amend its Articles of Incorporation at the shareholders' meeting on June 13, 2025. According to the amended Articles, where the Company has a profit in the current year, if there is surplus after covering the accumulated loss, no less than 1% shall be appropriated for the employee's compensation for the distribution according to the resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and be reported to the shareholders' meeting. The distribution of employee compensation may be made in the form of shares or cash. Of the employee compensation, no less than 50% shall be allocated to the distribution of compensation for the employees.

Before the amendment, the Articles of Incorporation stipulated that, where the Company has a profit in the 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, 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 years ended December 31, 2025 and 2024, the estimated employee's profit-sharing bonuses amounted to $70,000 thousand and $9,000 thousand, respectively. Which were calculated based on the Company's profit excluding tax as well as employee's profit-sharing bonuses, and were reported under cost of goods sold and operating expenses in the current period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

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There were no differences between the estimated and the distributed employee's profit-sharing bonuses for the year ended December 31, 2025 and 2024. The related information can be obtained from the Market Observation Post System website of the Taiwan Stock Exchange.

(r) Non-operating income and expenses

(i) Interest income
The Group's interest income were as follows:

	For the years ended December 31	
	2025	**2024**
Interest income from bank deposits	**$ 163,860**	**116,756**

(ii) Other income
The Group's other income were as follows:

	For the years ended December 31	
	2025	**2024**
Rental income	**$ 32,235**	**31,297**

(iii) Other gains and losses, net

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

	For the years ended December 31	
	2025	**2024**
Gain (loss) on disposal of property, plant and equipment	$ (41)	1,313
Gain on disposal of non-current assets held-for-sale	-	56,697
Foreign exchange gain (loss)	(266,252)	448,218
Others	8,869	19,509
	$ (257,424)	**525,737**

(iv) Finance costs

The Group's finance costs were as follows:

	For the years ended December 31	
	2025	**2024**
Bank borrowings interest	$ 55,238	76,569
Lease liabilities interest	1,639	1,718
Factoring of accounts receivable	8,144	-
	$ 65,021	**78,287**

(s) Financial instruments

(i) Credit risks

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum exposed amount to credit risk.

2) Concentration of credit risk

The Group does not make concentrated transactions with any single client and scatters the sales region, there is no concentration of credit risk for accounts receivable.

3) Credit risk of receivable

For details on credit risk of notes and accounts receivable, please refer to note 6(b).

Other financial assets at amortized cost includes other receivables and term deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses.

As of December 31, 2025 and 2024, there were no other financial assets at amortized cost that required provision for impairment.

(ii) Liquidity risks

The following were the contractual maturities of financial liabilities, including the impact of estimated interest.

	Carrying amount	Contractual cash flows	Less than 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2025						
Non-derivative financial liabilities						
Short-term borrowings	$ 547,353	550,089	550,089	-	-	-
Accounts and notes payable	2,103,364	2,103,364	2,103,364	-	-	-
Lease liabilities	71,879	88,783	17,223	12,758	11,151	47,651
	$ 2,722,596	**2,742,236**	**2,670,676**	**12,758**	**11,151**	**47,651**
December 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	$ 1,804,322	1,905,184	1,905,184	-	-	-
Accounts and notes payable	2,263,147	2,263,147	2,263,147	-	-	-
Lease liabilities	70,986	89,990	14,955	11,085	11,356	52,594
	$ 4,138,455	**4,258,321**	**4,183,286**	**11,085**	**11,356**	**52,594**

The Group doesn't expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

1) Exposure to foreign currency risk

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

	December 31, 2025			December 31, 2024		
	Foreign currency (thousands)	Exchange rate	NTD	Foreign currency (thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 225,119	31.430	7,075,490	265,618	32.785	8,708,286
VND	368,381,013	0.0012	443,661	549,105,812	0.0013	712,375
IDR	6,839,840	0.0019	12,810	4,962,604	0.0020	10,067
Financial liabilities						
Monetary items						
USD	$ 53,662	31.430	1,686,597	110,299	32.785	3,616,153
VND	546,473,245	0.0012	658,147	293,639,247	0.0013	380,949
IDR	52,496,976	0.0019	98,318	80,139,854	0.0020	162,566

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, other current assets, current borrowings, accounts payable and other payables, etc. A 1% depreciation or appreciation of the NTD against the USD, VND and IDR as of December 31, 2025 and 2024 would have increased or decreased the net income after tax by $40,711 thousand and $42,169 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis was based on the same basis.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized portions), were as follows:

	For the years ended December 31			
	2025		2024	
	Exchange (loss) gain	Average rate	Exchange (loss) gain	Average rate
USD	$ (266,252)	31.180	448,218	32.112

(iii) 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 $5,474 thousand and $18,043 thousand for the year ended December 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.

(iv) 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.

(t) Financial risk management

(i)Overview

The Group has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note expresses the information of risk exposure and goals, policies and procedures for the Group to measure and manage risks. Please refer to notes in consolidated financial statements for further quantitative disclosures.

(ii)Risk management framework

The Board of Directors is responsible for the supervision of the Group's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and overseeing the Group’s risk management policies, and reporting its operations to the Board of Directors on a regular basis.

The risk management policies are established to identify and analyze the Group's exposure to risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aim to develop a disciplines and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee of the Group oversees how the management complies in monitoring the Group’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The internal audit sector of the Group reviews the risk management controls and procedure on scheduled and non-scheduled basis, and reports the results to the Audit Committee.

(iii)Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

1) Accounts receivable and other receivables

The Group's credit risk exposure is primarily affected by the individual circumstances of each customer. However, management also considers statistical information regarding the customer base, including the industries to which customers belong and the default risk of the countries in which they operate, as these factors may also affect credit risk.
To minimize the risk of accounts receivable, the Group established a risk management procedure relating to the financial condition of the client, credit risk rating, historical transactions inside the Group, and the current economic situation that may affect the clients' ability to settle payments. The Group also uses some credit enhancement tools such as prepayments and non recourse accounts receivable factoring agreements with several banks to transfer part of the accounts receivable risk to the banks and reduce specific client's credit risk.

2) Financial investments

The credit risk exposure in the bank deposits, fix income investments and other financial instruments are measured and monitored by the Group's finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, the management believes that the Group does not have any compliance issues, and therefore, there is no significant credit risk.

3) Guarantee

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2025 and 2024, no other guarantees were outstanding.

(iv)Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group estimates the cost of products and services based on accounting policy in order to assist in monitoring its cash flow requirements and optimizing its cash return on investments. Generally, the Group ensures that there is sufficient cash to cover expected operating expenditure demand, but excluding potential influence under unexpected extreme conditions (i.e. natural disaster). In addition, the total amount of unused current and long term quota as of December 31, 2025 and 2024, amounted to \$6,950,934 thousand and \$4,499,688 thousand respectively.

(v)Market risk

Market risk is the risk that comes from changes in market prices such as changes of foreign exchange rates, interest rates and equity prices, impacting the Group's income or the value of financial instruments held by the Group. The objective of market risk management is to manage and control market risk exposures within acceptable range and optimize the return on investments.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors.

1) Exchange rate risk

The Group's exposure to currency risk is on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group. The currencies used in these transactions are denominated in NTD, USD, IDR and VND.

The Group adopts a dynamic management strategy for exchange rate risk by regularly reviewing the net value after offsetting assets and liabilities in each currency. Natural hedging is prioritized to offset positions; hedging instruments are appropriately utilized after a comprehensive evaluation of hedging costs, periods, and macroeconomic trends to mitigate exchange rate risk and maintain the Company's operational stability.

2) Interest rate risk

All of the Group's assets and liabilities bear floating interest rates, and thus suffer from cash flow interest rate risk exposure. The detail of floating interest rates of the Group's assets and liabilities are described in note of liquidity risk management.

(u) Capital management

The Board’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain the future development of the business. The capital includes common stock, capital surplus, retained earnings and other equities. Therefore, the capital management of the Group focuses on ensuring necessary financial resources and increase stockholders' value, examining the capital return periodically.

The Group's return on capital as of December 31, 2025 and 2024, were as follows:

	2025	2024
Net income	$ 5,514,937	6,640,852
Total capital	$ 29,637,137	28,921,661
Return on capital	18.61%	22.96%

The Group does not have any plan of purchasing treasury stock.

(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.
Eclat Education Foundation (Eclat Foundation)	Founded by donation of the Company.

(b) Significant transactions with related parties

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

(i) Leases

Types of related parties	For the years ended December 31 2025	2024
Other related parties	$ -	150

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

(ii) Others

Name of related parties	Donations For the years ended December 31 2025	2024
Eclat Foundation	$ 2,000	2,000

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the years ended December 31 2025	2024
Short-term employee benefits	$ 145,604	182,069

Cars provided to key management personnel were as follows:

	December 31, 2025	December 31, 2024
Cost	$ 20,227	20,227
Quantities	7	7
Book value	$ 8,592	10,958

(8) Assets Pledged as security

The Group's pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2025	December 31, 2024
Other financial assets - current	Natural gas, solar energy and electricity security deposit	$ 935	1,197

(9) Commitments and contingencies

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

	December 31, 2025	December 31, 2024
Unused letters of credit	$ 533	10,450

(b) Unrecognized commitments of the Group were as follows:

	December 31, 2025	December 31, 2024
Acquisition of property, plant and equipment	$ 45,171	23,902

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

	December 31, 2025	December 31, 2024
Issued promissory notes	$ 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	For the year ended December 31, 2025				For the year ended December 31, 2024			
By item	Operating costs	Operating expenses	Non-Operating expenses	Total	Operating costs	Operating expenses	Non-Operating expenses	Total
Employee benefits								
Salary	3,448,563	1,791,676	-	5,240,239	3,217,927	1,807,098	-	5,025,025
Labor and health insurance	316,765	143,342	-	460,107	307,189	132,680	-	439,869
Pension	29,632	46,164	-	75,796	27,111	42,592	-	69,703
Director's remuneration	-	12,663	-	12,663	-	10,143	-	10,143
Others	194,291	91,250	-	285,541	179,564	83,479	-	263,043
Depreciation	582,862	260,268	1,324	844,454	602,068	258,491	1,324	861,883
Amortization	10,646	20,704	-	31,350	10,284	14,193	-	24,477

(b) Seasonality of operations

The operation of the Group was not materially influenced by seasonality or cyclicality factors.

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(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:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period (Note 4)	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	-	-	-	2	-	Operating capital	-	-	-	2,963,713	5,927,427
0	The Company	Eclat Textile (ID)	Other receivables	Yes	1,859,480	-	-	-	2	-	Operating capital	-	-	-	2,963,713	5,927,427

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.

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

(iii) Material securities held as of December 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 NTD 100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchases/ (sales)	Amount	Percentage of total purchases/ sales	Payment terms (days)	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
The Company	Eclat Textile (VN)	Indirectly held subsidiaries	processing	1,718,527	16.27 %	30	(Note 3)	(Note 3)	Accounts payable (76,403)	(3.33)%	(Note 1) (Note 2)
Eclat Textile (VN)	The Company	Parent company	(sales)	(1,718,527)	(100.00)%	30	(Note 3)	(Note 3)	Accounts receivable 76,403	100.00 %	(Note 2)
The Company	Fabrics	Indirectly held subsidiaries	purchasing	2,348,002	14.22 %	30	(Note 3)	(Note 3)	Accounts payable (96,508)	(4.20)%	(Note 2)
Fabrics	The Company	Parent company	(sales)	(2,348,002)	(89.89)%	30	(Note 3)	(Note 3)	Accounts receivable 96,508	95.21 %	(Note 2)
The Company	E-TOP (VN)	Indirectly held subsidiaries	processing	979,495	9.27 %	30	(Note 3)	(Note 3)	Accounts payable (51,609)	(2.25)%	(Note 1) (Note 2)
E-TOP (VN)	The Company	Parent company	(sales)	(979,495)	(98.97)%	30	(Note 3)	(Note 3)	Accounts receivable 51,609	97.17 %	(Note 2)
The Company	Colltex	Indirectly held subsidiaries	processing	886,315	8.39 %	30	(Note 3)	(Note 3)	Accounts payable (40,563)	(1.77)%	(Note 1) (Note 2)
Colltex	The Company	Parent company	(sales)	(886,315)	(99.99)%	30	(Note 3)	(Note 3)	Accounts receivable 40,563	99.61 %	(Note 2)
The Company	Eclat Textile (Cambodia)	Indirectly held subsidiaries	processing	512,802	4.85 %	30	(Note 3)	(Note 3)	Accounts payable (58,066)	(2.53)%	(Note 1) (Note 2)
Eclat Textile (Cambodia)	The Company	Parent company	(sales)	(512,802)	(100.00)%	30	(Note 3)	(Note 3)	Accounts receivable 58,066	100.00 %	(Note 2)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchases/ (sales)	Amount	Percentage of total purchases/ sales	Payment terms (days)	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
The Company	Tai-Yuan (VN)	Indirectly held subsidiaries	processing	218,413	2.07 %	30	(Note 3)	(Note 3)	Accounts payable (15,109)	(0.66)%	(Note 1) (Note 2)
Tai-Yuan (VN)	The Company	Parent company	(sales)	(218,413)	(87.54)%	30	(Note 3)	(Note 3)	Accounts receivable 15,109	94.15 %	(Note 2)
The Company	Eclat Textile (ID)	Subsidiaries	processing	1,308,396	12.39 %	30	(Note 3)	(Note 3)	Accounts payable (28,866)	(1.26)%	(Note 1) (Note 2)
Eclat Textile (ID)	The Company	Parent company	(sales)	(1,308,396)	(100.00)%	30	(Note 3)	(Note 3)	Accounts receivable 28,866	100.00 %	(Note 2)

Note 1: Percentage on processing expense
Note 2: Transaction listed above has been eliminated during preparing consolidated financial statements.
Note 3: The same as general processing/purchasing/sales

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

(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
1	Fabrics	The Company	2	Sales	2,348,002	The same as general sales	6.18 %
2	Eclat Textile (VN)	The Company	2	Processing revenue	1,718,527	The same as general processing	4.52 %
3	Colltex	The Company	2	Processing revenue	886,315	The same as general processing	2.33 %
4	E -TOP (VN)	The Company	2	Processing revenue	979,495	The same as general processing	2.58 %
5	Eclat Textile (Cambodia)	The Company	2	Processing revenue	512,802	The same as general processing	1.35 %
6	Tai-Yuan (VN)	The Company	2	Processing revenue	218,413	The same as general processing	0.57 %
7	Eclat Textile (ID)	The Company	2	Processing revenue	1,308,396	The same as general processing	3.44 %

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.

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(b) Information on investees:

The following were the information on investment for the year ended December 31, 2025 (excluding information on investee in Mainland China):

(In thousands of NTD/USD)

Investor company	Investee company	Location	Main businesses and products	Original investment amount December 31, 2025	Original investment amount December 31, 2024	Balance as of December 31, 2025 Shares (thousands)	Balance as of December 31, 2025 Percentage of ownership	Balance as of December 31, 2025 Carrying value (Note 4)	Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
The Company	Grand Elite	British Virgin Islands	Investments in securities, real estate, and manufacturing industry	267,784 (USD 8,520)	267,784 (USD 8,520)	21	100.00 %	176,809	100.00 %	(3,644)	(3,644)	Subsidiaries (Note 1)(Note 2)
The Company	Eclat Cayman	Cayman Islands	Investments in securities, real estate, and manufacturing industry	3,941,511 (USD 125,406)	3,941,511 (USD 125,406)	121,080	100.00 %	4,458,171	100.00 %	134,538	134,538	Subsidiaries (Note 1)(Note 2)
The Company	Eclat Textile (ID)	Indonesia	Design, manufacture, processing and sale of clothing	3,771,600 (USD 120,000)	1,571,500 (USD 50,000)	12,000	100.00 %	3,495,658	100.00 %	170,600	170,599	Subsidiaries (Note 1)(Note 2) (Note 3)
Grand Elite	Eclat Textile (Cambodia)	Cambodia	Design, manufacture, processing and sale of clothing	251,440 (USD 8,000)	251,440 (USD 8,000)	8,000	100.00 %	158,278	100.00 %	(4,039)	(4,039)	Subsidiaries of Grand Elite (Note 1)(Note 2)
Eclat Cayman	Colltex	Vietnam	Design, manufacture, processing and sale of clothing	501,466 (USD 15,955)	501,466 (USD 15,955)	16,800	100.00 %	586,868	100.00 %	12,406	11,038	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	E-TOP (VN)	Vietnam	Design, manufacture, processing and sale of clothing	1,131,480 (USD 36,000)	1,131,480 (USD 36,000)	36,000	100.00 %	1,276,293	100.00 %	24,494	24,494	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Eclat Enterprise	Cambodia	Investments in securities, real estate, and manufacturing industry	31 (USD 1)	31 (USD 1)	1	100.00 %	(1,498)	100.00 %	290	290	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Eclat Textile (VN)	Vietnam	Design, manufacture, processing and sale of clothing	665,405 (USD 21,171)	665,405 (USD 21,171)	22,000	100.00 %	769,369	100.00 %	38,920	38,920	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Fabrics	Vietnam	Knit fabric mills, printing, dyeing and finishing mill	1,257,200 (USD 40,000)	1,257,200 (USD 40,000)	40,000	100.00 %	1,830,505	100.00 %	60,918	50,996	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	Tai - Yuan (VN)	Vietnam	Design, manufacture, processing and sale of clothing	217,338 (USD 6,915)	217,338 (USD 6,915)	6,800	100.00 %	1,160	100.00 %	8,660	8,371	Subsidiaries of Eclat Cayman (Note 1)(Note 2)
Eclat Cayman	E&I Printing	Vietnam	Design, printing, dyeing and finishing mill	31,430 (USD 1,000)	31,430 (USD 1,000)	1,000	40.00 %	-	40.00 %	-	-	Invested company under equity method (Note 1)

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value (Note 4)				
Eclat Cayman	Eclat Textile (ID)	Indonesia	Design, manufacture, processing and sale of clothing	15 (USD 0.48)	6 (USD 0.20)	0.05	- %	14	- %	170,600	1	Subsidiaries (Note 1)(Note 2) (Note 3)

Note 1: The rate as of December 31, 2025 was USD 1 to NTD 31.43.
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.

(14) Segment information

(a)General information

The Group has two reportable segments: the fabrics division, which produces and sells flexible textiles, and the garments division, which produces, processes and sells clothing.

These two reportable segments are regional operating units and provide different products. Because every regional operating unit needs different techniques and marketing strategy, each should be managed separately; most of operating units are acquired separately and the management team at the time of acquisition is kept.

(b)Information about income/loss, assets, liabilities, basis for measurement and reconciliation for reportable segments

The Group's operating departments accounting policies are all the same as note 4 "Summary of accounting policies". The Group's operating department measures its income or loss at operating income or loss before income tax and treats operating income or loss before income tax as the basis of assessing performance; the Group treats sales and transfers among departments as related parties' transactions and is measured at current fair value.

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

	For the year ended December 31, 2025			
	Fabrics	**Garments**	**Adjustments and write off**	**Total**
Revenue				
From external clients	$ 12,769,941	25,219,810	-	37,989,751
Inter-segments	7,345,985	5,652,289	(12,998,274)	-
Interest revenue	64,560	112,561	(13,261)	163,860
Total revenue	**$ 20,180,486**	**30,984,660**	**(13,011,535)**	**38,153,611**
Interest expenses	$ 9,613	68,669	(13,261)	65,021
Depreciation and amortization	310,067	565,737	-	875,804
Profit or loss from reportable segment	**$ 3,583,203**	**3,683,860**	**(301,493)**	**6,965,570**
Non-current assets capital expenditure	**$ 194,166**	**189,763**	**-**	**383,929**
Reportable segment assets	**$ 14,781,299**	**33,387,130**	**(13,131,516)**	**35,036,913**
Reportable segment liabilities	**$ 1,697,972**	**4,091,432**	**(389,628)**	**5,399,776**

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	For the year ended December 31, 2024			
	Fabrics	Garments	Adjustments and write off	Total
Revenue				
From external clients	$ 13,073,225	23,755,274	-	36,828,499
Inter-segments	5,420,111	5,136,318	(10,556,429)	-
Interest revenue	51,209	120,804	(55,257)	116,756
Total revenue	**$ 18,544,545**	**29,012,396**	**(10,611,686)**	**36,945,255**
Interest expenses	$ 12,616	120,928	(55,257)	78,287
Depreciation and amortization	314,828	571,532	-	886,360
Profit or loss from reportable segment	**$ 3,502,301**	**5,144,904**	**(296,277)**	**8,350,928**
Non-current assets capital expenditure	**$ 175,119**	**323,380**	**-**	**498,499**
Reportable segment assets	**$ 14,722,347**	**32,484,636**	**(11,341,863)**	**35,865,120**
Reportable segment liabilities	**$ 1,843,462**	**5,909,976**	**(809,979)**	**6,943,459**

(c) Geographical information

Geographical information of the Group is as follows; revenue is based on the place where clients locate and non-current assets are based on the place where assets locate.

	For the years ended December 31	
Region	**2025**	**2024**
Revenue from external clients:		
Americas	$ 19,325,129	18,496,249
Asia	13,367,840	13,027,869
Europe	3,909,605	3,546,758
the Middle East	947,052	1,147,709
ANZ	323,150	278,206
Africa	116,975	331,708
	$ 37,989,751	**36,828,499**

Region	**December 31, 2025**	**December 31, 2024**
Non-current assets:		
Taiwan	$ 8,132,455	8,426,864
Asia	5,346,541	5,753,082
	$ 13,478,996	**14,179,946**

Non-current assets include property, plant and equipment, right of use assets, investment property, intangible assets and other assets, excluding investments accounted for using equity method, deferred tax assets and net defined benefit asset.

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(d) Major customers

	For the years ended December 31	
	2025	**2024**
A Customer	$ 6,244,893	5,200,401