

**Paiho Shih Holdings Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Paiho Shih Holdings Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Paiho Shih Holdings Corporation and its subsidiaries (collectively, the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Ting-Chien Su and Shao-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 12, 2025

Notice to Readers

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

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,060,281	11	\$ 1,581,668	9	\$ 2,241,305	11
Financial assets at amortized cost - current (Notes 7 and 27)	-	-	-	-	347,280	2
Notes receivable (Note 8)	3,027	-	3,439	-	735	-
Trade receivables (Note 8)	1,538,316	8	1,360,095	7	1,180,058	6
Trade receivables - related parties (Notes 8 and 26)	12,798	-	5,968	-	10,059	-
Other receivables (Note 26)	44,904	-	103,694	-	23,420	-
Inventories - manufacturing (Note 9)	1,313,670	7	1,235,772	7	1,310,680	7
Inventories - constructing (Note 9)	1,600,925	8	1,596,150	9	2,102,881	11
Other current assets (Note 15)	<u>362,921</u>	<u>2</u>	<u>334,975</u>	<u>2</u>	<u>764,515</u>	<u>4</u>
Total current assets	<u>6,936,842</u>	<u>36</u>	<u>6,221,761</u>	<u>34</u>	<u>7,980,933</u>	<u>41</u>
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Notes 7 and 27)	228,369	1	10,038	-	60,551	-
Property, plant and equipment (Note 11)	9,395,213	49	9,302,244	51	9,834,043	51
Right-of-use assets (Note 12)	930,168	5	918,386	5	947,725	5
Investment properties (Note 13)	1,423,183	7	1,387,588	8	156,992	1
Goodwill (Note 14)	150,277	1	148,721	1	144,036	1
Other intangible assets	1,083	-	1,092	-	1,167	-
Deferred tax assets (Note 23)	74,267	-	71,306	-	89,753	1
Prepayments for machinery and equipment	191,564	1	144,343	1	87,219	-
Other non-current assets (Note 15)	<u>15,123</u>	<u>-</u>	<u>12,407</u>	<u>-</u>	<u>23,385</u>	<u>-</u>
Total non-current assets	<u>12,409,247</u>	<u>64</u>	<u>11,996,125</u>	<u>66</u>	<u>11,344,871</u>	<u>59</u>
TOTAL	<u>\$ 19,346,089</u>	<u>100</u>	<u>\$ 18,217,886</u>	<u>100</u>	<u>\$ 19,325,804</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 6,991,017	36	\$ 6,177,283	34	\$ 7,932,865	41
Contract liabilities - current (Note 21)	16,498	-	25,839	-	12,771	-
Trade payables	357,912	2	331,281	2	313,989	2
Trade payables - related parties (Note 26)	37,278	-	72,338	-	42,558	-
Other payables (Notes 17 and 26)	490,846	3	524,614	3	502,663	3
Current tax liabilities (Note 23)	23,724	-	34,914	-	32,024	-
Lease liabilities - current (Note 12)	551	-	716	-	686	-
Current portion of long-term borrowings (Note 16)	343,726	2	334,962	2	102,026	-
Other current liabilities	<u>21,678</u>	<u>-</u>	<u>16,879</u>	<u>-</u>	<u>16,893</u>	<u>-</u>
Total current liabilities	<u>8,283,230</u>	<u>43</u>	<u>7,518,826</u>	<u>41</u>	<u>8,956,475</u>	<u>46</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	3,311,745	17	3,260,188	18	3,369,308	17
Deferred tax liabilities (Note 23)	597,110	3	571,118	3	533,557	3
Lease liabilities - non-current (Note 12)	-	-	-	-	531	-
Deferred revenue - non-current	113,815	-	113,407	1	117,291	1
Net defined benefit liabilities - non-current (Note 18)	129,856	1	126,558	1	142,083	1
Guarantee deposits received	<u>16,944</u>	<u>-</u>	<u>16,361</u>	<u>-</u>	<u>13,793</u>	<u>-</u>
Total non-current liabilities	<u>4,169,470</u>	<u>21</u>	<u>4,087,632</u>	<u>23</u>	<u>4,176,563</u>	<u>22</u>
Total liabilities	<u>12,452,700</u>	<u>64</u>	<u>11,606,458</u>	<u>64</u>	<u>13,133,038</u>	<u>68</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Common stock	3,999,370	21	3,999,370	22	3,999,370	21
Capital surplus	1,015,572	5	1,015,572	6	1,015,572	5
Retained earnings						
Special reserve	715,193	4	715,193	4	568,162	3
Unappropriated earnings	1,530,286	8	1,375,014	7	1,200,622	6
Other equity	<u>(367,527)</u>	<u>(2)</u>	<u>(494,184)</u>	<u>(3)</u>	<u>(591,397)</u>	<u>(3)</u>
Total equity attributable to owners of the Corporation	<u>6,892,894</u>	<u>36</u>	<u>6,610,965</u>	<u>36</u>	<u>6,192,329</u>	<u>32</u>
NON-CONTROLLING INTERESTS	<u>495</u>	<u>-</u>	<u>463</u>	<u>-</u>	<u>437</u>	<u>-</u>
Total equity	<u>6,893,389</u>	<u>36</u>	<u>6,611,428</u>	<u>36</u>	<u>6,192,766</u>	<u>32</u>
TOTAL	<u>\$ 19,346,089</u>	<u>100</u>	<u>\$ 18,217,886</u>	<u>100</u>	<u>\$ 19,325,804</u>	<u>100</u>

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
SALES (Notes 21 and 26)	\$ 1,940,603	100	\$ 1,532,347	100
COST OF GOODS SOLD (Notes 9, 21, 22 and 26)	<u>1,135,080</u>	<u>59</u>	<u>976,611</u>	<u>64</u>
GROSS PROFIT	<u>805,523</u>	<u>41</u>	<u>555,736</u>	<u>36</u>
OPERATING EXPENSES (Notes 22 and 26)				
Selling and marketing expenses	144,415	7	116,524	7
General and administrative expenses	179,273	9	153,169	10
Research and development expenses	92,467	5	74,156	5
Expected credit loss (gain) (Note 8)	<u>(475)</u>	<u>-</u>	<u>2,551</u>	<u>-</u>
Total operating expenses	<u>415,680</u>	<u>21</u>	<u>346,400</u>	<u>22</u>
PROFIT (LOSS) FROM OPERATIONS	<u>389,843</u>	<u>20</u>	<u>209,336</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 22)	(133,079)	(7)	(112,329)	(7)
Interest income	4,319	-	9,609	-
Other income (Notes 22 and 26)	34,951	2	12,084	1
Other gains and losses (Note 22)	<u>(19,173)</u>	<u>(1)</u>	<u>(12,732)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(112,982)</u>	<u>(6)</u>	<u>(103,368)</u>	<u>(7)</u>
PROFIT BEFORE INCOME TAX	276,861	14	105,968	7
INCOME TAX EXPENSE (Note 23)	<u>61,576</u>	<u>3</u>	<u>38,366</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>215,285</u>	<u>11</u>	<u>67,602</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Foreign exchange differences on translation to presentation currency	86,533	5	226,286	15
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>40,134</u>	<u>2</u>	<u>(102,482)</u>	<u>(7)</u>
Other comprehensive income for the period	<u>126,667</u>	<u>7</u>	<u>123,804</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 341,952</u>	<u>18</u>	<u>\$ 191,406</u>	<u>12</u>

(Continued)

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 215,263	11	\$ 67,595	4
Non-controlling interests	<u>22</u>	<u>-</u>	<u>7</u>	<u>-</u>
	<u>\$ 215,285</u>	<u>11</u>	<u>\$ 67,602</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 341,920	18	\$ 191,391	12
Non-controlling interests	<u>32</u>	<u>-</u>	<u>15</u>	<u>-</u>
	<u>\$ 341,952</u>	<u>18</u>	<u>\$ 191,406</u>	<u>12</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 0.54</u>		<u>\$ 0.18</u>	
Diluted	<u>\$ 0.54</u>		<u>\$ 0.18</u>	

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation								
	Common Stock (Note 20)	Shares Received in Advance (Note 20)	Capital Surplus (Notes 20)	Retained Earnings (Note 20)		Exchange Differences on Translating Foreign Operations (Note 20)	Total	Non-controlling Interests	Total Equity
				Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2024	\$ 3,309,370	\$ 69,599	\$ 466,677	\$ 568,162	\$ 1,133,027	\$ (715,193)	\$ 4,831,642	\$ 422	\$ 4,832,064
Issuance of ordinary shares for cash	690,000	(69,599)	548,895	-	-	-	1,169,296	-	1,169,296
Net profit for the three months ended March 31, 2024	-	-	-	-	67,595	-	67,595	7	67,602
Other comprehensive gain for the three months ended March 31, 2024	-	-	-	-	-	123,796	123,796	8	123,804
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	67,595	123,796	191,391	15	191,406
BALANCE AT MARCH 31, 2024	<u>\$ 3,999,370</u>	<u>\$ -</u>	<u>\$ 1,015,572</u>	<u>\$ 568,162</u>	<u>\$ 1,200,622</u>	<u>\$ (591,397)</u>	<u>\$ 6,192,329</u>	<u>\$ 437</u>	<u>\$ 6,192,766</u>
BALANCE AT JANUARY 1, 2025	<u>\$ 3,999,370</u>	<u>\$ -</u>	<u>\$ 1,015,572</u>	<u>\$ 715,193</u>	<u>\$ 1,375,014</u>	<u>\$ (494,184)</u>	<u>\$ 6,610,965</u>	<u>\$ 463</u>	<u>\$ 6,611,428</u>
Appropriation of 2024 earnings									
Cash dividend	-	-	-	-	(59,991)	-	(59,991)	-	(59,991)
Net profit for the three months ended March 31, 2025	-	-	-	-	215,263	-	215,263	22	215,285
Other comprehensive gain for the three months ended March 31, 2025	-	-	-	-	-	126,657	126,657	10	126,667
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	215,263	126,657	341,920	32	341,952
BALANCE AT MARCH 31, 2025	<u>\$ 3,999,370</u>	<u>\$ -</u>	<u>\$ 1,015,572</u>	<u>\$ 715,193</u>	<u>\$ 1,530,286</u>	<u>\$ (367,527)</u>	<u>\$ 6,892,894</u>	<u>\$ 495</u>	<u>\$ 6,893,389</u>

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 276,861	\$ 105,968
Adjustments for:		
Depreciation expense	221,698	184,123
Amortization expense	31	30
Expected credit loss (reversed) recognized on trade receivables	(475)	2,551
Finance costs	133,079	112,329
Interest income	(4,319)	(9,609)
Loss on disposal of property, plant and equipment	373	504
Write-down of inventories (reversed)	13,619	(97,497)
Unrealized foreign currency exchange loss, net	2,222	672
Others	(1,929)	(1,868)
Changes in operating assets and liabilities		
Notes receivable	452	1,494
Trade receivables	(170,072)	(133,933)
Other receivables	60,402	(2,649)
Inventories - manufacturing	(72,112)	32,099
Inventories - constructing	9,939	13,045
Other current assets	(21,689)	(7,662)
Contract liabilities	(9,619)	(2,963)
Trade payables	(11,331)	(4,085)
Other payables	(92,069)	(167,632)
Other current liabilities	4,452	4,271
Net defined benefit liabilities	1,661	3,556
Cash generated from operations	341,174	32,744
Interest received	4,319	9,610
Interest paid	(138,789)	(109,767)
Income tax paid	(40,533)	(34,835)
Net cash generated from (used in) operating activities	166,171	(102,248)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(224,684)	(53,332)
Proceeds from disposal of financial assets at amortized cost	8,741	-
Payments for property, plant and equipment	(53,988)	(208,156)
Proceeds from disposal of property, plant and equipment	15,059	151
Decrease in refundable deposits	2,799	820
Decrease (increase) in other non-current assets	(5,053)	867
Increase in prepayments for machinery and equipment	(157,316)	(26,537)
Net cash used in investing activities	(414,442)	(286,187)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	711,608	(196,260)
Proceeds from long-term borrowings	53,295	26,204

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PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
Repayments of long-term borrowings	\$ (63,306)	\$ (14,463)
Proceeds from guarantee deposits received	370	772
Repayment of the principal portion of lease liabilities	(178)	(166)
Proceeds from issuance of ordinary shares	<u>-</u>	<u>1,169,296</u>
Net cash generated from financing activities	<u>701,789</u>	<u>985,383</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>25,095</u>	<u>191,655</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	478,613	788,603
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,581,668</u>	<u>1,452,702</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,060,281</u>	<u>\$ 2,241,305</u>

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Paiho Shih Holdings Corporation (the “Corporation”) was incorporated on November 6, 2006. It was established in the Cayman Islands and its main business is international investment.

The shares of the Corporation have been listed on the Taiwan Stock Exchange (TWSE) since May 18, 2011.

The functional currency of the Corporation is the United States dollar. For greater comparability and consistency in financial reporting, the consolidated financial statements of the Corporation and its subsidiaries (collectively, the “Group”) are presented in New Taiwan dollars since the Corporation’s shares are listed on the TWSE.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on May 12, 2025.

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

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

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the above amended standards and interpretations would not have a material impact on the Group’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 10, Tables 6 and 7 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

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

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Petty cash and cash on hand	\$ 11,346	\$ 11,490	\$ 11,470
Checking accounts and demand deposits	1,801,978	1,300,895	1,890,280
Cash equivalents (deposit accounts with original maturities of less than 3 months)	<u>246,957</u>	<u>269,283</u>	<u>339,555</u>
	<u>\$ 2,060,281</u>	<u>\$ 1,581,668</u>	<u>\$ 2,241,305</u>

7. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Restricted deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,280</u>
<u>Non-current</u>			
Restricted deposits	<u>\$ 228,369</u>	<u>\$ 10,038</u>	<u>\$ 60,551</u>

Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.

8. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
At amortized cost	<u>\$ 3,027</u>	<u>\$ 3,439</u>	<u>\$ 735</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,558,928	\$ 1,374,216	\$ 1,196,157
Less: Allowance for impairment loss	<u>(7,814)</u>	<u>(8,153)</u>	<u>(6,040)</u>
	<u>\$ 1,551,114</u>	<u>\$ 1,366,063</u>	<u>\$ 1,190,117</u>

The average credit period of sales of goods was 30 to 90 days. No interest was charged on trade receivables. The Group uses its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. Lifetime ECLs are calculated using provision matrix, factoring into past default history and current financial standing of the customers, as well as industry condition and prospects. Based on the credit loss history, in terms of loss patterns, there have not been significant differences across the customer groups for the Group; therefore, a unified expected credit loss rate using the number of days overdue was determined, without assigning a provision matrix for individual customer group.

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

The Group does not have overdue notes receivable. The movements of the loss allowance of trade receivables were as follows:

	0 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 181 Days	Total
<u>March 31, 2025</u>						
Expected credit loss rate	0.0019%	5.00%	5.00%	5.00%	5%-100%	
Gross carrying amount	\$ 1,508,201	\$ 23,703	\$ 11,325	\$ 5,031	\$ 10,668	\$ 1,558,928
Loss allowance (Lifetime ECLs)	<u>(28)</u>	<u>(1,185)</u>	<u>(566)</u>	<u>(252)</u>	<u>(5,783)</u>	<u>(7,814)</u>
Amortized cost	<u>\$ 1,508,173</u>	<u>\$ 22,518</u>	<u>\$ 10,759</u>	<u>\$ 4,779</u>	<u>\$ 4,885</u>	<u>\$ 1,551,114</u>

	0 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 181 Days	Total
<u>December 31, 2024</u>						
Expected credit loss rate	0.0029%	5%	5%	5%	5%-100%	
Gross carrying amount	\$ 1,312,937	\$ 42,335	\$ 6,469	\$ 1,852	\$ 10,623	\$ 1,374,216
Loss allowance (Lifetime ECLs)	<u>(39)</u>	<u>(2,121)</u>	<u>(323)</u>	<u>(93)</u>	<u>(5,577)</u>	<u>(8,153)</u>
Amortized cost	<u>\$ 1,312,898</u>	<u>\$ 40,214</u>	<u>\$ 6,146</u>	<u>\$ 1,759</u>	<u>\$ 5,046</u>	<u>\$ 1,366,063</u>
<u>March 31, 2024</u>						
Expected credit loss rate	0.0006%	5%	5%	5%	5%-100%	
Gross carrying amount	\$ 1,157,216	\$ 24,188	\$ 4,002	\$ 885	\$ 9,866	\$ 1,196,157
Loss allowance (Lifetime ECLs)	<u>(7)</u>	<u>(1,209)</u>	<u>(200)</u>	<u>(44)</u>	<u>(4,580)</u>	<u>(6,040)</u>
Amortized cost	<u>\$ 1,157,209</u>	<u>\$ 22,979</u>	<u>\$ 3,802</u>	<u>\$ 841</u>	<u>\$ 5,286</u>	<u>\$ 1,190,117</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 8,153	\$ 3,406
Net remeasurement (reversal) of loss allowance	(475)	2,551
Amounts written off	(25)	-
Foreign exchange gains and losses	<u>161</u>	<u>83</u>
Balance on March 31	<u>\$ 7,814</u>	<u>\$ 6,040</u>

9. INVENTORIES

a. Manufacturing

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 336,076	\$ 329,122	\$ 355,241
Work in process	621,113	565,866	526,636
Raw materials and supplies	340,845	312,624	413,889
Inventory in transit	<u>15,636</u>	<u>28,160</u>	<u>14,914</u>
	<u>\$ 1,313,670</u>	<u>\$ 1,235,772</u>	<u>\$ 1,310,680</u>

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 1,111,283	\$ 1,059,508
Inventory write-downs (reversed)	<u>13,619</u>	<u>(97,497)</u>
	<u>\$ 1,124,902</u>	<u>\$ 962,011</u>

Inventory write-downs were reversed as a result of increased selling prices in certain markets.

b. Construction industry

	March 31, 2025	December 31, 2024	March 31, 2024
Construction to be sold	<u>\$ 1,600,925</u>	<u>\$ 1,596,150</u>	<u>\$ 2,102,881</u>

Construction to be sold

Location	Project Name	March 31, 2025	December 31, 2024	March 31, 2024
Xishan District, Wuxi	Paiho International			
	Mansion - Season One	\$ 263,928	\$ 264,901	\$ 260,314
	Paiho International			
	Mansion - Season Two	280,107	277,898	273,554
	Paiho Business Plaza	<u>1,056,890</u>	<u>1,053,351</u>	<u>1,569,013</u>
		<u>\$ 1,600,925</u>	<u>\$ 1,596,150</u>	<u>\$ 2,102,881</u>

**For the Three Months Ended
March 31**

	2025	2024
Cost of construction sold	<u>\$ 10,178</u>	<u>\$ 14,600</u>

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
The Corporation	Hong Kong Antex Limited	International investment	100	100	100
	Hon Shin Corp.	International investment and trading	100	100	100
Hong Kong Antex Limited	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of touch fastener, webbing and embroidery	99.99	99.99	99.99
	Wuxi Paiwei Biotechnology Co. Ltd	Production and sales of masks and non-woven products	100	100	100
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Dongguan Paihong Industry Co., Ltd	Production & marketing of touch fastener, elastic, various type of webbings and jacquard engineered mesh, and consumer electronic accessories, etc.	100	100	100
	Wuxi Paihong Real Estate Co., Ltd.	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration.	100	100	100
Dongguan Paihong Industry Co., Ltd	Shanghai Best Expectation Textile Trading Limited	International investment and trading	18	18	21
	Shanghai Best Expectation Textile Trading Limited	International investment and trading	82	82	79
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	International investment and trading	100	100	100

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Limited Company	Production & marketing of mesh and other fabrics.	100	100	100
	PT PAIHONG PRIMA INDONESIA	Production & marketing of mesh and other fabrics.	-	-	-
Vietnam Paihong Limited Company	PT PAIHONG PRIMA INDONESIA	Production & marketing of mesh and other fabrics.	-	-	-

(Concluded)

See Tables 6 and 7 for the information on places of incorporation and principal places of business for each subsidiary.

The Company resolved to establish PT Paihong Prima Indonesia through a board resolution on December 24, 2024. The investment was made through Hong Kong Best Expectation International Trading Limited and Vietnam Paihong Limited Company, with capital contributions of US\$ 4,950 thousand and US\$ 50 thousand, respectively. PT Paihong Prima Indonesia completed its registration in February 2025, but had not yet received capital injection as of the balance sheet date.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance on January 1, 2025	\$ 7,625,680	\$ 6,385,451	\$ 155,051	\$ 735,354	\$ 10,196	\$ 14,911,732
Additions	11,668	7,869	-	4,713	22,089	46,339
Disposals	(9,512)	(87,034)	(2,712)	(19,197)	-	(118,455)
Reclassified	39,301	45,289	730	1,552	(1,635)	85,237
Translation Adjustments	<u>151,901</u>	<u>127,628</u>	<u>3,098</u>	<u>7,471</u>	<u>553</u>	<u>290,651</u>
Balance on March 31, 2025	<u>\$ 7,819,038</u>	<u>\$ 6,479,203</u>	<u>\$ 156,167</u>	<u>\$ 729,893</u>	<u>\$ 31,203</u>	<u>\$ 15,215,504</u>
<u>Accumulated depreciation and impairment</u>						
Balance on January 1, 2025	\$ 1,506,998	\$ 3,439,319	\$ 85,727	\$ 577,444	\$ -	\$ 5,609,488
Additions	63,987	120,086	3,555	17,175	-	204,803
Disposals	(9,512)	(74,268)	(2,520)	(16,722)	-	(103,022)
Reclassified	-	971	-	-	-	971
Translation Adjustments	<u>31,724</u>	<u>70,176</u>	<u>1,745</u>	<u>4,406</u>	<u>-</u>	<u>108,051</u>
Balance on March 31, 2025	<u>\$ 1,593,197</u>	<u>\$ 3,556,284</u>	<u>\$ 88,507</u>	<u>\$ 582,303</u>	<u>\$ -</u>	<u>\$ 5,820,291</u>
Carrying amount on March 31, 2025	<u>\$ 6,225,841</u>	<u>\$ 2,922,919</u>	<u>\$ 67,660</u>	<u>\$ 147,590</u>	<u>\$ 31,203</u>	<u>\$ 9,395,213</u>

	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance on January 1, 2024	\$ 4,258,024	\$ 5,934,335	\$ 145,401	\$ 708,843	\$ 3,363,646	\$ 14,410,249
Additions	1,955	4,007	-	195	88,680	94,837
Disposals	(13,786)	(1,008)	(1,162)	(11,916)	-	(27,872)
Reclassified	2,829	3,181	3,580	(3,580)	19,896	25,906
Translation Adjustments	<u>82,264</u>	<u>114,802</u>	<u>2,826</u>	<u>13,161</u>	<u>69,009</u>	<u>282,062</u>
Balance on March 31, 2024	<u>\$ 4,331,286</u>	<u>\$ 6,055,317</u>	<u>\$ 150,645</u>	<u>\$ 706,703</u>	<u>\$ 3,541,231</u>	<u>\$ 14,785,182</u>
<u>Accumulated depreciation</u>						
Balance on January 1, 2024	\$ 1,278,183	\$ 2,857,215	\$ 76,851	\$ 498,267	\$ -	\$ 4,710,516
Additions	40,428	115,692	3,313	17,693	-	177,126
Disposals	(13,786)	(853)	(1,104)	(11,474)	-	(27,217)
Reclassified	-	-	239	(239)	-	-
Translation Adjustments	<u>24,278</u>	<u>55,554</u>	<u>1,498</u>	<u>9,384</u>	<u>-</u>	<u>90,714</u>
Balance on March 31, 2024	<u>\$ 1,329,103</u>	<u>\$ 3,027,608</u>	<u>\$ 80,797</u>	<u>\$ 513,631</u>	<u>\$ -</u>	<u>\$ 4,951,139</u>
Carrying amount on March 31, 2024	<u>\$ 3,002,183</u>	<u>\$ 3,027,709</u>	<u>\$ 69,848</u>	<u>\$ 193,072</u>	<u>\$ 3,541,231</u>	<u>\$ 9,834,043</u>

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

Buildings and improvements	5-40 years
Machinery and equipment	3-15 years
Transportation equipment	5-11 years
Miscellaneous equipment	3-11 years

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Land	\$ 929,630	\$ 917,683	\$ 946,514
Transportation equipment	<u>538</u>	<u>703</u>	<u>1,211</u>
	<u>\$ 930,168</u>	<u>\$ 918,386</u>	<u>\$ 947,725</u>
	For the Three Months Ended March 31		
	2025	2024	
Additions to right-of-use assets	\$ -	<u>\$ 1,371</u>	
Depreciation charge for right-of-use assets			
Land	\$ 6,137	\$ 6,098	
Transportation equipment	<u>177</u>	<u>171</u>	
	<u>\$ 6,314</u>	<u>\$ 6,269</u>	

Except for the aforementioned recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Current	\$ 551	\$ 716	\$ 686
Non-current	\$ -	\$ -	\$ 531

Range of discount rate (%) for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Transportation equipment	3.7	3.7	3.7

c. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	\$ 3,110	\$ 3,589
Total cash outflow for leases	\$ (3,294)	\$ (3,767)

13. INVESTMENT PROPERTIES

	For the Three Months Ended March 31, 2025				
	Opening Balance	Additions	Reclassified	Translation Adjustments	Closing Balance
<u>Cost</u>					
Properties for sale	\$ 668,384	\$ -	\$ 18,218	\$ 14,174	\$ 700,776
Right-of-use land and building	<u>740,887</u>	<u>-</u>	<u>-</u>	<u>14,364</u>	<u>755,251</u>
	<u>1,409,271</u>	<u>\$ -</u>	<u>\$ 18,218</u>	<u>\$ 28,538</u>	<u>\$ 1,456,027</u>
<u>Accumulated depreciation</u>					
Properties for sale	10,068	\$ 5,964	\$ -	\$ 291	16,323
Right-of-use land and building	<u>11,615</u>	<u>4,617</u>	<u>-</u>	<u>289</u>	<u>16,521</u>
	<u>21,683</u>	<u>\$ 10,581</u>	<u>\$ -</u>	<u>\$ 580</u>	<u>32,844</u>
	<u>\$ 1,387,588</u>				<u>\$ 1,423,183</u>

	For the Three Months Ended March 31, 2024				
	Opening Balance	Additions	Reclassified	Translation Adjustments	Closing Balance
<u>Cost</u>					
Properties for sale	\$ 93,092	\$ -	\$ 62,905	\$ 2,321	\$ 158,318
<u>Accumulated depreciation</u>					
Properties for sale	836	728	(258)	20	1,326
	<u>\$ 92,256</u>				<u>\$ 156,992</u>

The investment properties - properties for sale were properties for sale located in Wuxi, China and were subleased under operating leases. The investment properties are leased out for 1-3 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The investment properties - the right-of-use land and building were properties for sale located in Binh Duong Province, Vietnam and were subleased under operating leases. The investment properties are leased out for 5 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	\$ 87,146	\$ 87,001	\$ 9,786
Year 2	78,319	78,305	4,496
Year 3	61,050	66,572	1,142
Year 4	48,541	47,618	-
Year 5	<u>12,035</u>	<u>23,711</u>	<u>-</u>
	<u>\$ 287,091</u>	<u>\$ 303,207</u>	<u>\$ 15,424</u>

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

Properties for sale	30 years
Right-of-use land and building	5-40 years

The fair values of the Group's investment properties - held-for-sale, right-of-use land and buildings were determined by the management with reference to the most recent fair value assessments conducted by independent appraisers as of each balance sheet date. Given that there were no significant changes in current market conditions, the fair values derived from those assessments remained relevant and reliable. The fair values of the investment properties are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value	<u>\$ 1,542,573</u>	<u>\$ 1,498,285</u>	<u>\$ 173,576</u>

14. GOODWILL

	For the Three Months Ended March 31	
	2025	2024
<u>Cost</u>		
Balance on January 1	\$ 148,721	\$ 138,427
Effect of foreign currency exchange differences	<u>1,556</u>	<u>5,609</u>
Balance on March 31	<u>\$ 150,277</u>	<u>\$ 144,036</u>

15. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Tax overpaid retained for offsetting future tax payable	\$ 261,470	\$ 242,686	\$ 619,657
Prepayments	36,656	36,920	40,183
Prepaid expenses	42,446	39,096	94,271
Others	<u>22,349</u>	<u>16,273</u>	<u>10,404</u>
	<u>\$ 362,921</u>	<u>\$ 334,975</u>	<u>\$ 764,515</u>
<u>Non-current</u>			
Refundable deposits	\$ 7,062	\$ 9,763	\$ 18,804
Others	<u>8,061</u>	<u>2,644</u>	<u>4,581</u>
	<u>\$ 15,123</u>	<u>\$ 12,407</u>	<u>\$ 23,385</u>

16. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 6,991,017</u>	<u>\$ 6,177,283</u>	<u>\$ 7,932,865</u>
<u>Rate of interest per annum (%)</u>			
Line of credit borrowings	2.18-6.74	2.17-7.27	1.96-7.61

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Line of credit borrowings - due in January 2026 - July 2031	\$ 3,655,471	\$ 3,595,150	\$ 3,471,334
Less: Current portion	<u>(343,726)</u>	<u>(334,962)</u>	<u>(102,026)</u>
Long-term borrowings	<u>\$ 3,311,745</u>	<u>\$ 3,260,188</u>	<u>\$ 3,369,308</u>
<u>Rate of interest per annum (%)</u>			
Unsecured loans	2.70-5.93	2.80-5.96	3.35-6.98

To meet the needs of future business development, Hong Kong Best Expectation International Trading Limited obtained a syndicated loan facility with a total credit line of US\$90 million from SinoPac Commercial Bank, E.SUN Commercial Bank, and EnTie Commercial Bank in December 2024. The purpose of the facility is to repay the existing syndicated loan originally obtained from KGI Commercial Bank and other financial institutions, and to provide adequate working capital for ongoing operations. According to the loan contract, the Group is required to maintain the following operational and financial ratios throughout the loan period:

- 1) Net financial liability [(total debt (including lease liabilities) minus cash (excluding restricted deposits)) ÷ the tangible net assets] as of December 31, 2024 and June 30, 2025 shall be maintained at 220% and 180% or lower, respectively, and thereafter.
- 2) Interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] shall be maintain at 2.5 and 3 or higher as of December 31, 2024 and June 30, 2025 respectively, and thereafter.
- 3) Tangible net assets [total equity minus intangible assets] shall not be less than \$4.8 billion at any time during the loan period.

Furthermore, during the loan period, the Corporation is restricted from disposing of any material assets or rights, repurchasing shares or reducing capital without the prior consent of the creditor banks.

17. OTHER PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Payables for salaries and bonuses	\$ 236,496	\$ 403,633	\$ 209,223
Others	<u>254,350</u>	<u>120,981</u>	<u>293,440</u>
	<u>\$ 490,846</u>	<u>\$ 524,614</u>	<u>\$ 502,663</u>

18. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023 for 2025 and 2024.

19. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current and non-current classifications of the Group's assets and liabilities relating to the construction business are based on the operating cycle. The amounts of assets and liabilities expected to be recovered or settled within 1 year and more than 1 year after the reporting period are as follows:

	Within 1 Year	More Than 1 Year	Total
<u>March 31, 2025</u>			
Assets			
Other receivables	\$ 248	\$ -	\$ 248
Inventories - constructing	1,600,925	-	1,600,925
Other current assets	<u>67,505</u>	<u>-</u>	<u>67,505</u>
	<u>\$ 1,668,678</u>	<u>\$ -</u>	<u>\$ 1,668,678</u>
Liabilities			
Trade payables	\$ 9,768	\$ -	\$ 9,768
Other payables	41,327	-	41,327
Contract liabilities	<u>15,754</u>	<u>-</u>	<u>15,754</u>
	<u>\$ 66,849</u>	<u>\$ -</u>	<u>\$ 66,849</u>
<u>December 31, 2024</u>			
Assets			
Other receivables	\$ 732	\$ -	\$ 732
Inventories - constructing	1,596,150	-	1,596,150
Other current assets	<u>69,750</u>	<u>-</u>	<u>69,750</u>
	<u>\$ 1,666,632</u>	<u>\$ -</u>	<u>\$ 1,666,632</u>
Liabilities			
Trade payables	\$ 32,897	\$ -	\$ 32,897
Other payables	19,104	-	19,104
Contract liabilities	<u>9,478</u>	<u>-</u>	<u>9,478</u>
	<u>\$ 61,479</u>	<u>\$ -</u>	<u>\$ 61,479</u>
<u>March 31, 2024</u>			
Assets			
Inventories - constructing	\$ 2,102,881	\$ -	\$ 2,102,881
Other current assets	<u>73,703</u>	<u>-</u>	<u>73,703</u>
	<u>\$ 2,176,584</u>	<u>\$ -</u>	<u>\$ 2,176,584</u>
Liabilities			
Trade payables	\$ 55,038	\$ -	\$ 55,038
Other payables	19,471	-	19,471
Contract liabilities	<u>4,259</u>	<u>-</u>	<u>4,259</u>
	<u>\$ 78,768</u>	<u>\$ -</u>	<u>\$ 78,768</u>

20. EQUITY

a. Common stock

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>	<u>400,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 4,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>399,937</u>	<u>399,937</u>	<u>399,937</u>
Shares issued	<u>\$ 3,999,370</u>	<u>\$ 3,999,370</u>	<u>\$ 3,999,370</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

On September 26, 2023, the Company's board of directors resolved to issue 69,000 thousand ordinary shares with a par value of \$10. It was issued at a premium of \$18 per share. The subscription base date was determined on January 22, 2024.

b. Capital surplus

Capital surplus may be used to offset a deficit. When the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

However, capital surplus recognized from the effect of changes in percentage of ownership interests in subsidiaries, which resulted from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

According to the Corporation's Articles of Incorporation, the board of directors may, before recommending the distribution of any dividends, first appropriate for reserves which may be used at their discretion to meet unforeseen needs or any appropriate purpose. The board of directors may also, at its discretion, suspend the use of the reserves and use funds in the Corporation's business or appropriate investment. The Corporation may, in accordance with the law or the applicable listing rules and pursuant to a resolution in the shareholders' meeting, make a special reserve. The annual surplus earnings, after payment of taxes, offset of previous losses, deduction for special reserve, and other adjustments for the current year, if there is still a balance, the balance together with prior years' unappropriated earnings, if any, should be distributed upon proposal by the board of directors and approval in the shareholders' meeting. The dividends could be distributed in whole by cash after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

The Corporation's policy is to distribute dividends to shareholders in the form of stock dividends and cash dividends after taking into consideration the needs for future capital expenditure and operating capital demand. The distribution amount of surplus will make up the loss at not less than the current post-tax surplus, and the deduction which is based on the surplus reserve of the Corporation's shareholders' meeting, and 25% of the balance of other undistributed earnings in the current year, and The cash dividends ratio shall not be less than 20% of the total cash dividends and stock dividends.

The appropriations of earnings for 2024 and the offset of deficit for 2023, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended	
	December 31	
	2024	2023
Special reserve	\$ -	\$ 147,031
Cash dividends	59,991	-
Share dividends	199,968	-
Cash dividends per share (NT\$)	0.15	-
Share dividends per share (NT\$)	0.5	-

The above 2024 appropriations for cash dividends were resolved by the Corporation's board of directors on March 11, 2025. The other proposed appropriation for 2023 was resolved by the shareholders at their meeting on June 18, 2024. The other proposed appropriation for 2024 will be resolved by the shareholders at their meeting to be held on June 10, 2025.

21. REVENUE

	For the Three Months Ended	
	March 31	
	2025	2024
Revenue from contracts with customers		
Revenue from sale of goods	\$ 1,923,266	\$ 1,502,779
Revenue from sale of real estate	<u>17,337</u>	<u>29,568</u>
	<u>\$ 1,940,603</u>	<u>\$ 1,532,347</u>
Operating cost		
Cost of goods sold	\$ 1,124,902	\$ 962,011
Cost of real estate sold	<u>10,178</u>	<u>14,600</u>
	<u>\$ 1,135,080</u>	<u>\$ 976,611</u>

Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Contract liabilities - current			
Sales of real estate	\$ 15,754	\$ 9,478	\$ 4,259
Sale of goods	<u>744</u>	<u>16,361</u>	<u>8,512</u>
	<u>\$ 16,498</u>	<u>\$ 25,839</u>	<u>\$ 12,771</u>

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	\$ 133,073	\$ 112,317
Interest on lease liabilities	<u>6</u>	<u>12</u>
	<u>\$ 133,079</u>	<u>\$ 112,329</u>

Information on interest capitalization is as follows:

	For the Three Months Ended March 31 2024
Capitalized interests on properties	\$ 55,189
Capitalization rates (%)	6.75

b. Other income

	For the Three Months Ended March 31	
	2025	2024
Rental income	\$ 25,173	\$ 3,807
Subsidy income	3,546	3,504
Others	<u>6,232</u>	<u>4,773</u>
	<u>\$ 34,951</u>	<u>\$ 12,084</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Depreciation expense of investment property	\$ (10,581)	\$ (728)
Loss on disposal of property, plant and equipment	(373)	(504)
Net foreign exchange gains (losses)	391	(9,289)
Others	<u>(8,610)</u>	<u>(2,211)</u>
	<u>\$ (19,173)</u>	<u>\$ (12,732)</u>

d. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses and Non-Operating Expenses	Total
<u>For the Three Months Ended March 31, 2025</u>			
Short-term employee benefits	\$ 225,128	\$ 224,398	\$ 449,526
Post-employment benefits			
Defined contribution plans	19,000	11,506	30,506
Defined benefit plans	-	3,330	3,330
Other employee benefits	23,972	14,761	38,733
Depreciation expenses	170,117	51,581	221,698
Amortization expenses	-	31	31
<u>For the Three Months Ended March 31, 2024</u>			
Short-term employee benefits	203,884	189,644	393,528
Post-employment benefits			
Defined contribution plans	16,063	9,533	25,596
Defined benefit plans	-	3,599	3,599
Other employee benefits	20,817	11,745	32,562
Depreciation expenses	145,792	38,331	184,123
Amortization expenses	-	30	30

e. Employees' compensation and remuneration of directors

Before the amendment to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and the remuneration of directors at rates of no less than 0.1% and no higher than 3%. The employees' compensation and remuneration of directors for the three months ended March 31, 2025 and 2024 were as follows:

	For the Three Months Ended March 31 2025		For the Three Months Ended March 31 2024	
	Accrual Rate	Amount (US Dollars)	Accrual Rate	Amount (US Dollars)
Employees' compensation	0.10%	\$ 6,400	0.14%	\$ 3,000
Remuneration of directors	0.77%	51,000	1.64%	36,000

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

The actual amount of the remuneration of directors paid for March 11, 2025 differed from the amount recognized in the consolidated financial statements for the year ended December 31, 2024. The difference will be adjusted to profit and loss for the year ended December 31, 2025.

	For the Three Months Ended March 31 2024 (US Dollars)	
	Employees' Compensation	Remuneration of Directors
Amounts resolved in the board of directors' meetings	\$ 13,000	\$ 94,192
Amounts recognized in the financial statements	\$ 13,000	\$ 92,000

Information on the employees' and remuneration of directors resolved is available at the Market Observation Post System website of the TWSE.

f. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	\$ 18,052	\$ 8,079
Foreign exchange losses	(17,661)	(17,368)
Net gains (losses)	\$ 391	\$ (9,289)

23. TAXES

Major components of tax expense recognized in profit or loss:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the current period	\$ 46,677	\$ 31,654
Adjustments for prior years	(6,230)	(7,728)
Land value increment tax	2,761	13,182
	43,208	37,108
Deferred tax		
In respect of the current period	18,368	1,258
Income tax expense recognized in profit or loss	\$ 61,576	\$ 38,366

24. EARNINGS PER SHARE

	Net profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings Per Share Corporation
<u>For the Three Months Ended March 31, 2025</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	\$ 215,263	399,937	<u>\$ 0.54</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	<u>-</u>	<u>20</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 215,263</u>	<u>399,957</u>	<u>\$ 0.54</u>
<u>For the Three Months Ended March 31, 2024</u>			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	\$ 67,596	384,014	<u>\$ 0.18</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	<u>-</u>	<u>5</u>	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	<u>\$ 67,596</u>	<u>384,019</u>	<u>\$ 0.18</u>

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

25. FINANCIAL INSTRUMENTS

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

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at other than fair value are close to their fair value or their fair value cannot be measured reliably.

b. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 3,894,757	\$ 3,074,665	\$ 3,882,212
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	11,549,432	10,717,027	12,277,202

- 1) The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted deposit, notes receivable, trade receivables, other receivables and refundable deposits.
- 2) The balance includes financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables and long-term borrowings and guarantee deposits received.

c. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Corporation and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in functional currencies of the Group's entities against the USD. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit with the functional currencies of the Group's entities strengthening 1% against the relevant currency. For a 1% weakening of the functional currencies of the Group's entities against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

	Currency Impact	
	For the Three Months Ended	
	March 31	
	2025	2024
USD	\$ 4,604	\$ 3,265

The above impacts are mainly attributable to exposure on outstanding receivables, payables and borrowings in USD which were not hedged at the end of the reporting period.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Lease liabilities	\$ 551	\$ 716	\$ 1,217
Cash flow interest rate risk			
Short-term borrowings	6,991,017	6,177,283	7,932,865
Long-term borrowings	3,655,471	3,595,150	3,471,334

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2025 and 2024 would have decreased/increased by \$6,654 thousand and \$7,128 thousand, respectively.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral.

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had available unutilized bank loan facilities of \$5,388,761 thousand, \$5,646,226 thousand and \$3,667,629 thousand, respectively.

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

The Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows including both interest and principal cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Less Than 3 months	3 months - 1 Year	Over 1 Year
<u>March 31, 2025</u>			
Non-interest bearing	\$ 766,139	\$ 124,855	\$ 11,986
Lease liabilities	186	373	-
Short-term bank loans	2,015,683	4,975,334	-
Long-term bank loans	<u>24,614</u>	<u>319,112</u>	<u>3,311,745</u>
	<u>\$ 2,806,622</u>	<u>\$ 5,419,674</u>	<u>\$ 3,323,731</u>
<u>December 31, 2024</u>			
Non-interest bearing	\$ 865,946	\$ 75,506	\$ 3,142
Lease liabilities	183	548	-
Short-term bank loans	1,712,330	4,464,953	-
Long-term bank loans	<u>39,208</u>	<u>295,754</u>	<u>3,260,188</u>
	<u>\$ 2,617,667</u>	<u>\$ 4,836,761</u>	<u>\$ 3,263,330</u>
<u>March 31, 2024</u>			
Non-interest bearing	\$ 375,981	\$ 442,927	\$ 54,095
Lease liabilities	180	539	539
Short-term bank loans	1,014,068	6,918,797	-
Long-term bank loans	<u>-</u>	<u>102,026</u>	<u>3,369,308</u>
	<u>\$ 1,390,229</u>	<u>\$ 7,464,289</u>	<u>\$ 3,423,942</u>

Additional information about the maturity analysis for lease liabilities and long-term bank loans:

	Less than 1 Year	1-5 Years
<u>March 31, 2025</u>		
Lease liabilities	\$ 559	\$ -
Long-term bank loans	<u>343,726</u>	<u>3,311,745</u>
	<u>\$ 344,285</u>	<u>\$ 3,311,745</u>
<u>December 31, 2024</u>		
Lease liabilities	\$ 731	\$ -
Long-term bank loans	<u>334,962</u>	<u>3,260,188</u>
	<u>\$ 335,693</u>	<u>\$ 3,260,188</u>
<u>March 31, 2024</u>		
Lease liabilities	\$ 719	\$ 539
Long-term bank loans	<u>46,918</u>	<u>3,424,416</u>
	<u>\$ 47,637</u>	<u>\$ 3,424,955</u>

26. TRANSACTIONS WITH RELATED PARTIES

The Corporation's parent is Paiho Int'l Limited, which held 50% of the ordinary shares of the Corporation as of March 31, 2025, December 31, 2024, and March 31, 2024. The Corporation's ultimate parent is Taiwan Paiho Limited.

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party</u>	<u>Related Party Category</u>
Taiwan Paiho Limited	The Corporation's ultimate parent
Vietnam Paiho Limited	Sister corporation
Paiho North America Corp.	Sister corporation
He Mei Xing Ye Company Ltd.	Sister corporation
Dongguan Paiho Business Service Co., Ltd	Sister corporation
Wuxi Paisen Commerce Co., Ltd.	Sister corporation
Kuo-Ian Cheng	Chairman
Hsin-Long Cheng	General Manager

b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2025	2024
Sales	Taiwan Paiho Limited	\$ 1,354	\$ 1,643
	Sister corporations	<u>28,444</u>	<u>9,992</u>
		<u>\$ 29,798</u>	<u>\$ 11,635</u>

The sales of goods to parent and sister corporation were made at the market price. The credit period of sales of goods was about 3 months.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended March 31	
	2025	2024
Taiwan Paiho Limited Sister corporations	\$ 35,491	\$ 40,532
	<u>12</u>	<u>-</u>
	<u>\$ 35,503</u>	<u>\$ 40,532</u>

Purchases were made at market price or cost plus 15% mark-up. The payment period is 3 months.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables	Taiwan Paiho Limited	\$ 589	\$ 1,373	\$ 1,338
	Sister corporations			
	Vietnam Paiho Limited	6,905	1,111	2,830
	Paiho North America Corp.	<u>5,304</u>	<u>3,484</u>	<u>5,891</u>
		<u>\$ 12,798</u>	<u>\$ 5,968</u>	<u>\$ 10,059</u>

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Trade payables	Taiwan Paiho Limited	\$ 37,266	\$ 71,774	\$ 42,558
	Sister corporations	<u>12</u>	<u>564</u>	<u>-</u>
		<u>\$ 37,278</u>	<u>\$ 72,338</u>	<u>\$ 42,558</u>
Other payables	Taiwan Paiho Limited	\$ 45	\$ 44	\$ 36
	Sister corporations	<u>571</u>	<u>524</u>	<u>773</u>
		<u>\$ 616</u>	<u>\$ 568</u>	<u>\$ 809</u>

f. Lease arrangements

Related Party Category/Name	For the Three Months Ended March 31	
	2025	2024
<u>Lease expenses</u>		
Taiwan Paiho Limited	\$ 593	\$ 597
Sister corporations	<u>1,299</u>	<u>1,080</u>
	<u>\$ 1,892</u>	<u>\$ 1,677</u>

Lease expenses included expenses relating to short-term leases. Future lease payables related to short-term leases are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Future lease payables	<u>\$ 6,220</u>	<u>\$ 5,170</u>	<u>\$ 5,849</u>

Rental rates are based on the rental rates of nearby properties and set out by mutual agreements.

g. Endorsements and guarantees

Endorsements and guarantees given by related parties

Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Kuo-Ian Cheng			
Amount endorsed	\$ 12,872,563	\$ 12,407,336	\$ 12,119,515
Amount utilized	<u>(9,017,152)</u>	<u>(8,668,924)</u>	<u>(9,876,928)</u>
	<u>\$ 3,855,411</u>	<u>\$ 3,738,412</u>	<u>\$ 2,242,587</u>
Hsin-Long Cheng			
Amount endorsed	\$ 2,953,635	\$ 2,897,460	\$ -
Amount utilized	<u>(2,953,635)</u>	<u>(2,897,460)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Long-term and short-term bank loans were jointly guaranteed by the Chairman and the General Manager.

h. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2025	2024
Other income	Sister corporations	<u>\$ -</u>	<u>\$ 11</u>

i. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 33,836	\$ 28,841
Post-employment benefits	<u>348</u>	<u>362</u>
	<u>\$ 34,184</u>	<u>\$ 29,203</u>

The remuneration of directors and key executives was determined by the compensation committee based on the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as restricted bank deposits in accordance with the loan and corporate bond guarantee agreements, and as guarantees for obligations to a power company:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at amortized cost	<u>\$ 228,369</u>	<u>\$ 10,038</u>	<u>\$ 407,831</u>

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments, and contingencies of the Group at March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

a. Significant unrecognized commitments

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	<u>\$ 309,348</u>	<u>\$ 41,545</u>	<u>\$ 254,066</u>

b. After approval of a resolution at the extraordinary general meeting of shareholders on September 3, 2010, the Corporation and Paiho Shih Holdings Corporation signed an agreement on “Comprehensive Agreement on the Use of Trademarks and Patent Rights, Sales Area Division and Affiliates Transactions”.

After listing on the stock exchange, Paiho Shih Holdings Corporation obtained approval to purchase shares of Paiho Europe, S.A. and Paiho North America Corporation by itself or its subsidiaries on appropriate time and at a fair price according to valuation of a professional appraisal organization.

In addition, to meet the requirements for listing, after approval of a resolution at the annual shareholder's meeting on April 19, 2011, Paiho Shih Holdings Corporation revised part of the articles in the above agreement about the Sales Area Division and about the non-compete clause.

Due to decline in business and economy, Taiwan Paiho Limited has terminated the operation of Paiho Europe, S.A. Therefore, on February 27, 2014, Paiho Shih Holdings Corporation submitted a letter to Taiwan Stock Exchange to report that Paiho Europe, S.A. no longer exists and Paiho Shih Holdings Corporation cannot continue the above agreement.

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On September 23, 2024, the board of directors resolved that the Company would issue the 1st secured convertible corporate bonds within the territory of the Republic of China, with a maximum total issuance amount of \$1,200,000 thousand. The application has been approved by the Financial Supervisory Commission via letter Jin-Guan-Zheng-Fa No.1140339033 dated April 21, 2025.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	March 31, 2025			December 31, 2024		
	Foreign Currencies	Exchange Rate (Note 1)	Carrying Amount	Foreign Currencies	Exchange Rate (Note 1)	Carrying Amount
<u>Financial assets</u>						
Monetary items						
USD	\$ 14,430	7.1782 (Note 2)	\$ 473,670	\$ 15,028	7.1884 (Note 2)	\$ 483,759
<u>Financial liabilities</u>						
Monetary items						
USD	405	7.1782 (Note 2)	13,297	245	7.1884 (Note 2)	7,898
	March 31, 2024					
	Foreign Currencies	Exchange Rate (Note 1)	Carrying Amount			
<u>Financial assets</u>						
Monetary items						
USD	\$ 10,952	7.095 (Note 2)	\$ 342,532			
<u>Financial liabilities</u>						
Monetary items						
USD	511	7.095 (Note 2)	15,990			

Note 1: Except as otherwise noted, exchange rate represents the amount of New Taiwan dollars for which one foreign currency could be exchanged.

Note 2: The exchange rate represents the amount of RMB for which one US dollar could be exchanged.

The Group is primarily exposed to risks of foreign currency exchange rates of USD. The information below is based on functional currencies of the entities in the Group against USD. The disclosed exchange rates indicate the rates to exchange the functional currency to presentation currency.

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

Foreign Currencies	For the Three Months Ended March 31, 2025		For the Three Months Ended March 31, 2024	
	Exchange Rate	Net Foreign Exchange Gains and Losses	Exchange Rate	Net Foreign Exchange Gains and Losses
RMB	4.5117 (RMB:NTD)	\$ 912	4.366 (RMB:NTD)	\$ 3,309
USD	32.8947 (USD:NTD)	(536)	31.448 (USD:NTD)	(12,568)
HKD	4.228 (HKD:NTD)	<u>15</u>	4.021 (HKD:NTD)	<u>(30)</u>
		<u>\$ 391</u>		<u>\$ (9,289)</u>

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (None)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 6) Intercompany relationships and significant intercompany transactions. (Table 5)
- 7) Information on investees. (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 5)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 5)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)

- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)
- e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds. (Tables 1, 4 and 5)
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (Table 5)

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments are Production and Construction.

a. Segment revenues and results

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

	For the Three Months Ended March 31			
	Segment Revenue		Segment Profit	
	2025	2024	2025	2024
Production	\$ 1,923,266	\$ 1,502,779	\$ 412,284	\$ 211,731
Construction	17,337	29,568	(22,441)	(2,395)
Total from continuing operations	<u>\$ 1,940,603</u>	<u>\$ 1,532,347</u>	389,843	209,336
Interest income			4,319	9,609
Other income and benefits			35,342	12,084
Finance costs			(133,079)	(112,329)
Other expenses and losses			<u>(19,564)</u>	<u>(12,732)</u>
Profit before income tax			<u>\$ 276,861</u>	<u>\$ 105,968</u>

Segment profit represented the profit before tax earned by each segment without interest income, subsidy revenue, net gain and loss on disposal of property, plant and equipment, net foreign exchange gain or loss, finance costs and income tax expense. This measured amount was reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

TABLE 1

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 5 and 7)	Ending Balance (Notes 6 and 7)	Actual Amount Borrowed (Notes 6, 8 and 9)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2,3 and 4)	Aggregate Financing Limit (Notes 1, 2,3 and 4)
													Item	Value		
0	The Corporation	Vietnam Paihong Limited Company	Receivables from related parties	Yes	\$ 2,263,330 (USD 70,000)	\$ 1,942,493 (USD 58,500)	\$ 1,842,878 (USD 55,500)	3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 2,644,386	\$ 2,644,386
		Hong Kong Best Expectation International Trading Limited	Receivables from related parties	Yes	163,400 (USD 5,000)	166,025 (USD 5,000)	-	-	Necessary for short -term financing	-	Operating capital	-	-	-	2,644,386	2,644,386
1	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	Receivables from related parties	Yes	134,590 (RMB 30,000)	137,190 (RMB 30,000)	45,730 (RMB 10,000)	3.2%-3.5%	Necessary for short-term financing	-	Operating capital	-	-	-	1,851,691	1,851,691
2	Wuxi Paiwei Biotechnology Co. Ltd	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	65,475 (RMB 15,000)	68,595 (RMB 15,000)	68,595 (RMB 15,000)	3.3%	Necessary for short-term financing	-	Operating capital	-	-	-	79,003	79,003
3	Hon Shin Corp.	Vietnam Paihong Limited Company	Receivables from related parties	Yes	310,623 (USD 9,500)	315,448 (USD 9,500)	315,448 (USD 9,500)	3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	-	Operating capital	-	-	-	370,742	370,742
4	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	218,250 (RMB 50,000)	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	876,108	876,108
		Wuxi Paihong Real Estate Co., Ltd.	Receivables from related parties	Yes	413,988 (RMB 93,000)	425,289 (RMB 93,000)	288,099 (RMB 63,000)	3.3%-3.7%	Necessary for long-term financing	-	Operating capital	-	-	-	2,190,270	2,190,270

Note 1: For borrowers which the Corporation and Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly owns over 50% of the paid-in capital, the individual and aggregate maximum amounts of financing provided to others are limited to 40% of the net equity in latest financial statements of the Corporation.

Note 2: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Dongguan Paihong Industry Co., Ltd. not exceed 40% of the net worth of lender.

Note 3: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Wuxi Paiwei Biotechnology Co. Ltd. not exceed 40% of the net worth of lender.

Note 4: For borrowers whose voting shares are 100% owned, directly or indirectly, by the Corporation, the individual and total amount of lending to a borrower shall not exceed the lender' s net worth.

Note 5: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 6: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 7: The ending balance amount has been approved by the board of directors.

Note 8: The restriction that the term of each loan for funding should not exceed one year shall not apply to inter-company loans for funding between offshore subsidiaries in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Note 9: Significant intercompany accounts and transactions have been eliminated.

TABLE 2

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3 and 5)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 6)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 7)	Actual Amount Borrowed (Note 7)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 4 and 5)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Vietnam Paihong Limited Company	Note 1	\$ 16,527,413	\$ 8,701,291 (USD 270,175)	\$ 8,895,620 (USD 267,900)	\$ 5,266,678 (USD 158,611)	\$ -	134.56%	\$ 26,443,860	Yes	-	-
		Hong Kong Best Expectation International Trading Limited	Note 1	16,527,413	3,620,813 (USD 112,500)	3,735,563 (USD 112,500)	3,018,335 (USD 90,900)	-	56.51%	26,443,860	Yes	-	-
1	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Note 2	5,475,674	447,500 (RMB 100,000)	457,300 (RMB 100,000)	228,650 (RMB 50,000)	-	20.88%	8,761,078	-	Yes	Yes

Note 1: Holding more than 50% of the voting shares directly or indirectly.

Note 2: The company that owns directly or indirectly hold over 50% of the voting shares.

Note 3: The amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall be limited to the net worth 250% of the Corporation, and the total amount shall not exceed the guarantee limit.

Note 4: The total amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall not exceed 400% of the net worth of the Corporation.

Note 5: The amount of endorsements/guarantees provided toThomas Dynamic Material (Jiangsu) Co., Ltd. in which the Dongguan Paihong Industry Co., Ltd. shall not exceed 250% of the net worth of the Dongguan Paihong Industry Co., Ltd. , and the guarantee limit shall not exceed 400% of the net worth of the net worth of the Dongguan Paihong Industry Co., Ltd.

Note 6: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 7: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

TABLE 3

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars or Foreign Currency)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited (Note 2)	Note 1	Sale	\$ 165,720 (USD 5,038)	(27%)	About 3 months	Use market price or purchase cost mark up 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	\$ (44,567) (USD 1,342)	(13%)	-
Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited (Note 2)	Note 1	Sale	137,542 (USD 4,181)	(21%)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	138,840 (USD 4,181)	26%	-

Note 1: Refer to Note 10 to the consolidated financial statements.

Note 2: Significant intercompany accounts and transactions have been eliminated.

TABLE 4

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Related Party (Note 3)	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Vietnam Paihong Limited Company	Note 2	\$ 1,863,629 (USD 56,125)	-	\$ -	-	\$ 1,057,700 (USD 31,854)	\$ -
Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	Note 2	302,052 (RMB 66,051)	-	-	-	-	-
Hon Shin Corp.	Vietnam Paihong Limited Company	Note 2	315,755 (USD 9,509)	-	-	-	-	-
Vietnam Paihong Limited Company	Hong Kong Best Expectation International Trading Limited	Note 2	138,840 (USD 4,181)	-	-	-	-	-

Note 1: Included trade receivables, other receivables and receivables from related parties.

Note 2: See Note 10 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of Foreign Currency)**

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account (Note 2)	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	The Corporation	Vietnam Paihong Limited Company	1	Receivables - related parties	USD 56,125	-	10
			1	Interest revenue and other income	USD 1,014	-	2
1	Hon Shin Corp.	Vietnam Paihong Limited Company	3	Receivables - related parties	USD 9,509	-	2
2	Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	3	Receivables - related parties	RMB 66,051	-	2
3	Hong Kong Best Expectation International Trading Limited	Hong Kong Best Expectation International Trading Limited	1	Sales	RMB 20,001	-	5
		Vietnam Paihong Company Limited	1	Sales	USD 5,038	-	9
		Dongguan Paihong Industry Co., Ltd.	2	Sales	USD 659	-	1
			2	Sales	RMB 8,121	-	2
		Thomas Dynamic Material (Jiangsu) Co., Ltd.	2	Sales	USD 880	-	1
			2	Sales	RMB 7,940	-	2
			2	Sales	RMB 9,981	-	2
4	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Hong Kong Best Expectation International Trading Limited	1	Sales	RMB 9,981	-	2
5	Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited	2	Sales	USD 4,181	-	7
			2	Receivables	USD 4,181	-	1

Note 1: Relationship of investee to counterparty: (1) parent company to subsidiary; (2) subsidiary to parent company; (3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars and Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount (Note 1)			
The Corporation	Hong Kong Antex Limited Hon Shin Corp.	Hong Kong British Samoa	International investments International investments and trade	USD 54,335	USD 54,335	54,334,644	100	\$ 4,705,021	\$ 196,699	\$ 196,699	Subsidiary
				USD 20,000	USD 20,000	20,000,000	100	373,407	5,382	5,382	Subsidiary
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Hong Kong	International investments and trade	USD 110,064	USD 110,064	110,063,700	100	92,518	12,272	(Note 3)	Sub - Subsidiary
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Limited Company	Binh Duong Province, Vietnam	Production & marketing of mesh and other fabrics	USD 190,000	USD 190,000	-	100	3,026,437	16,264	(Note 3)	Sub - Subsidiary

Note 1: Significant intercompany accounts and transactions have been eliminated.

Note 2: Information on investment in mainland China is on Table 7.

Note 3: Not applicable.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars and Foreign Currency)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and 7)	Carrying Amount as of March 31, 2025 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of March 31, 2025
					Outward	Inward						
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of Touch Fasteners, Webbing and Embroidery	\$ 1,758,740 (RMB 384,592)	(Note 1)	\$ 1,206,504 (USD 36,335)	\$ -	\$ -	\$ 1,206,504 (USD 36,335)	\$ 219,712	99.99	\$ 219,690	\$ 5,097,855	\$ 1,881,990 (USD 2,512) (RMB 393,304)
Dongguan Paihong Industry Co., Ltd	Production & Marketing of Touch Fastener, Elastic, Various Type of Webbing and Jacquard Engineered Mesh, And Consumer Electronic Accessories, Etc.	1,632,688 (RMB 357,028)	(Note 1)	597,690 (USD 18,000)	-	-	597,690 (USD 18,000)	248,031	99.99	246,938	2,470,416	705,779 (RMB 154,336)
Wuxi Paihong Real Estate Co., Ltd.	Commercial Property Management; Planning Consultants, Sales, Development & Leasing of Real Estate and Design Decoration.	1,737,740 (RMB 380,000)	(Note 1)	(Note 2)	-	-	(Note 2)	(18,983)	99.99	(18,981)	2,554,382	-
Wuxi Paiwei Biotechnology Co. Ltd	Production and Sales of Masks and Non-Woven Products	594,490 (RMB 130,000)	(Note 1)	(Note 3)	-	-	(Note 3)	(3,156)	100	(3,156)	198,423	-
Shanghai Best Expectation Textile Trading Limited	International investments and trade	3,690,411 (RMB 807,000)	(Note 1)	(Note 4)	-	-	(Note 4)	12,470	99.99	12,781	148,811	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Not applicable	Not applicable	Not applicable

Note 1: See Note 10 to the consolidated financial statements.

Note 2: Established in China by Thomas Dynamic Material (Jiangsu) Co., Ltd. which was reinvested in by the Corporation through Hong Kong Antex Limited. The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd..

Note 3: The investment was funded by Hong Kong Antex Limited.

Note 4: The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd. and Dongguan Paihong Industry Co., Ltd.

Note 5: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 6: The investment gain (loss) is recognized according to the financial statements audited by the Corporation’s independent auditors.

Note 7: Significant intercompany accounts and transactions have been eliminated.