

**M. J. International Co., Ltd. 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
M. J. International Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of M. J. International Co., Ltd. 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 Auditors 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 of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and enforced by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chiang Hsun Chen and Chao Mei Chen.

Ching-hsun Chen

Chao-Mei, Chen

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 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 accepted and 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.

M. J. INTERNATIONAL CO., LTD. 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)	\$ 1,763,155	25	\$ 904,626	14	\$ 989,855	16
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	136,212	2	133,456	2	44,905	1
Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 8, 10 and 35)	131,431	2	128,799	2	124,068	2
Financial assets at amortized cost - current (Notes 9, 10 and 35)	1,001	-	13,032	-	63,001	1
Notes receivable (Notes 11 and 26)	3,643	-	581	-	3,183	-
Notes receivable from related parties (Notes 26 and 34)	202	-	275	-	73	-
Trade receivables (Notes 11 and 26)	900,124	13	1,195,109	18	765,272	12
Trade receivables from related parties (Notes 26 and 34)	23,111	-	20,002	-	18,841	-
Other receivables (Note 11)	38,995	1	50,530	1	39,060	1
Current tax assets	176	-	176	-	1,574	-
Inventories (Note 12)	450,916	6	498,511	8	471,049	7
Non-current assets held for sale (Note 13)	-	-	13,864	-	76,371	1
Other current assets (Note 20)	66,462	1	69,071	1	86,651	1
Total current assets	3,515,428	50	3,028,032	46	2,683,903	42
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 10)	14,425	-	13,962	-	13,382	-
Property, plant and equipment (Notes 15 and 35)	3,071,576	44	3,120,052	47	3,218,511	51
Right-of-use assets (Note 16)	124,566	2	123,844	2	125,522	2
Investment properties (Note 17)	313,644	4	312,142	5	331,445	5
Goodwill (Note 18)	-	-	-	-	-	-
Other intangible assets (Note 19)	1,921	-	2,325	-	1,911	-
Deferred tax assets	8,440	-	8,727	-	12,549	-
Other non-current assets (Note 20)	3,116	-	2,986	-	2,981	-
Total non-current assets	3,537,688	50	3,584,038	54	3,706,301	58
TOTAL	\$ 7,053,116	100	\$ 6,612,070	100	\$ 6,390,204	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 35)	\$ 240,000	3	\$ 160,000	2	\$ 45,102	1
Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	2,531	-	1,760	-	3,700	-
Contract liabilities - current (Note 26)	15,158	-	8,651	-	12,357	-
Trade payables	295,709	4	380,849	6	403,501	7
Other payables (Notes 23 and 32)	273,477	4	312,615	5	261,537	4
Current tax liabilities	70,788	1	62,153	1	69,854	1
Provisions - current (Note 24)	31,707	1	28,848	-	19,250	-
Liabilities directly associated with non-current assets held for sale (Note 13)	-	-	912	-	76,471	1
Current portion of long-term borrowings and bonds payable (Notes 21, 22, 31 and 35)	338,665	5	38,357	1	346,895	6
Other current liabilities	3,028	-	1,857	-	1,644	-
Total current liabilities	1,271,063	18	996,002	15	1,240,311	20
NON-CURRENT LIABILITIES						
Bonds payable (Note 22)	-	-	297,863	4	473,580	7
Long-term borrowings (Notes 21, 31 and 35)	2,221,107	31	2,227,089	34	1,915,991	30
Deferred tax liabilities	7,985	-	7,939	-	8,512	-
Deferred revenue - non-current (Notes 23 and 31)	200,255	3	201,151	3	230,628	4
Guarantee deposit received	916	-	902	-	964	-
Total non-current liabilities	2,430,263	34	2,734,944	41	2,629,675	41
Total liabilities	3,701,326	52	3,730,946	56	3,869,986	61
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)						
Share capital						
Ordinary shares	798,256	11	698,256	11	660,590	10
Capital surplus	1,691,977	24	1,404,401	21	1,259,321	20
Retained earnings						
Legal reserve	226,847	3	226,847	3	226,847	3
Special reserve	120,099	2	120,099	2	104,307	2
Unappropriated earnings	481,409	7	434,720	7	317,594	5
Total retained earnings	828,355	12	781,666	12	648,748	10
Other equity	54,652	1	18,251	-	(26,951)	(1)
Treasury shares	(21,450)	-	(21,450)	-	(21,450)	-
Total equity attributable to owners of the Company	3,351,790	48	2,881,124	44	2,520,258	39
NON-CONTROLLING INTERESTS (Note 25)	-	-	-	-	(40)	-
Total equity	3,351,790	48	2,881,124	44	2,520,218	39
TOTAL	\$ 7,053,116	100	\$ 6,612,070	100	\$ 6,390,204	100

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

M. J. INTERNATIONAL CO., LTD. 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	%
OPERATING REVENUE (Notes 26 and 34)				
Sales	\$ 906,958	100	\$ 713,735	100
OPERATING COSTS (Notes 12 and 27)				
Cost of goods sold	<u>(754,961)</u>	<u>(84)</u>	<u>(597,592)</u>	<u>(84)</u>
GROSS PROFIT	<u>151,997</u>	<u>16</u>	<u>116,143</u>	<u>16</u>
OPERATING EXPENSES (Note 27)				
Selling and marketing expenses	(43,724)	(5)	(43,019)	(6)
General and administrative expenses	(54,932)	(6)	(45,295)	(6)
Research and development expenses	(12,360)	(1)	(11,765)	(2)
Expected credit gain (Notes 10 and 11)	<u>11</u>	<u>-</u>	<u>83</u>	<u>-</u>
Total operating expenses	<u>(111,005)</u>	<u>(12)</u>	<u>(99,996)</u>	<u>(14)</u>
PROFIT FROM OPERATIONS	<u>40,992</u>	<u>4</u>	<u>16,147</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES (Note 27)				
Interest income	8,389	1	10,384	1
Other income	3,869	1	3,731	1
Other gains	25,454	3	10,867	2
Finance costs	<u>(14,576)</u>	<u>(2)</u>	<u>(18,286)</u>	<u>(3)</u>
Total non-operating income	<u>23,136</u>	<u>3</u>	<u>6,696</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	64,128	7	22,843	3
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(17,439)</u>	<u>(2)</u>	<u>(16,054)</u>	<u>(2)</u>
NET PROFIT FROM CONTINUING OPERATIONS	46,689	5	6,789	1
NET LOSS FROM DISCONTINUED OPERATIONS (Note 13)	<u>-</u>	<u>-</u>	<u>(7,537)</u>	<u>(1)</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>46,689</u>	<u>5</u>	<u>(748)</u>	<u>-</u>

(Continued)

M. J. INTERNATIONAL CO., LTD. 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	%
OTHER COMPREHENSIVE INCOME (Note 25)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 35,113	4	\$ 92,670	13
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	<u>1,288</u>	<u>-</u>	<u>494</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>36,401</u>	<u>4</u>	<u>93,164</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 83,090</u>	<u>9</u>	<u>\$ 92,416</u>	<u>13</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 46,689	5	\$ 2,267	-
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(3,015)</u>	<u>-</u>
	<u>\$ 46,689</u>	<u>5</u>	<u>\$ (748)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 83,090	9	\$ 95,415	13
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(2,999)</u>	<u>-</u>
	<u>\$ 83,090</u>	<u>9</u>	<u>\$ 92,416</u>	<u>13</u>
EARNINGS PER SHARE (NT\$; Note 29)				
From continuing and discontinued operations				
Basic	<u>\$ 0.66</u>		<u>\$ 0.03</u>	
Diluted	<u>\$ 0.64</u>		<u>\$ 0.03</u>	
From continuing operations				
Basic	<u>\$ 0.66</u>		<u>\$ 0.10</u>	
Diluted	<u>\$ 0.64</u>		<u>\$ 0.10</u>	

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

(Concluded)

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2024	\$ 660,590	\$ 1,259,321	\$ 226,847	\$ 104,307	\$ 335,031	\$ (111,945)	\$ (8,154)	\$ (21,450)	\$ 2,444,547	\$ 2,959	\$ 2,447,506
Appropriation of 2023 earnings (Note 25)											
Cash dividends distributed by the Company	-	-	-	-	(19,704)	-	-	-	(19,704)	-	(19,704)
Net profit (loss) for the three months ended March 31, 2024	-	-	-	-	2,267	-	-	-	2,267	(3,015)	(748)
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax (Note 25)	-	-	-	-	-	92,654	494	-	93,148	16	93,164
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	2,267	92,654	494	-	95,415	(2,999)	92,416
BALANCE AT MARCH 31, 2024	\$ 660,590	\$ 1,259,321	\$ 226,847	\$ 104,307	\$ 317,594	\$ (19,291)	\$ (7,660)	\$ (21,450)	\$ 2,520,258	\$ (40)	\$ 2,520,218
BALANCE AT JANUARY 1, 2025	\$ 698,256	\$ 1,404,401	\$ 226,847	\$ 120,099	\$ 434,720	\$ 23,735	\$ (5,484)	\$ (21,450)	\$ 2,881,124	\$ -	\$ 2,881,124
Issuance of ordinary shares for cash (Note 25)	100,000	287,000	-	-	-	-	-	-	387,000	-	387,000
Share-based payment (Note 30)	-	576	-	-	-	-	-	-	576	-	576
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	46,689	-	-	-	46,689	-	46,689
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax (Note 25)	-	-	-	-	-	35,113	1,288	-	36,401	-	36,401
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	46,689	35,113	1,288	-	83,090	-	83,090
BALANCE AT MARCH 31, 2025	\$ 798,256	\$ 1,691,977	\$ 226,847	\$ 120,099	\$ 481,409	\$ 58,848	\$ (4,196)	\$ (21,450)	\$ 3,351,790	\$ -	\$ 3,351,790

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

M. J. INTERNATIONAL CO., LTD. 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		
Profit before income tax		
Profit from continuing operations before tax	\$ 64,128	\$ 22,843
Loss from discontinued operations before tax	-	(7,537)
	<u>64,128</u>	<u>15,306</u>
Adjustments for:		
Depreciation expense	64,564	69,107
Amortization expense	421	299
Expected credit reversed on trade receivables	(11)	(83)
Net (profit) loss on fair value changes of financial assets and liabilities at FVTPL	(75)	408
Finance costs	14,576	18,809
Interest income	(8,389)	(10,384)
Share-based payments	576	-
Loss on disposal of property, plant and equipment	103	21
Gain on disposal of non-current assets classified as held for sale (Note 13)	(13,366)	-
Write-down of inventories	8,093	1,204
Net gain on foreign currency exchange	(14,444)	(38,224)
Deferred revenue recognized as other income	(2,060)	(2,094)
Changes in operating assets and liabilities		
Notes receivable	(3,062)	(1,268)
Notes receivable to related parties	73	401
Trade receivables	303,820	(114,392)
Trade receivables to related parties	(2,956)	8,957
Other receivables	11,945	16,447
Inventories	39,247	(70,991)
Other current assets	3,062	1,091
Contract liabilities	6,507	(17,305)
Trade payables	(85,898)	88,567
Other payables	(25,350)	10,692
Other payables to related parties	-	(52)
Provision for liabilities	2,479	643
Other current liabilities	<u>1,171</u>	<u>334</u>
Cash generated from (used in) operations	365,154	(22,507)
Interest received	7,138	8,299
Interest paid	(12,930)	(16,393)
Income tax paid	<u>(3,876)</u>	<u>(1,314)</u>
Net cash generated (used in) from operating activities	<u>355,486</u>	<u>(31,915)</u>

(Continued)

M. J. INTERNATIONAL CO., LTD. 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 INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	\$ 12,156	\$ 1,458
Proceeds from sale of financial assets at fair value through profit or loss	-	44,274
Disposal of non-current assets held for sale	26,388	-
Acquisition of property, plant and equipment	(23,035)	(30,809)
Proceeds from disposal of property, plant and equipment	20	-
Increase in refundable deposits	-	(187)
Decrease in refundable deposits	94	-
Increase in prepayments for equipment	(199)	-
Interest received	<u>1,267</u>	<u>2,881</u>
Net cash generated from investing activities	<u>16,691</u>	<u>17,617</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	330,000	84,274
Decrease in short-term loans	(250,000)	(70,000)
Repayments of long-term debt	(9,524)	(86,724)
Increase in guarantee deposits received	3	-
Decrease in guarantee deposits received	-	(7)
Payments of lease liabilities	-	(1,064)
Issuance of ordinary shares for cash	<u>387,000</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>457,479</u>	<u>(73,521)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>28,873</u>	<u>78,559</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	858,529	(9,260)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>904,626</u>	<u>999,313</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,763,155</u>	<u>\$ 990,053</u>
	March 31	
	2025	2024
Cash and cash equivalents in the consolidated balance sheets	\$ 1,763,155	\$ 989,855
Cash and cash equivalents included in non-current assets held for sale	<u>-</u>	<u>198</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 1,763,155</u>	<u>\$ 990,053</u>

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

(Concluded)

M. J. INTERNATIONAL CO., LTD. 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

M. J. International Co., Ltd. (the “Company”) was incorporated in the British Cayman Islands on October 8, 2010. The Company and its subsidiaries (collectively referred to as the “Group”) have reorganized in order to list the Company’s shares on the Taiwan Stock Exchange. After the organization restructuring, the Company has become the holding company of all consolidated entities. The Company’s shares have been listed on the Taiwan Stock Exchange since November 2016. The major operating activities of the Group are the development and sale of plastic flooring tiles.

The consolidated financial statements are presented in the New Taiwan dollar, the Company’s functional currency.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 7, 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 enforced 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 guidance for classifying 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 was continuing to assess the possible impact of the application of the amendments on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards issued but not yet endorsed and enforced 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 guidance for derecognizing 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 Disclosures 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 placed in the operating, investing, financing, income taxes and discounted operations categories, as appropriate.
- 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.
- To enhance its compliance with the requirements for 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 descriptive label.
- When the Group uses in public communications outside the financial statements management-defined performance measures (MPMs, consisting of subtotals of income and expenses not listed in IFRS accounting standards) to convey management’s view of an aspect of its financial performance, the Group should disclose the income tax and non-controlling interest effects related to the MPMs when reconciling these MPMs to the most directly comparable IFRS totals/subtotals. These effects - including the description of the MPMs, calculations, and reconciliations to IFRS-required totals/subtotals - have to be disclosed in a single note to the financial statements and are subject to audit.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group was continuing to assess 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 POLICIES

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 enforced by the Financial Supervisory Commission. 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 financial instruments which are measured at fair value.

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit.

See Note 14 and Tables 7 and 8 for more information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Other material accounting policies, in addition to those disclosed in the consolidated financial statements for the year ended December 31, 2024, are as follows:

- 1) Employee stock options under share-based payment arrangements

Employee stock options granted

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of employee stock options granted through reserved shares in a cash capital increase is the date on which employees subscribe for the shares.

The Group revises its estimate of the expected number of employee stock options to vest at each balance sheet date. Any revision to the original estimate is recognized in profit or loss, so that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - employee stock options.

2) Income tax expense

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed annually, and the income tax expense for an interim period is calculated by applying to an interim period's pretax income the estimated average annual effective income tax rate that would apply 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 climate change and related government policies and regulations as well as US reciprocal tariffs on cash flow projections, growth rates, discount rates, profitability, and 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 judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 1,661	\$ 1,335	\$ 1,194
Checking accounts and demand deposits	921,425	818,714	810,113
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>840,069</u>	<u>84,577</u>	<u>178,548</u>
	<u>\$ 1,763,155</u>	<u>\$ 904,626</u>	<u>\$ 989,855</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Hybrid financial assets			
Structured deposits	<u>\$ 136,212</u>	<u>\$ 133,456</u>	<u>\$ 44,905</u>
<u>Financial liabilities - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Options of convertible bonds (Note 22)	<u>\$ 2,531</u>	<u>\$ 1,760</u>	<u>\$ 3,700</u>

Upon entering into a structured time deposit contract with a bank, the Company identified that the contract contains an embedded derivative that is not closely related to the host contract. As the host contract qualifies as a financial asset within the scope of IFRS 9 - Financial Instruments, the entire hybrid contract is required to be classified and measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in debt instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Foreign investment			
Foreign bonds investments	\$ 131,431	\$ 128,799	\$ 124,068
<u>Non-current</u>			
Foreign investment			
Foreign bonds investments	<u>14,425</u>	<u>13,962</u>	<u>13,382</u>
	<u>\$ 145,856</u>	<u>\$ 142,761</u>	<u>\$ 137,450</u>

- a. For information on credit risk management and impairment of investments in financial assets at fair value through other comprehensive income (FVOCI), refer to Note 10.
- b. For information on pledged debt investments measured at fair value through other comprehensive income (FVOCI), refer to Note 35.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic investment			
Restricted assets - time deposits	\$ 1,001	\$ 13,032	\$ 31,001
With original maturities of more than 3 months	<u>-</u>	<u>-</u>	<u>32,000</u>
	<u>\$ 1,001</u>	<u>\$ 13,032</u>	<u>\$ 63,001</u>

- a. For information on credit risk management and impairment of investments in financial assets at amortized cost, refer to Note 10.
- b. For information on pledged debt financial assets measured at amortized cost, refer to Note 35.

10. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

March 31, 2025

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 167,322	\$ 1,001
Less: Allowance for impairment loss	<u>(13,233)</u>	<u>-</u>
Amortized cost	154,089	<u>\$ 1,001</u>
Adjustment to fair value	(4,196)	
Exchange differences	<u>(4,037)</u>	
	<u>\$ 145,856</u>	

December 31, 2024

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 165,249	\$ 13,032
Less: Allowance for impairment loss	<u>(13,077)</u>	<u>-</u>
Amortized cost	152,172	<u>\$ 13,032</u>
Adjustment to fair value	(5,484)	
Exchange differences	<u>(3,927)</u>	
	<u>\$ 142,761</u>	

March 31, 2024

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 161,556	\$ 63,001
Less: Allowance for impairment loss	<u>(12,764)</u>	<u>-</u>
Amortized cost	148,792	<u>\$ 63,001</u>
Adjustment to fair value	(7,660)	
Exchange differences	<u>(3,682)</u>	
	<u>\$ 137,450</u>	

The Group's policy is to invest primarily in debt instruments that are rated investment grade or above and are considered to have low credit risk. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continually monitored. The Group reviews changes in bond yields and other publicly available information and assesses whether there has been a significant increase in credit risk since initial recognition.

In determining the expected credit losses on debt instrument investments, the Group considers the historical loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries in order to measure the 12-month or lifetime expected credit losses on debt instrument investments. The Group's current credit risk rating mechanism, the total carrying amount of debt instrument investments by credit rating, and the applicable expected credit loss rates are as follows:

Category	Description	Expected Credit Losses (ECLs)/Action Taken
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition, or the debtor is assessed to have higher credit risk but still has a strong capacity to meet contractual cash flows.	Lifetime ECLs - not credit impaired
In default	There is evidence of the asset being credit impaired.	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

March 31, 2025

Category	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0%	\$ 140,106	\$ 1,001
Doubtful	0.43%-37.27%	13,922	-
In default	37.27%-100%	13,294	-
Write-off	100%	<u>-</u>	<u>-</u>
		<u>\$ 167,322</u>	<u>\$ 1,001</u>

December 31, 2024

Category	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0%	\$ 138,378	\$ 13,032
Doubtful	0.5%-37.1%	13,745	-
In default	37.1%-100%	13,126	-
Write-off	100%	-	-
		<u>\$ 165,249</u>	<u>\$ 13,032</u>

March 31, 2024

Category	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0%	\$ 135,328	\$ 63,001
Doubtful	0.5%-37.1%	13,416	-
In default	37.1%-100%	12,812	-
Write-off	100%	-	-
		<u>\$ 161,556</u>	<u>\$ 63,001</u>

The movements of the allowance for impairment loss at FVTOCI were as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit Impaired)	In Default (Lifetime ECLs - Credit Impaired)
Balance on January 1, 2025	\$ -	\$ 3,334	\$ 9,743
Change in risk parameters*	-	(11)	-
Exchange rates	-	42	125
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 3,365</u>	<u>\$ 9,868</u>
Balance on January 1, 2024	\$ -	\$ 3,144	\$ 9,141
Change in risk parameters*	-	(23)	(16)
Exchange rates	-	133	385
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 3,254</u>	<u>\$ 9,510</u>

* Changes in credit ratings as provided by third-party agencies.

11. NOTES RECEIVABLE, TRADE RECEIVABLES, AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount - operating	\$ 3,643	\$ 581	\$ 3,183
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,643</u>	<u>\$ 581</u>	<u>\$ 3,183</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 725,190	\$ 1,023,296	\$ 633,423
Less: Allowance for impairment loss	<u>(1,804)</u>	<u>(1,779)</u>	<u>(1,811)</u>
	723,386	1,021,517	631,612
At FVTOCI	<u>176,738</u>	<u>173,592</u>	<u>133,660</u>
	<u>\$ 900,124</u>	<u>\$ 1,195,109</u>	<u>\$ 765,272</u>
<u>Other receivables</u>			
Tax refund receivable	\$ 28,741	\$ 40,501	\$ 18,377
Interest receivable	9,546	9,517	8,133
Factored accounts receivable	-	-	11,033
Others	2,702	2,478	3,461
Less: Allowance for impairment loss	<u>(1,994)</u>	<u>(1,966)</u>	<u>(1,944)</u>
	<u>\$ 38,995</u>	<u>\$ 50,530</u>	<u>\$ 39,060</u>

a. Notes receivable and trade receivables

1) Notes and accounts receivable measured at amortized cost

The Group's average collection period for notes receivable ranges from 30 to 60 days, while the average credit period for merchandise sales ranges from 30 to 150 days. To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits and credit approvals and for implementing 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 trade debt at the end of the reporting period to ensure that adequate allowances are made for possible irrecoverable amounts. Through these measures, the management of the Company believes the Group's credit risk is significantly reduced.

The Group measures the loss allowance for notes and trade receivables at an amount equal to lifetime expected credit losses (ECLs). The ECLs on notes and trade receivables are estimated using a provision matrix approach based on historical experience, current market conditions, and forward-looking information. As the Group's historical credit loss experience does not show significantly varying loss patterns for different customer segments, the provision for loss allowance based on past - due status is not further distinguished according to the Group's different customer bases.

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

The following table shows the loss allowance for notes receivable based on the Group's provision matrix.

March 31, 2025

	Not Past Due
Expected credit loss rate	0%
Gross carrying amount	\$ 3,643
Loss allowance (Lifetime ECL)	<u>-</u>
Amortized cost	<u>\$ 3,643</u>

December 31, 2024

	Not Past Due
Expected credit loss (ECL) rate	0%
Gross carrying amount	\$ 581
Loss allowance (lifetime ECL)	<u>-</u>
Amortized cost	<u>\$ 581</u>

March 31, 2024

	Not Past Due
Expected credit loss (ECL) rate	0%
Gross carrying amount	\$ 3,183
Loss allowance (lifetime ECL)	<u>-</u>
Amortized cost	<u>\$ 3,183</u>

The following table details the loss allowance for trade receivables based on the Group's provision matrix.

March 31, 2025

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	\$ 651,965	\$ 71,421	\$ -	\$ -	\$ 1,804	\$ 725,190
Loss allowance (lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,804)</u>	<u>(1,804)</u>
Amortized cost	<u>\$ 651,965</u>	<u>\$ 71,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723,386</u>

December 31, 2024

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	\$ 1,003,569	\$ 17,948	\$ -	\$ -	\$ 1,779	\$ 1,023,296
Loss allowance (lifetime ECL)	-	-	-	-	(1,779)	(1,779)
Amortized cost	<u>\$ 1,003,569</u>	<u>\$ 17,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,021,517</u>

March 31, 2024

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	\$ 614,204	\$ 16,671	\$ -	\$ 737	\$ 1,811	\$ 633,423
Loss allowance (lifetime ECL)	-	-	-	-	(1,811)	(1,811)
Amortized cost	<u>\$ 614,204</u>	<u>\$ 16,671</u>	<u>\$ -</u>	<u>\$ 737</u>	<u>\$ -</u>	<u>\$ 631,612</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 1,779	\$ 10,572
Add: Impairment loss recognized	-	(44)
Less: Amounts written off	-	(8,933)
Non-current assets held for sale (Note 13)	-	(67)
Foreign exchange gains and losses	<u>25</u>	<u>283</u>
Balance on March 31	<u>\$ 1,804</u>	<u>\$ 1,811</u>

2) At FVTOCI

For trade receivables from a specific customer, the Group will decide the selling without recourse of a portion of these trade receivables to banks based on its level of working capital.

The following table shows the loss allowance for trade receivables at FVTOCI based on the Group's provision matrix.

March 31, 2025

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	\$ 176,738	\$ -	\$ -	\$ -	\$ -	\$ 176,738
Loss allowance (lifetime ECL)	-	-	-	-	-	-
Amortized cost	<u>\$ 176,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,738</u>

December 31, 2024

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	\$ 173,592	\$ -	\$ -	\$ -	\$ -	\$ 173,592
Loss allowance (lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 173,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,592</u>

March 31, 2024

	Not Past Due	Past Due Within 60 Days	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss (ECL) rate	-	-	-	-	100%	
Gross carrying amount	\$ 133,660	\$ -	\$ -	\$ -	\$ -	\$ 133,660
Loss allowance (lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 133,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,660</u>

The retained portion of trade receivables sold without recourse is recorded under other receivables. Refer to Note 33.

b. Other receivables

Other receivables primarily comprise tax refund receivables, retained amounts from trade receivables sold without recourse, and interest receivables. The Group's policy is to transact only with counterparties that have good credit standing. The Group continually monitors these receivables and assesses whether there has been a significant increase in credit risk since initial recognition by considering the counterparties' default history and current financial condition.

The following table shows the loss allowance for other receivables based on the Group's provision matrix.

March 31, 2025

	Group A	Group B	Total
Expected credit loss (ECL) rate	-	100%	
Gross carrying amount	\$ 38,995	\$ 1,994	\$ 40,989
Loss allowance (lifetime ECL)	<u>-</u>	<u>(1,994)</u>	<u>(1,994)</u>
Amortized cost	<u>\$ 38,995</u>	<u>\$ -</u>	<u>\$ 38,995</u>

December 31, 2024

	Group A	Group B	Total
Expected credit loss (ECL) rate	-	100%	
Gross carrying amount	\$ 50,530	\$ 1,966	\$ 52,496
Loss allowance (lifetime ECL)	<u>-</u>	<u>(1,966)</u>	<u>(1,966)</u>
Amortized cost	<u>\$ 50,530</u>	<u>\$ -</u>	<u>\$ 50,530</u>

March 31, 2024

	Group A	Group B	Total
Expected credit loss (ECL) rate	-	100%	
Gross carrying amount	\$ 39,060	\$ 1,944	\$ 41,004
Loss allowance (lifetime ECL)	<u>-</u>	<u>(1,944)</u>	<u>(1,944)</u>
Amortized cost	<u>\$ 39,060</u>	<u>\$ -</u>	<u>\$ 39,060</u>

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

	March 31	
	2025	2024
Balance on January 1	\$ 1,966	\$ 1,869
Foreign exchange translation differences	<u>28</u>	<u>75</u>
Balance on March 31	<u>\$ 1,994</u>	<u>\$ 1,944</u>

12. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise	\$ 12,368	\$ 7,692	\$ 9,161
Finished goods	160,828	229,073	109,765
Work in progress	89,578	130,466	98,505
Raw materials	139,308	131,280	187,797
Inventory in transit	<u>48,834</u>	<u>-</u>	<u>65,821</u>
	<u>\$ 450,916</u>	<u>\$ 498,511</u>	<u>\$ 471,049</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 742,670	\$ 586,445
Inventory write-downs and obsolescence loss	8,093	1,204
Unallocated production overhead	<u>4,198</u>	<u>9,943</u>
	<u>\$ 754,961</u>	<u>\$ 597,592</u>

13. DISCONTINUED OPERATIONS/NON-CURRENT ASSETS AS HELD FOR SALE

a. Discontinued operations

The Group planned to dispose of its subsidiary, Green Touch Floors Inc., as part of its operational planning. Because the Group regarded this subsidiary as a separate cash-generating unit with primary operations, it reclassified this cash-generating unit as a discontinued operation. Since the expected selling price exceeded the carrying amount of the related net assets, no impairment loss was recognized upon classification of the unit as non-current assets held for sale. As of balance sheet date, the disposal had not yet been completed.

The information on profit (loss) from discontinued operations and the related cash flows is as follows:

	For the Three Months Ended March 31, 2024
Operating revenue	\$ 14,858
Operating costs	<u>(18,456)</u>
Gross loss	(3,598)
Selling and marketing expenses	<u>(2,769)</u>
Loss from operations	(6,367)
Other gain and loss	(647)
Finance costs	<u>(523)</u>
Loss from discontinued operations	<u>\$ (7,537)</u>
Loss from discontinued operations attributable to:	
Owners of the Company	\$ (4,522)
Non-controlling interests	<u>(3,015)</u>
	<u>\$ (7,537)</u>
Cash flows	
Operating activities	\$ 198
Financing activities	(171)
Foreign currency exchange differences	<u>3</u>
Net cash inflows	<u>\$ 30</u>

There was no tax expense/benefit related to the loss on discontinued operations.

The supplementary information on other gains and losses on discontinued operations is as follows:

	For the Three Months Ended March 31, 2024
An analysis of depreciation by function	
Operating expenses	<u>\$ 1,253</u>
An analysis of amortization by function	
General and administrative expenses	<u>\$ -</u>

b. Non-current assets held for sale

On March 31, 2024, the Group reclassified the assets and liabilities of its subsidiary, Green Touch Floors Inc., as non-current assets held for sale and presented them separately on the consolidated balance sheet.

The major assets and liabilities held for sale were as follows:

	March 31, 2024
Cash	\$ 198
Trade receivables	2,278
Other receivables	301
Inventory	27,956
Prepayments	14
Other current assets	30
Property, plant and equipment	203
Right-of-use assets	35,509
Deferred tax assets	9,410
Other non-current assets	<u>472</u>
Non-current assets classified as held for sale	<u>\$ 76,371</u>
Short-term borrowings	\$ 15,185
Contract liabilities - current	2,285
Trade payables	2,432
Other payables	4,662
Other payables to related parties (Note 34)	6,566
Lease liabilities - current	6,697
Deferred tax liabilities	9,410
Lease liabilities - non-current	29,202
Other non-current liabilities	<u>32</u>
Liabilities directly associated with non-current assets classified as held for sale	<u>\$ 76,471</u>

On December 23, 2024, the Group signed a sales contract on the property of its Beijing subsidiary. The contract price was agreed at RMB6,000 thousand, with an advance payment of RMB200 thousand equivalent to NT\$26,388 thousand. The full payment was received on March 26, 2025, and a gain of NT\$13,366 thousand on the disposal of non-current assets held for sale was recognized. When the investment property was classified as a non-current asset held for sale, no impairment loss was recognized because the expected selling price exceeded the carrying amount.

	March 31, 2024
Property for sale	<u>\$ 13,864</u>
Liabilities directly associated with non-current assets classified as held for sale	<u>\$ 912</u>

14. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activity	Proportion of Ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
M. J. International Co., Ltd.	Prolong International Co., Limited	Investment holding	100	100	100
	M.J. International Flooring And Interior Products Inc.	Manufacture and sale of plastic floor tiles, decorative and renovation materials, and other building materials.	100	100	100
	Opulent International Group Limited	International trade	100	100	100
	Fullhouse Investments Limited.	Investment holding	- ^a	100	100
	MJ Group US INC	Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service	100	100 ^b	-
	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Sale of engineered wood flooring, plastic floor tiles, decorative and renovation materials, and other building materials.	99 ^d	99 ^c	-
Fullhouse Investments Limited	Green Touch Floors Inc.	Sale of engineered wood flooring, plastic floor tiles, decorative renovation materials, and other building materials.	-	- ^e	60
M.J. International Flooring And Interior Products Inc.	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Sale of engineered wood flooring, plastic floor tiles, decorative and renovation materials, and other building materials.	1 ^d	1 ^c	-
Prolong International Co., Limited	Dongguan MeiJer Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and other building materials, as well as investment and holding activities.	100	100	100
	Dongguan Prolong Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and other building materials, as well as investment and holding activities.	100	100	100
Dongguan MeiJer Plastic Products Co., Ltd.	Chongqing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100	100
	Beijing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	62	62	62
	Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	36	36	36
	Wuhan M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100	100
Dongguan Prolong Plastic Products Co., Ltd.	Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	64	64	64
	Xian M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100	100
	Shenyang M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	100	100	100
	Beijing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and other building materials.	38	38	38

- a. Fullhouse Investments Limited completed tax deregistration on March 7, 2025, and the liquidation repatriation has been finalized.
- b. Due to business needs, the Company's board of directors approved on March 7, 2024 the investment of US\$250 thousand to establish MJ Group US INC.
- c. Due to business needs, the Company's subsidiary established in Thailand, which is jointly held by the Company and its subsidiary, M.J. International Flooring And Interior Products Inc.
- d. On March 12, 2025, the Company resolved to increase the capital of M.J. TECHNOLOGIES (THAILAND) CO., LTD. by THB337,500 thousand in cash. As of March 31, 2025, the actual capital increase was THB37,500 thousand, with paid-in capital of THB50,000 thousand.
- e. The Group's board of directors resolved on May 9, 2024, to approve the sale of Green Touch Floors Inc., and the stock settlement was completed on August 1, 2024.

15. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

	Freehold Land	Buildings	Machinery and Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction	Total
Cost									
Balance on January 1, 2025	\$ 456,595	\$ 1,861,740	\$ 1,897,054	\$ 39,857	\$ 37,193	\$ 19,315	\$ 214,158	\$ 55,670	\$ 4,581,582
Additions	-	1,239	3,938	243	130	80	819	1,159	7,608
Disposals	-	-	-	(1,279)	(464)	(26)	(9,859)	-	(11,628)
Reclassification*	-	270	13,425	-	-	-	-	(13,695)	-
Effects of foreign currency exchange differences	-	5,810	12,628	558	324	170	1,958	-	21,448
Balance on March 31, 2025	<u>\$ 456,595</u>	<u>\$ 1,869,059</u>	<u>\$ 1,927,045</u>	<u>\$ 39,379</u>	<u>\$ 37,183</u>	<u>\$ 19,539</u>	<u>\$ 207,076</u>	<u>\$ 43,134</u>	<u>\$ 4,599,010</u>
Accumulated depreciation									
Balance on January 1, 2025	\$ -	\$ 353,725	\$ 884,892	\$ 36,751	\$ 29,286	\$ 15,454	\$ 141,422	\$ -	\$ 1,461,530
Disposals	-	-	-	(1,279)	(341)	(26)	(9,859)	-	(11,505)
Depreciation	-	15,632	38,910	267	474	439	4,890	-	60,612
Effects of foreign currency exchange differences	-	3,895	10,107	514	316	159	1,806	-	16,797
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 373,252</u>	<u>\$ 933,909</u>	<u>\$ 36,253</u>	<u>\$ 29,735</u>	<u>\$ 16,026</u>	<u>\$ 138,259</u>	<u>\$ -</u>	<u>\$ 1,527,434</u>
Carrying amount on March 31, 2025	<u>\$ 456,595</u>	<u>\$ 1,495,807</u>	<u>\$ 993,136</u>	<u>\$ 3,126</u>	<u>\$ 7,448</u>	<u>\$ 3,513</u>	<u>\$ 68,817</u>	<u>\$ 43,134</u>	<u>\$ 3,071,576</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 456,595</u>	<u>\$ 1,508,015</u>	<u>\$ 1,012,162</u>	<u>\$ 3,106</u>	<u>\$ 7,907</u>	<u>\$ 3,861</u>	<u>\$ 72,736</u>	<u>\$ 55,670</u>	<u>\$ 3,120,052</u>
Cost									
Balance on January 1, 2024	\$ 456,595	\$ 1,773,496	\$ 1,780,150	\$ 36,790	\$ 37,758	\$ 19,060	\$ 231,881	\$ 104,167	\$ 4,439,897
Additions	-	-	467	-	-	170	2,065	16,549	19,251
Disposals	-	-	(13)	(409)	-	(457)	(9,157)	-	(10,036)
Reclassification*	-	-	6,482	-	-	-	46	(6,007)	521
Reclassified as non-current assets held for sale (Note 13)	-	-	-	-	-	(531)	(245)	-	(776)
Effects of foreign currency exchange differences	-	15,624	34,114	1,478	985	510	6,449	-	59,160
Balance on March 31, 2024	<u>\$ 456,595</u>	<u>\$ 1,789,120</u>	<u>\$ 1,821,200</u>	<u>\$ 37,859</u>	<u>\$ 38,743</u>	<u>\$ 18,752</u>	<u>\$ 231,039</u>	<u>\$ 114,709</u>	<u>\$ 4,508,017</u>
Accumulated depreciation									
Balance on January 1, 2024	\$ -	\$ 283,134	\$ 696,290	\$ 34,194	\$ 28,718	\$ 14,466	\$ 136,484	\$ -	\$ 1,193,286
Disposals	-	-	(5)	(409)	-	(444)	(9,157)	-	(10,015)
Depreciation	-	14,251	40,002	477	653	410	8,099	-	63,892
Reclassified as non-current assets held for sale (Note 13)	-	-	-	-	-	(350)	(223)	-	(573)
Effects of foreign currency exchange differences	-	9,688	25,192	1,382	949	467	5,238	-	42,916
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 307,073</u>	<u>\$ 761,479</u>	<u>\$ 35,644</u>	<u>\$ 30,320</u>	<u>\$ 14,549</u>	<u>\$ 140,441</u>	<u>\$ -</u>	<u>\$ 1,289,506</u>
Carrying amount at March 31, 2024	<u>\$ 456,595</u>	<u>\$ 1,482,047</u>	<u>\$ 1,059,721</u>	<u>\$ 2,215</u>	<u>\$ 8,423</u>	<u>\$ 4,203</u>	<u>\$ 90,598</u>	<u>\$ 114,709</u>	<u>\$ 3,218,511</u>

* Transferred from construction in progress, equipment pending inspection, or other non-current assets - prepayments for equipment to the appropriate categories under property, plant and equipment.

An impairment assessment showed there was no impairment loss for the three months ended March 31, 2025 and 2024.

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

Buildings	
Main buildings	15-55 years
Others	3-20 years
Machinery and equipment	3-20 years
Tooling equipment	3-8 years
Transportation equipment	2.5-10 years
Office equipment	3-10 years
Other equipment	2-20 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 35.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amounts</u>			
Land*	<u>\$ 124,566</u>	<u>\$ 123,844</u>	<u>\$ 125,522</u>
		For the Three Months Ended March 31	
		2025	2024
Additions to right-of-use assets		<u>\$ -</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets			
Land		\$ 1,034	\$ 999
Buildings		<u>-</u>	<u>1,253</u>
		<u>\$ 1,034</u>	<u>\$ 2,252</u>

* As for the land use rights in China, the group has already obtained the State-owned Land Use Certificate.

Except for the aforementioned addition and 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. Material lease-in activities and terms

The Group recognized right-of-use assets related to land use rights in China. These land use rights typically have lease terms ranging from 30 to 50 years, and the Group has obtained the corresponding State-owned Land Use Certificates issued by the Chinese government.

The Group leases buildings for factories, offices, and employee dormitories, with lease terms of 3 to 5 years. The Group does not have purchase options to acquire the building at the end of the lease terms.

c. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses for short-term leases	<u>\$ 1,898</u>	<u>\$ 1,631</u>
Expenses for low-value asset leases	<u>\$ 146</u>	<u>\$ 52</u>
Total cash outflow for leases	<u>\$ (2,044)</u>	<u>\$ (3,044)</u>

17. INVESTMENT PROPERTIES

	Buildings
<u>Cost</u>	
Balance on January 1, 2025	\$ 422,420
Effects of foreign currency exchange differences	<u>6,019</u>
Balance on March 31, 2025	<u>\$ 428,439</u>
<u>Accumulated depreciation</u>	
Balance on January 1, 2025	\$ 110,278
Depreciation expense	2,918
Effects of foreign currency exchange differences	<u>1,599</u>
Balance on March 31, 2025	<u>\$ 114,795</u>
Carrying amount on March 31, 2025	<u>\$ 313,644</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 312,142</u>
<u>Cost</u>	
Balance on January 1, 2024	\$ 425,292
Effects of foreign currency exchange differences	<u>17,168</u>
Balance on March 31, 2024	<u>\$ 442,460</u>
<u>Accumulated depreciation</u>	
Balance on January 1, 2024	\$ 103,806
Depreciation expense	2,963
Effects of foreign currency exchange differences	<u>4,246</u>
Balance on March 31, 2024	<u>\$ 111,015</u>
Carrying amount on March 31, 2024	<u>\$ 313,644</u>

- a. The lease term for investment properties ranges 2 to 4 years. The Group does not have purchase options to acquire the investment properties at the end of the lease terms.
- b. The maturity analysis of lease payments receivable under the operating lease of investment property was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	\$ 4,967	\$ 6,697	\$ 6,820
Year 2	3,819	3,859	5,708
Year 3	2,200	3,180	3,688
Year 4	<u>-</u>	<u>-</u>	<u>2,125</u>
	<u>\$ 10,986</u>	<u>\$ 13,736</u>	<u>\$ 18,341</u>

- c. The above items of investment properties leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings 20-35 years

- d. The fair value of the self-owned investment properties was not appraised by independent valuers but has been measured by the management of the merged company using valuation models commonly adopted by market participants, based on Level 3 inputs. The valuation was derived with reference to market evidence, including transaction prices of comparable properties. The resulting fair values were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value	<u>\$ 386,328</u>	<u>\$ 355,887</u>	<u>\$ 343,877</u>

- e. No significant impairment was identified during the three months ended March 31, 2025 and 2024.

18. GOODWILL

	For the Three Months Ended March 31, 2024
<u>Cost</u>	
Balance at January 1	\$ 9,008
Effects of foreign currency exchange differences	<u>380</u>
Balance at March 31	<u>\$ 9,388</u>
<u>Accumulated impairment losses</u>	
Balance at January 1	\$ 9,008
Effects of foreign currency exchange differences	<u>380</u>
Balance at March 31	<u>\$ 9,388</u>
Carrying amounts at March 31	<u>\$ -</u>

In October 2019, the Group acquired its former subsidiary, Green Touch Floors Inc. Goodwill was recognized as the consideration transferred exceeded the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date.

19. OTHER INTANGIBLE ASSETS

	Computer Software	Customer Relationships	Total
<u>Cost</u>			
Balance on January 1, 2025	\$ 5,473	\$ -	\$ 5,473
Effects of foreign currency exchange differences	<u>22</u>	<u>-</u>	<u>22</u>
Balance on March 31, 2025	<u>\$ 5,495</u>	<u>\$ -</u>	<u>\$ 5,495</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2025	\$ 3,148	\$ -	\$ 3,148
Amortization expenses	421	-	421
Effects of foreign currency exchange differences	<u>5</u>	<u>-</u>	<u>5</u>
Balance on March 31, 2025	<u>\$ 3,574</u>	<u>\$ -</u>	<u>\$ 3,574</u>
Carrying amounts on March 31, 2025	<u>\$ 1,921</u>	<u>\$ -</u>	<u>\$ 1,921</u>
Carrying amounts on December 31, 2024 and January 1, 2025	<u>\$ 2,325</u>	<u>\$ -</u>	<u>\$ 2,325</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 4,015	\$ 41,007	\$ 45,022
Effects of foreign currency exchange differences	<u>10</u>	<u>1,730</u>	<u>1,740</u>
Balance on March 31, 2024	<u>\$ 4,025</u>	<u>\$ 42,737</u>	<u>\$ 46,762</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2024	\$ 1,811	\$ 41,007	\$ 42,818
Amortization expenses	299	-	299
Effects of foreign currency exchange differences	<u>4</u>	<u>1,730</u>	<u>1,734</u>
Balance on March 31, 2024	<u>\$ 2,114</u>	<u>\$ 42,737</u>	<u>\$ 44,851</u>
Carrying amounts on March 31, 2024	<u>\$ 1,911</u>	<u>\$ -</u>	<u>\$ 1,911</u>

The customer relationships of the group arose from the acquisition of its former subsidiary, Green Touch Floors Inc., in 2019.

The Group did not have significant impairment of other intangible assets during the three months ended March 31, 2025 and 2024.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-5 years
-------------------	-----------

Amortization expenses summarized by function

	For the Three Months Ended March 31	
	2025	2024
Operating costs	\$ 21	\$ -
Operating expenses	<u>400</u>	<u>299</u>
	<u>\$ 421</u>	<u>\$ 299</u>

20. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Offsetting against business tax payables	\$ 42,455	\$ 46,706	\$ 67,035
Prepayments	696	925	6,618
Others	<u>23,311</u>	<u>21,440</u>	<u>12,998</u>
	<u>\$ 66,462</u>	<u>\$ 69,071</u>	<u>\$ 86,651</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 201	\$ -	\$ -
Refundable deposits	<u>2,915</u>	<u>2,986</u>	<u>2,981</u>
	<u>\$ 3,116</u>	<u>\$ 2,986</u>	<u>\$ 2,981</u>

21. BORROWINGS

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings</u>			
Bank loans (1) (Note 35)	\$ -	\$ -	\$ 45,102
<u>Unsecured borrowings</u>			
Line of credit borrowings (2)	<u>240,000</u>	<u>160,000</u>	<u>-</u>
	<u>\$ 240,000</u>	<u>\$ 160,000</u>	<u>\$ 45,102</u>

1) The interest rates for short-term bank loans was 3.3% per annum as of March 31, 2024.

2) The interest rates for short-term bank loans were 2.05% to 2.11% and 2.07% to 2.11% per annum as of March 31, 2025 and December 31, 2024, respectively.

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings (Note 35)</u>			
Bank loans (1)	\$ 311,504	\$ 311,504	\$ 311,505
Bank loans (2)	1,460,000	1,460,000	1,460,000
Bank loans (3)	350,000	350,000	350,000
Less: Government loan discount (Note 31)	<u>(41,457)</u>	<u>(45,311)</u>	<u>(78,365)</u>
Long-term borrowings	<u>2,080,047</u>	<u>2,076,193</u>	<u>2,043,140</u>
<u>Unsecured borrowings</u>			
Bank loans (4)	142,857	152,381	183,333
Bank loans (5)	40,900	40,900	40,900
Less: Government loan discount (Note 31)	<u>(3,553)</u>	<u>(4,028)</u>	<u>(4,487)</u>
	<u>180,204</u>	<u>189,253</u>	<u>219,746</u>
Current portion	<u>(39,144)</u>	<u>(38,357)</u>	<u>(346,895)</u>
	<u>\$ 2,221,107</u>	<u>\$ 2,227,089</u>	<u>\$ 1,915,991</u>

- 1) On June 4, 2020, the Group obtained a new bank loan of NT\$353,600 thousand with a floating interest rate of 2.18%. The original loan term was 10 years starting from the drawdown date, with a grace period of three years (from June 2020 to May 2023). In April 2024, the Group entered into an extension agreement, extending the loan term by an additional two years. Following the extension, the total loan period was revised to 12 years, with an additional grace period of 2 years (from April 2024 to March 2026). Upon expiration of the grace period, the principal is to be repaid in 84 equal monthly installments. The loan is secured by land owned by the Group. Refer to Note 35.
- 2) The Group obtained a government preferential loan under the “Program to Encourage Taiwanese Businesses to Return to Invest in Taiwan,” administered by the National Development Fund Management Committee of the Republic of China. The loan was used for the construction of factory buildings and the acquisition of machinery and equipment. For further details, Refer to Note 31. The loan disbursement is secured by the Group’s property, plant, and equipment, including buildings, machinery, construction in progress, and equipment pending inspection. Refer to Note 35. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 7 to 10 years, including grace periods of 1 to 3 years (from July 2020 to May 2023 and from December 2022 to November 2023). In April 2024, the Group extended certain loan agreements, prolonging the loan term by 2 years. After the extension, the loan term ranges from 7 to 12 years, with an additional grace period of 2 years (from April 2024 to March 2026). Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.
- 3) The Group obtained a secured government preferential loan for the acquisition of machinery and equipment as well as the procurement of raw materials. For further details, refer to Note 31. The loan disbursement is secured by the Group’s property, plant, and equipment, including buildings, machinery, construction in progress, and equipment pending inspection. Refer to Note 35. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 6 to 7 years, including grace periods of 2 to 3 years (from June 2022 to May 2025 and from October 2023 to May 2025). In April 2024, the Group extended the loan agreement, prolonging the grace period by an additional 2 years. After the extension, the grace periods were revised to 4 to 5 years (from June 2022 to May 2027 and from October 2023 to May 2027). Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.

- 4) The Group obtained an unsecured government preferential loan for the acquisition of machinery and equipment as well as the procurement of raw materials. For further details, refer to Note 31. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 3 to 5 years, including grace periods of 1 to 2 years (from January 2022 to December 2023 and from January 2023 to December 2023). In May 2024, the Group extended the loan agreement, prolonging the loan term by an additional 2 years. After the extension, the loan term was revised to 5 to 7 years. Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.
- 5) On November 20, 2023, the Group obtained a new unsecured bank loan amounting to NT\$40,900 thousand, with a floating interest rate of 2.11%. The loan term is 15 years starting from the drawdown date, including a grace period of two years (from December 2023 to November 2025). Upon expiration of the grace period, the principal is to be repaid in 156 equal monthly installments.

22. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured domestic convertible bonds	\$ 299,521	\$ 297,863	\$ 473,580
Less: Current portion	<u>(299,521)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 297,863</u>	<u>\$ 473,580</u>

Unsecured Domestic Convertible Bonds - II

On July 26, 2023, the Company issued 5 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an issue price of 101% of par value. The total principal amount was NT\$500,000 thousand. The bonds have a term of three years, maturing on July 26, 2026.

Based on Article 5 of the Regulations, since the coupon rate of the convertible bonds is 0%, no interest payment dates or methods are specified. Unless the bondholders convert the bonds into the Company's common shares pursuant to Article 13 of the Regulations and exercise the put option under Article 22, the Company redeems the bonds early under Article 21, or, if the bonds are repurchased and cancelled by the Company through securities firms, the Company shall repay the principal in full in cash within 10 business days following the maturity date of the convertible bonds. If the maturity date falls on a day that the Taipei Exchange declares a nonworking day or a holiday, the repayment date shall be postponed to the next business day.

Starting from the day (i.e., October 27, 2023) following the three-month period after the issuance date of the convertible bonds until the maturity date (i.e., July 26, 2026), bondholders may request conversion of the bonds into the Company's common shares at any time through securities brokers, who will notify the Taiwan Depository & Clearing Corporation (TDCC), and submit the conversion request to the Company's stock transfer agent, except during the following periods:

- a. The statutory book closure period for common shares;
- b. The period beginning 15 business days before the book closure date for stock dividends, cash dividends, or cash capital increases, and ending on the record date;
- c. The period from the capital reduction record date to the day before the new shares begin trading;
- d. The period from the start date of suspension of conversion due to change in par value to the day before the new shares begin trading.

The conversion price was determined based on July 18, 2023, the pricing reference date. The reference price was calculated using the simple arithmetic average of the closing prices of the Company's common shares on either the trading day immediately preceding the reference date, the three trading days preceding the reference date, or the five trading days preceding the reference date, whichever is higher. The conversion premium rate of 106% was then applied to the reference price to determine the conversion price, rounded to the nearest tenth of a New Taiwan dollar. If any ex-rights or ex-dividend events occurred prior to the reference date, the sampled closing prices used in the calculation were adjusted accordingly. If any such events occurred between the determination date and the actual issuance date, the conversion price was adjusted using the prescribed formula. Based on the above method, the initial conversion price was set at NT\$52.8 per share. Due to the distribution of cash dividends, the conversion price was adjusted to NT\$51 per share effective September 8, 2023; further adjusted to NT\$50.7 per share effective August 16, 2024; and adjusted again to NT\$50.4 per share effective March 21, 2025, due to the issuance of new shares through cash capital increase.

The convertible bonds contain both asset, liability, and equity components. The asset component is recognized as a financial asset measured at fair value through profit or loss. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.34% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,590 thousand)	\$ 499,410
Put/call option component at the date of issue	(3,461)
Equity component	<u>(29,866)</u>
Liability component at the date of issue	466,083
Interest charged at an effective interest rate of 2.34%	<u>4,748</u>
Liability component on January 1, 2024	470,831
Interest charged at an effective interest rate of 2.34% - for the three months ended March 31, 2024	<u>2,749</u>
Liability component on March 31, 2024	<u>\$ 473,580</u>
Liability component on January 1, 2025	\$ 297,863
Interest charged at an effective interest rate of 2.34% - for the three months ended March 31, 2025	<u>1,658</u>
Liability component on March 31, 2025	<u>\$ 299,521</u>

23. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Other payables			
Salaries or bonuses (including compensation of employees and remuneration of directors)	\$ 76,653	\$ 85,472	\$ 47,794
Pension and insurance	44,558	44,190	41,022
Purchases of equipment (Note 32)	27,900	43,327	36,150
Royalties	27,138	21,458	22,516
Utilities	20,850	21,214	19,622
Maintenance	13,010	19,523	14,732
Professional service fees	12,748	12,075	5,706
Damages	9,037	18,073	-
Freight	7,155	6,526	8,950
			(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Fuel	\$ 5,718	\$ 6,130	\$ 8,588
Taxes	3,435	2,289	3,883
Dividends (Note 32)	-	-	19,704
Others	<u>25,275</u>	<u>32,338</u>	<u>32,870</u>
	<u>\$ 273,477</u>	<u>\$ 312,615</u>	<u>\$ 261,537</u>
<u>Non-current</u>			
Deferred revenue			
Arising from government grants (Note 31)	\$ 117,659	\$ 118,977	\$ 147,176
Others*	<u>82,596</u>	<u>82,174</u>	<u>83,452</u>
	<u>\$ 200,255</u>	<u>\$ 201,151</u>	<u>\$ 230,628</u>
			(Concluded)

* The refund of land use fees previously paid in prior years was received from Jizhou Shareholding Economic Cooperative of Shijie Town, Dongguan City. The refunded amount is amortized over the remaining land use right period of 32 years and recognized as other income in the consolidated financial statements.

24. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Warranty	<u>\$ 31,707</u>	<u>\$ 28,848</u>	<u>\$ 19,250</u>
			Warranty
Balance on January 1, 2025			\$ 28,848
Additions			3,471
Utilization			(992)
Effects of foreign currency exchange differences			<u>380</u>
Balance on March 31, 2025			<u>\$ 31,707</u>
Balance on January 1, 2024			\$ 17,844
Additions			2,852
Utilization			(2,209)
Effects of foreign currency exchange differences			<u>763</u>
Balance on March 31, 2024			<u>\$ 19,250</u>

The warranty provision is the present value of the best estimate by the Group's management of future outflows of economic benefits arising from warranty obligations. This estimate is based on historical warranty experience and is adjusted for changes in raw materials, manufacturing processes, or other events that may affect product quality.

25. EQUITY

a. Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares authorized (in thousands of shares)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Amount of shares authorized, par value NT\$10 (in thousands of NTD)	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Number of shares issued and fully paid (in thousands of shares)	<u>79,825</u>	<u>69,825</u>	<u>66,059</u>
Amount of shares issued and fully paid (in thousands of NTD)	<u>\$ 798,256</u>	<u>\$ 698,256</u>	<u>\$ 660,590</u>

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

On August 22, 2024, the Company's board of directors resolved to issue 10,000 thousand ordinary shares with a par value of NT\$10, for a consideration of NT\$38.7 per share which increased the share capital issued and fully paid to \$798,256 thousand. On January 17, 2025, this share issuance was approved by the Financial Supervisory Commission, and the subscription base date was determined by the board of directors to be March 21, 2025.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 1,499,591	\$ 1,212,591	\$ 1,189,103
Conversion of bonds	156,506	156,506	-
Employee stock dividend - shares			
Share premium	9,599	9,599	9,599
<u>May be used only to offset a deficit (2)</u>			
Employee compensation expense - shares			
Share premium	7,841	7,265	7,265
<u>May not be used for any purpose</u>			
Share warrants	<u>18,440</u>	<u>18,440</u>	<u>53,354</u>
	<u>\$ 1,691,977</u>	<u>\$ 1,404,401</u>	<u>\$ 1,259,321</u>

- 1) This capital surplus may be used only to offset a deficit; in addition, when the Company has no deficit, capital surplus may be distributed as cash dividends or transferred to share capital (this distribution is limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) This capital surplus does not involve any cash inflow, and it may only be used to offset accumulated deficits.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, on the earnings distribution policy, during the period in which the Company is listed, if the annual financial statements indicate earnings, the Company shall first pay taxes in accordance with the law and offset accumulated deficits. Thereafter, 10% of the amount comprising the current year's net income after tax and any undistributed earnings shall be appropriated as legal reserve. However, if the legal reserve has equaled the Company's paid-in capital, further appropriation may be waived. The remaining earnings shall be appropriated or reversed as special reserve in accordance with applicable laws and regulations. If there is any remaining balance, the board of directors may, by special resolution, determine the amount of distributable earnings for the year, and the Company may, taking into account financial, operational, and managerial factors, distribute no less than 10% of such earnings plus all or part of the undistributed earnings from prior years as dividends to shareholders in proportion to their shareholding, subject to approval at the shareholders' meeting. Dividends may be distributed in the form of cash or stock, with cash dividends accounting for no less than 10% of the total dividends distributed for the year. Furthermore, the dividends to be distributed to shareholders may, upon special resolution of the shareholders' meeting, be distributed wholly or partially in the form of new shares.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment to the Company Law of the Republic of China, refer to compensation of employees and remuneration of directors and supervisors in Note 27-8.

In accordance with the Financial Supervisory Commission's ruling No. 1090150022 and the "Q&A on the Application of Special Reserve under IFRSs," the Company has appropriated and reversed the required special reserves.

The appropriations from the earnings for 2024 and 2023 were as follows:

	Appropriation of Earnings	
	For the Years Ended December 31	
	2024	2023
Legal reserve	<u>\$ 13,518</u>	<u>\$ -</u>
Special reserve	<u>\$ (120,099)</u>	<u>\$ 15,792</u>
Cash dividends	<u>\$ -</u>	<u>\$ 19,704</u>
Cash dividends per share (NT\$)	\$ -	\$ 0.3

On March 12, 2025, the board of directors proposed a cash dividend distribution of NT\$95,335 thousand from capital surplus.

The cash dividend for the year 2023 was approved by the board of directors on March 7, 2024, while the distribution of the remaining earnings was approved by the shareholders at the annual general meeting held on June 25, 2024. The distribution of the earnings for the year 2024 is pending approval at the shareholders' meeting scheduled for June 25, 2025.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 23,735	\$ (111,945)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	<u>35,113</u>	<u>92,654</u>
Other comprehensive income recognized for the period	<u>35,113</u>	<u>92,654</u>
Balance on March 31	<u>\$ 58,848</u>	<u>\$ (19,291)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ (5,484)	\$ (8,154)
Recognized for the period		
Unrealized gain - debt instruments	1,299	533
Net remeasurement of loss allowance	<u>(11)</u>	<u>(39)</u>
Other comprehensive income recognized for the period	<u>1,288</u>	<u>494</u>
Balance on March 31	<u>\$ (4,196)</u>	<u>\$ (7,660)</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ -	\$ 2,959
Share in loss for the period	-	(3,015)
Other comprehensive income during the period		
Exchange differences on translation of the financial statements of foreign entities	<u>-</u>	<u>16</u>
	<u>-</u>	<u>(2,999)</u>
Balance on March 31	<u>\$ -</u>	<u>\$ (40)</u>

f. Treasury shares

Purpose of Buyback	Shares Transferred to Employees (In Thousands of Shares)
Number of shares on January 1, 2025	380
Increase during the period	<u>-</u>
Number of shares on March 31, 2025	<u>380</u>
Number of shares on January 1, 2024	380
Increase during the period	<u>-</u>
Number of shares on March 31, 2024	<u>380</u>

To boost employee morale and enhance organizational cohesion, the Company has established the “Regulations Governing the Repurchase and Transfer of Shares to Employees” in accordance with Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” promulgated by the Financial Supervisory Commission. The repurchase of shares for the purpose of transferring them to employees shall be handled in accordance with these Regulations, except as otherwise provided by law.

As of March 31, 2025, the Company had repurchased a total of 380,000 treasury shares for NT\$21,450 thousand for transfer to employees.

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

26. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers	\$ 906,958	\$ 728,593
Less: Discontinued operation (Note 13)	<u>-</u>	<u>(14,858)</u>
	<u>\$ 906,958</u>	<u>\$ 713,735</u>

a. Contract description - revenue from sale of goods

The group manufactures and sells plastic flooring tile products. Due to the rapid introduction of new products and high price volatility in the market, a small portion of the products is sold with estimated discounts based on historical discount ranges using an expected value approach. The remaining products are sold at fixed prices as specified in the contracts.

b. Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes receivables (including those from related parties) (Notes 11 and 34)	\$ <u>3,845</u>	\$ <u>856</u>	\$ <u>3,256</u>	\$ <u>2,389</u>
Trade receivables (including those from related parties) (Notes 11 and 34)	\$ <u>923,235</u>	\$ <u>1,215,111</u>	\$ <u>784,113</u>	\$ <u>655,112</u>
Contract liabilities	\$ <u>15,158</u>	\$ <u>8,651</u>	\$ <u>12,357</u>	\$ <u>31,979</u>

c. Disaggregation of revenue

	For the Three Months Ended March 31	
	2025	2024
Type of goods		
SPC (stone plastic composite) and LVT (luxury vinyl tile) flooring	\$ <u>906,958</u>	\$ <u>713,735</u>
North America	\$ 473,179	\$ 215,444
Europe	314,725	380,398
Taiwan	35,333	38,879
China	19,158	25,458
Others	<u>64,563</u>	<u>53,556</u>
	<u>\$ 906,958</u>	<u>\$ 713,735</u>

27. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2025	2024
Bank deposits	\$ 7,138	\$ 8,299
Financial assets at FVTPL	-	306
Investments in debt instruments at FVTOCI	<u>1,251</u>	<u>1,779</u>
	<u>\$ 8,389</u>	<u>\$ 10,384</u>

b. Other income

	For the Three Months Ended March 31	
	2025	2024
Rental income		
Investment properties	\$ 1,809	\$ 1,637
Government grants	<u>2,060</u>	<u>2,094</u>
	<u>\$ 3,869</u>	<u>\$ 3,731</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 846	\$ 692
Financial liabilities held for trading	(771)	(1,100)
Loss on disposal of property, plant and equipment	(103)	(21)
Gain on disposal of non-current assets held for sale (Note 13)	13,366	-
Net foreign exchange gains (i)	10,231	8,951
Others	<u>1,885</u>	<u>2,345</u>
	<u>\$ 25,454</u>	<u>\$ 10,867</u>

d. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	\$ 12,918	\$ 15,240
Interest on convertible bonds (Note 22)	1,658	2,749
Interest on lease liabilities	<u>-</u>	<u>297</u>
	<u>\$ 14,576</u>	<u>\$ 18,286</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
An analysis of depreciation by function		
Operating costs	\$ 56,734	\$ 59,482
Operating expenses	<u>7,830</u>	<u>8,372</u>
	<u>\$ 64,564</u>	<u>\$ 67,854</u>

(Continued)

	For the Three Months Ended March 31	
	2025	2024
An analysis of amortization by function		
Operating costs	\$ 21	\$ -
Operating expenses	<u>400</u>	<u>299</u>
	<u>\$ 421</u>	<u>\$ 299</u>

(Concluded)

f. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2025	2024
Direct operating expenses of investment properties generating rental income		
Depreciation expense	\$ 2,918	\$ 2,963
Other expense	<u>157</u>	<u>308</u>
	<u>\$ 3,075</u>	<u>\$ 3,271</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 8,122	\$ 6,649
Share-based payments		
Equity-settled (Note 30)	576	-
Other employee benefits	<u>133,950</u>	<u>114,129</u>
Total employee benefits expense	<u>\$ 142,648</u>	<u>\$ 120,778</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 98,683	\$ 78,870
Operating expenses	<u>43,965</u>	<u>41,908</u>
	<u>\$ 142,648</u>	<u>\$ 120,778</u>

h. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at the rates of 1% to 6%, and not higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the three months ended March 31, 2025 and 2024 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	5.97%	4.97%
Remuneration of directors	4.98%	3.32%

Amount

	For the Three Months Ended March 31	
	2025	2024
	Cash	Cash
Compensation of employees	\$ 3,132	\$ 123
Remuneration of directors	2,611	82

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

The appropriations of compensation of employees and remuneration of directors for 2024 were approved by the board of directors on March 12, 2025, as follows:

Amount

	For the Year Ended December 31, 2024
	Cash
Compensation of employees	\$ 9,045
Remuneration of directors	7,535

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

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

i. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	\$ 23,195	\$ 15,255
Foreign exchange losses	<u>(12,964)</u>	<u>(6,304)</u>
	<u>\$ 10,231</u>	<u>\$ 8,951</u>

28. INCOME TAXES ON CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
Current period	\$ 17,105	\$ 20,875
Deferred tax		
Current period	<u>334</u>	<u>(4,821)</u>
Income tax expense recognized in profit or loss	<u>\$ 17,439</u>	<u>\$ 16,054</u>

The applicable tax rate for subsidiaries in China, except Dongguan MeiJer Plastic Products Co., Ltd., is 25%. Tax amounts generated in other jurisdictions are calculated based on the applicable tax rates of those jurisdictions.

Dongguan MeiJer Plastic Products Co., Ltd. is using a preferential tax rate because it has obtained certification as a high-tech enterprise in accordance with the Enterprise Income Tax Law of the People's Republic of China and its implementing regulations. Certified high-tech enterprises that meet these regulations and related tax provisions are entitled to a reduced tax rate of 15%. The preferential tax rate is applicable until 2025.

b. Income tax assessments

As of March 31, 2025, the Group had no outstanding tax litigation cases.

The income tax returns through 2023 had been assessed by the tax authorities for the Company's subsidiaries - M.J. International Flooring and Interior Products Inc. and Opulent International Group Limited Taiwan Branch.

29. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share		
From continuing operations	\$ 0.66	\$ 0.10
From discontinued operations	<u>-</u>	<u>(0.07)</u>
Total basic earnings per share	<u>\$ 0.66</u>	<u>\$ 0.03</u>
Diluted earnings per share		
From continuing operations	\$ 0.64	\$ 0.10
From discontinued operations	<u>-</u>	<u>(0.07)</u>
Total diluted earnings per share	<u>\$ 0.64</u>	<u>\$ 0.03</u>

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

Net Profit for the Year

	For the Three Months Ended March 31	
	2025	2024
Profit for the period attributable to owners of the Company	<u>\$ 46,689</u>	<u>\$ 2,267</u>
Earnings used in the computing basic earnings per share	\$ 46,689	\$ 2,267
Effects of potentially dilutive ordinary shares:		
Convertible bonds	<u>2,429</u>	<u>-*</u>
Earnings used in computing diluted earnings per share	<u>\$ 49,118</u>	<u>\$ 2,267</u>

Shares

	Unit: Thousand Shares	
	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares in computing basic earnings per share	70,668	65,679
Effect of potentially dilutive ordinary shares:		
Employees' compensation	266	3
Convertible bonds	<u>6,089</u>	<u>-*</u>
Weighted average number of ordinary shares used in computing diluted earnings per share	<u>77,023</u>	<u>65,682</u>

* They are anti-dilutive and are therefore excluded from the computation of diluted earnings per share.

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

30. SHARE-BASED PAYMENT ARRANGEMENTS

Cash Capital Increase with a Portion Reserved for Employee Subscription

Following Article 267, Paragraph 1 of the amended Company Act, the Company reserved a portion of the shares for employee subscription under its cash capital increase plan in 2025. The Company recognized a compensation cost of NT\$576 thousand for the employee stock subscription rights using the Black-Scholes valuation model. The inputs used in the valuation model were as follows:

	Granted on February 24, 2025
Grant-date share price	\$41.30
Exercise price	\$38.70
Expected volatility	32.60%
Expected life (in years)	18 days
Risk-free interest rate	1.32%

31. GOVERNMENT GRANTS

In addition to those disclosed in other notes, the government grants obtained by the Group were as follows:

The Group obtained a government-subsidized loan with preferential interest rates under the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” provided by the National Development Fund Management Committee of the Republic of China. As of March 31, 2025, December 31, 2024, and March 31, 2024, the principal amount drawn was NT\$1,460,000 thousand, respectively. The loan was used for constructing factory buildings and acquiring machinery and equipment, and is repayable in installments over a period of 7 to 10 years from the initial drawdown date (including a grace period of 1 to 3 years).

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group had also drawn down principal amounts of NT\$492,857 thousand, NT\$502,381 thousand, and NT\$533,333 thousand, respectively, for the purchase of machinery, equipment, and raw materials. These loans are repayable in installments over 3 to 7 years from the initial drawdown date (including a grace period of 1 to 3 years).

The fair value of the loans at the time of drawdown was estimated using the prevailing market interest rates of 1.45% to 1.65%. Considering the subsequent rise in market interest rates, the Group revised the discount rate for fair value estimation to 2.84% to 3.09%, starting from July 1, 2022. The difference between the loan proceeds and the fair value was recognized as deferred income. This deferred income is amortized and recognized as other income over the useful lives of the assets, beginning upon the completion of the factory construction and acceptance of the machinery and equipment.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the unamortized deferred incomes - non-current was NT\$117,659 thousand, NT\$118,977 thousand, and NT\$147,176 thousand, respectively.

If the Group fails to comply with the requirements under the project loan guidelines during the loan period, the disbursement of the handling fee subsidy by the National Development Fund Management Committee will be suspended or terminated, and the Group shall instead pay interest at the originally agreed rate plus an additional annual rate.

32. CASH INFORMATION

a. Non-cash transaction

The Group entered into the following non-cash investing and financing activities, which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2025 and 2024:

- 1) As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group had unpaid purchase prices for property, plant, and equipment amounting to NT\$27,900 thousand, NT\$43,327 thousand, and NT\$36,150 thousand, respectively, which were recorded under other payables.
- 2) The cash dividends resolved by the board of directors had not yet been distributed as of March 31, 2024. Refer to Notes 23 and 25.

b. Changes in liabilities from financing activities

For the three months ended March 31, 2025

	Opening Balance	Cash Flows	Finance Costs	Non-cash Changes				Closing Balance
				Liabilities Directly Associated with Non-current Assets Held for Sale	Fair Value Adjustment - Deferred Revenue	Exchange Differences	Others	
Short-term borrowings	\$ 160,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
Bonds payable	297,863	-	1,658	-	-	-	-	299,521
Long-term borrowings	2,265,446	(9,524)	4,329	-	-	-	-	2,260,251
Guarantee deposits received	902	3	-	-	-	11	-	916
	<u>\$ 2,724,211</u>	<u>\$ 70,479</u>	<u>\$ 5,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 2,800,688</u>

For the three months ended March 31, 2024

	Opening Balance	Cash Flows	Finance Costs	Non-cash Changes				Closing Balance
				Liabilities Directly Associated with Non-current Assets Held for Sale	Fair Value Adjustment - Deferred Revenue	Exchange Differences	Others	
Short-term borrowings	\$ 44,057	\$ 14,274	\$ -	\$ -	\$ -	\$ (13,229)	\$ -	\$ 45,102
Lease liability	36,321	(1,064)	297	(35,899)	-	642	(297)	-
Bonds payable	470,831	-	2,749	-	-	-	-	473,580
Long-term borrowings	2,341,165	(86,724)	8,445	-	-	-	-	2,262,886
Other payables-related parties	6,397	-	-	(6,566)	-	169	-	-
Guarantee deposits received	938	(7)	-	-	-	33	-	964
	<u>\$ 2,899,709</u>	<u>\$ (73,521)</u>	<u>\$ 11,491</u>	<u>\$ (42,465)</u>	<u>\$ -</u>	<u>\$ (12,385)</u>	<u>\$ (297)</u>	<u>\$ 2,782,532</u>

33. FINANCIAL INSTRUMENTS

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

March 31, 2025

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 299,521	\$ 307,311	\$ -	\$ -	\$ 307,311

December 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 297,863	\$ 305,736	\$ -	\$ -	\$ 305,736

March 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Convertible bonds	\$ 473,580	\$ 488,450	\$ -	\$ -	\$ 488,450

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

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Structured deposits	\$ -	\$ 136,212	\$ -	\$ 136,212

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Debt investments				
Foreign investments in debt instruments	\$ -	\$ 145,856	\$ -	\$ 145,856
Accounts receivable	<u>-</u>	<u>-</u>	<u>176,738</u>	<u>176,738</u>
	<u>\$ -</u>	<u>\$ 145,856</u>	<u>\$ 176,738</u>	<u>\$ 322,594</u>

Financial liabilities at FVTPL

Convertible bond options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,531</u>	<u>\$ 2,531</u> (Concluded)
--------------------------	-------------	-------------	-----------------	--------------------------------

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Structured deposits	<u>\$ -</u>	<u>\$ 133,456</u>	<u>\$ -</u>	<u>\$ 133,456</u>

Financial assets at FVTOCI

Debt investments				
Foreign investments in debt instruments	\$ -	\$ 142,761	\$ -	\$ 142,761
Accounts receivable	<u>-</u>	<u>-</u>	<u>173,592</u>	<u>173,592</u>
	<u>\$ -</u>	<u>\$ 142,761</u>	<u>\$ 173,592</u>	<u>\$ 316,353</u>

Financial liabilities at FVTPL

Convertible bond options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,760</u>	<u>\$ 1,760</u>
--------------------------	-------------	-------------	-----------------	-----------------

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Structured deposits	<u>\$ -</u>	<u>\$ 44,905</u>	<u>\$ -</u>	<u>\$ 44,905</u>

Financial assets at FVTOCI

Debt investments				
Foreign investments in debt instruments	\$ -	\$ 137,450	\$ -	\$ 137,450
Accounts receivable	<u>-</u>	<u>-</u>	<u>133,660</u>	<u>133,660</u>
	<u>\$ -</u>	<u>\$ 137,450</u>	<u>\$ 133,660</u>	<u>\$ 271,110</u>

Financial liabilities at FVTPL

Convertible bond options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,700</u>	<u>\$ 3,700</u>
--------------------------	-------------	-------------	-----------------	-----------------

The Group assesses the bid-ask spread and trading volume of fixed income securities to determine whether the quotations are from an active market. Thus, the Group classified the fair value measurement of its foreign debt instrument investments as Level 2. There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2025

Financial Assets	Financial Assets at FVTPL Debt Instrument
Balance on January 1, 2025	\$ 173,592
Net change	914
Effect of foreign currency exchange differences	<u>2,232</u>
Balance on March 31, 2025	<u>\$ 176,738</u>
Financial Liabilities	Financial Liabilities at FVTPL Debt Instrument
Balance on January 1, 2025	\$ 1,760
Recognized in profit or loss (gain (loss) on financial assets at FVTPL) - unrealized	<u>771</u>
Balance on March 31, 2025	<u>\$ 2,531</u>

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTPL Debt Instrument
Balance on January 1, 2025	\$ 80,543
Net change	48,862
Effect of foreign currency exchange differences	<u>4,255</u>
Balance on March 31, 2025	<u>\$ 133,660</u>

Financial Liabilities	Financial Liabilities at FVTPL Debt Instrument
Balance on January 1, 2025	\$ 2,600
Recognized in profit or loss (gain (loss) on financial assets at FVTPL) - unrealized	<u>1,100</u>
Balance on March 31, 2025	<u>\$ 3,700</u>

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Hybrid financial assets - structured deposits	Discounted cash flow. Future cash flows are estimated based on the contractual yield.
Investments in foreign debt instruments	The measurement is based on publicly available market quotations provided by third-party institutions.

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Trade receivables factoring	Due to the immaterial impact of discounting, fair value was measured based on the original invoice amount.
Convertible bond options	The binomial tree evaluation model of convertible bonds. Convertible bond duration, share price, volatility, and conversion price as well as risk-free interest rate, discount rate, liquidity risk, and other factors were considered.

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 136,212	\$ 133,456	\$ 44,905
Financial asset at amortized cost (1)	2,527,667	1,973,048	1,730,229
Financial assets at FVTOCI			
Debt investments			
- Foreign bonds investments	145,856	142,761	137,450
- Trade receivables factoring	176,738	173,592	133,660

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial liabilities</u>			
FVTPL			
Held for trading	\$ 2,531	\$ 1,760	\$ 3,700
Amortized cost (2)	3,245,228	3,285,724	3,335,167 (Concluded)

- 1) The balances included cash and cash equivalents, financial assets at amortized cost, notes receivable (including those from related parties), trade receivables (including those from related parties), other receivables (excluding tax refund receivable), and refundable deposits that are measured at amortized cost.
- 2) The balances included short-term loans, trade payables, other payables (including those to related parties, plus salaries and bonuses, taxes, pension and insurance premiums, and dividends), long-term loans, current portion of long-term borrowings, bonds payable, and guarantee deposits received that are measured at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, debt investments, structured deposits, notes receivable (including those from related parties), accounts receivable (including those from related parties), refundable deposits, trade payables, bank borrowings, guarantee deposits received, lease liabilities, and bonds payable.

The financial risks related to operations involving the above financial instruments include market risk (comprising foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

The Group's finance department regularly reports to management, who monitors the risks and enforces policies in accordance with their responsibilities to mitigate risk exposure.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see [a] below) and in interest rates (see [b] below).

a) Exchange rate risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed primarily through natural hedging of net foreign currency positions and, to a lesser extent, through the use of foreign exchange derivative instruments, all within approved policy parameters.

The carrying amounts of the Group's non-functional currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) as at the balance sheet date are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the USD and the NTD.

The following table shows the Group's sensitivity to a 1% increase and decrease in each functional currency against the relevant foreign currencies. The 1% sensitivity rate is used in reporting foreign currency risk internally to key management 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 adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. Sensitivity analysis includes trade receivables and payables to entities outside of the Group, and trade receivables and payables to its foreign operations. A positive number below indicates an increase in pretax profit and other equity associated with a 1% weakening of each Group entity's functional currency against the relevant currency. For a 1% strengthening of each Group entity's functional currency against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Three Months Ended	
	March 31	
	2025	2024
Profit or loss	\$ 13,925	\$ 8,595

This was mainly attributable to the exposure on outstanding accounts receivable, cash and cash equivalents, payable and short-term loans in USD and NTD, which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD increased during the current period mainly due to the increase in USD-denominated net assets.

b) Interest rate risk

The Group was exposed to interest rates for its deposits, debt instrument investments, structured deposits, bank borrowings, lease liabilities, and bonds payable 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,	December 31,	March 31,
	2025	2024	2024
Fair value interest rate risk			
Financial assets	\$ 979,341	\$ 220,792	\$ 342,695
Financial liabilities	379,521	457,863	518,682
Cash flow interest rate risk			
Financial assets	1,065,222	971,748	891,316
Financial liabilities	2,420,251	2,265,446	2,262,886

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for 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 1% 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.

Had interest rates been 1% higher/lower and all other variables held constant, the Group's pretax profits for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$3,388 thousand and \$3,429 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates for its bank deposits, structured deposits, debt instrument investments, and borrowings, which bear floating interest rates.

The Group's interest rate sensitivity for the current period did not differ significantly from that of the prior period.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in 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 the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated on the balance sheets.

The Group's policy is to deal only with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Thus, the Group transacts with entities that are rated the equivalent of investment grade and above. The Group also uses other publicly available financial information and its own trading records to rate its major customers. It continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

To further minimize credit risk, management of the Group has delegated a team to be responsible for determining credit limits and credit approvals and carrying out 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 trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk is significantly reduced.

The Group's credit risk is primarily concentrated in major customers whose sales individually accounted for more than 10% of the Group's total revenue. As of March 31, 2025, December 31, 2024, and March 31, 2024, the accounts receivable from these customers were 94%, 89%, and 79%, respectively, of total accounts receivable.

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 negative fluctuations in cash flows. In addition, management monitors the use 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 unused short-term bank loan facilities set out in (2) below.

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

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

March 31, 2025

	1 Month-Less than 3 Months	3 Months to Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 435,026	\$ 9,514	\$ 916	\$ -
Variable interest rate liabilities	176,894	50,237	1,816,931	539,372
Fixed interest rate liabilities	<u>80,282</u>	<u>311,795</u>	<u>-</u>	<u>-</u>
	<u>\$ 692,202</u>	<u>\$ 371,546</u>	<u>\$ 1,817,847</u>	<u>\$ 539,372</u>

December 31, 2024

	1 Month-Less than 3 Months	3 Months to Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 546,875	\$ 14,638	\$ 902	\$ -
Variable interest rate liabilities	16,117	48,867	1,751,932	621,759
Fixed interest rate liabilities	<u>160,619</u>	<u>-</u>	<u>311,795</u>	<u>-</u>
	<u>\$ 723,611</u>	<u>\$ 63,505</u>	<u>\$ 2,064,629</u>	<u>\$ 621,759</u>

March 31, 2024

	1 Month-Less than 3 Months	3 Months to Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 498,936	\$ 73,403	\$ 964	\$ -
Variable interest rate liabilities	89,790	268,688	1,627,052	421,677
Fixed interest rate liabilities	<u>-</u>	<u>45,644</u>	<u>505,013</u>	<u>-</u>
	<u>\$ 588,726</u>	<u>\$ 387,735</u>	<u>\$ 2,133,029</u>	<u>\$ 421,677</u>

b) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank overdraft facilities:			
Amount used	\$ 423,757	\$ 353,281	\$ 224,233
Amount unused	<u>923,805</u>	<u>953,925</u>	<u>1,220,000</u>
	<u>\$ 1,347,562</u>	<u>\$ 1,307,206</u>	<u>\$ 1,444,233</u>
Secured bank overdraft facilities:			
Amount used	\$ 2,121,504	\$ 2,121,504	\$ 2,166,607
Amount unused	<u>225,835</u>	<u>391,965</u>	<u>340,408</u>
	<u>\$ 2,347,339</u>	<u>\$ 2,513,469</u>	<u>\$ 2,507,015</u>

e. Transfers of financial assets

Factored trade receivables that are not yet overdue at the end of the period were as follows:

March 31, 2025

Counterparties	Receivables Sold	Amounts Reclassified to Other Receivables	Amounts Not Yet Advanced	Advances Received at Year-end	Interest Rate of Total Cash Advance (%)
KGI Bank	\$ -	\$ -	\$ -	\$ -	-

December 31, 2024

Counterparties	Receivables Sold	Amounts Reclassified to Other Receivables	Amounts Not Yet Advanced	Advances Received at Year-end	Interest Rate of Total Cash Advance (%)
KGI Bank	\$ -	\$ -	\$ -	\$ -	-

March 31, 2024

Counterparties	Receivables Sold	Amounts Reclassified to Other Receivables	Amounts Not Yet Advanced	Advances Received at Year-end	Interest Rate of Total Cash Advance (%)
KGI Bank	\$ 37,856	\$ 11,033	\$ -	\$ 26,823	1.89

In accordance with the terms of the factoring agreement, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Group, while losses arising from credit risk are borne by the bank. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group had provided a promissory note of US\$10,000 thousand to the bank as collateral.

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides the disclosures in other notes, transactions between the Group and other related parties are shown below.

a. Related party names and relationships

<u>Related Names</u>	<u>Relationships</u>
Sing Cheng Lin CO., LTD. (“Sing Cheng”)	Related party in substance
Fu Ming Lin CO., LTD. (“Fu Ming”)	Related party in substance
G. T. FLOOR CO., LTD. (G. T.)	Related party in substance
Xu Zeng	Related party in substance*

* Shareholders who had significant influence over the Group’s subsidiary, Green Touch Floors Inc., ceased to be related parties of the Company as of August 1, 2024.

b. Sales of goods

Line Item	Relationship	<u>For the Three Months Ended</u> <u>March 31</u>	
		2025	2024
Sales	Related party in substance	<u>\$ 23,704</u>	<u>\$ 20,713</u>

The payment terms for related party receivables were 90 days from the invoice date, and the prices and other transaction terms were not significantly different from those of ordinary sales.

c. Receivables from related parties

Line Item	Relationship	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	Related party in substance Sing Cheng	<u>\$ 202</u>	<u>\$ 275</u>	<u>\$ 73</u>
Trade receivables	Related party in substance Sing Cheng	\$ 12,863	\$ 8,865	\$ 6,255
	Fu Ming	9,432	10,507	9,000
	G. T.	<u>816</u>	<u>630</u>	<u>3,586</u>
		<u>\$ 23,111</u>	<u>\$ 20,002</u>	<u>\$ 18,841</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2025 and 2024, no impairment losses were recognized for trade receivables from related parties

d. Loans from related parties

Line Item	Relationship	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	Related party in substance Xu Zeng	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,566</u>

For liabilities associated with non-current assets held for sale and the results of discontinued operations, refer to Note 13.

The interest rates on the Group's borrowings from related parties are comparable to market rates, and all these borrowings were unsecured.

e. Remuneration of key management personnel

	For the three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 15,029	\$ 5,924
Post-employment benefits	<u>178</u>	<u>145</u>
	<u>\$ 15,207</u>	<u>\$ 6,069</u>

The remuneration of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged as collateral to financial institutions for financing arrangements:

	March 31, 2025	December 31, 2024	March 31, 2024
FVTOCI	\$ -	\$ 128,799	\$ 123,868
Land	456,595	456,595	456,595
Buildings and equipment (including construction in progress and equipment pending inspection)	1,735,898	1,767,253	1,887,870
Financial assets at amortized cost			
Restricted time deposits	<u>1,001</u>	<u>13,032</u>	<u>31,001</u>
	<u>\$ 2,193,494</u>	<u>\$ 2,365,679</u>	<u>\$ 2,499,334</u>

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Unrecognized commitments were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment			
USD	<u>\$ 24</u>	<u>\$ 56</u>	<u>\$ 62</u>
RMB	<u>\$ 1,619</u>	<u>\$ 6,271</u>	<u>\$ 12,543</u>
NTD	<u>\$ 14,871</u>	<u>\$ 30,279</u>	<u>\$ 30,522</u>
EUR	<u>\$ 199</u>	<u>\$ 199</u>	<u>\$ 257</u>

37. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On May 7, 2025, the Group's board of directors resolved to increase the capital of its subsidiary, M.J. International Flooring and Interior Products Inc., by NT\$100,000 thousand.

On May 7, 2025, the Group's board of directors also resolved to liquidate its sub-subsidiary, Beijing M.J. Architecture & Decoration Materials Co., Ltd.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 22,486	33.2050 (USD:NTD)	\$ 746,645
USD	25,017	7.1782 (USD:RMB)	830,683
NTD	5,018	0.0301 (NTD:USD)	5,018
RMB	3,226	0.1393 (RMB:USD)	14,922
RMB	762	4.6258 (RMB:NTD)	3,524

Financial liabilities

Monetary items			
USD	5,532	33.2050 (USD:NTD)	183,706
USD	35	7.1782 (USD:RMB)	1,165
NTD	10,229	0.0301 (NTD:USD)	10,229
RMB	14,333	4.6258 (RMB:NTD)	66,301
RMB	50	0.1393 (RMB:USD)	232

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 4,719	32.7850 (USD:NTD)	\$ 154,705
USD	22,357	7.1884 (USD:RMB)	732,983
NTD	2,401	0.0305 (NTD:USD)	2,401
RMB	4,436	0.1391 (RMB:USD)	20,231
RMB	1,584	4.5608 (RMB:NTD)	7,223

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 2,515	32.7850 (USD:NTD)	\$ 82,465
USD	29	7.1884 (USD:RMB)	958
NTD	13,310	0.0305 (NTD:USD)	13,310
RMB	608	0.1391 (RMB:USD)	2,773
RMB	19,862	4.5608 (RMB:NTD)	90,586
			(Concluded)

March 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,404	32.0000 (USD:NTD)	\$ 172,924
USD	23,347	7.0950 (USD:RMB)	747,114
NTD	51,101	0.0313 (NTD:USD)	51,101
RMB	3,756	0.1409 (RMB:USD)	16,939

Financial liabilities

Monetary items			
USD	1,812	32.0000 (USD:NTD)	57,972
USD	82	7.0950 (USD:RMB)	2,616
NTD	6,818	0.0313 (NTD:USD)	6,818
RMB	19,686	4.5102 (RMB:NTD)	88,787

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

Net foreign exchange gains were \$10,231 thousand and \$8,951 thousand for the three months ended March 31, 2025 and 2024, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions or functional currencies of the entities in the Group.

39. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 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) (Table 3)

- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 6) Intercompany relationships and significant intercompany transactions (Table 6)
- b. Information on investees (Table 7)
- 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 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

40. SEGMENT INFORMATION

The chief operating decision maker regards each regional production and sales unit of plastic flooring as a separate operating segment. For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors. Therefore, segment information is not applicable.

- a. The nature of the products and production processes are similar;
- b. The pricing strategies for the products are similar;
- c. The methods used to distribute the products to the customers are similar.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 5)	Ending Balance (Note 5)	Actual Borrowing Amount (Notes 3 and 5)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 2)
													Item	Value		
1	Dongguan MeiJer Plastic Products Co., Ltd.	Dongguan Prolong Plastic Products Co., Ltd.	Other receivables from related party	Yes	\$ 92,516 (RMB 20,000)	\$ 92,516 (RMB 20,000)	\$ -	3.0	Demand for short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,310,683	\$ 1,310,683
		Beijing M.J. Architecture & Decoration Materials Co., Ltd.	Other receivables from related party	Yes	12,952 (RMB 2,800)	12,952 (RMB 2,800)	-	3.0	Demand for short-term financing	-	Operating capital	-	-	-	1,310,683	1,310,683
		Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Other receivables from related party	Yes	148,026 (RMB 32,000)	148,026 (RMB 32,000)	146,869 (RMB 31,750) (Note 4)	2.8	Demand for short-term financing	-	Operating capital	-	-	-	1,310,683	1,310,683

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

- a. 0 for parent company.
- b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: a. The credit limit for loans to a single enterprise that has business transactions with M. J. International Co., Ltd. (the "Company") or any of its subsidiaries shall not exceed the lower of (i) the amount of business transactions between the parties, or (ii) 10% of the net worth of the lending company. The term "amount of business transactions" refers to the higher of the purchase or sales amount between the two parties.

b. For entities that require short-term financing from the Company or its subsidiaries, the individual loan amount shall not exceed 10% of the net worth of the Company or its subsidiaries based on its most recent audited or reviewed financial statements.

c. The total amount available for lending shall not exceed 40% of the net worth of the Company based on its most recent audited or reviewed financial statements.

d. The total amount available for lending by each subsidiary shall not exceed 100% of the net worth of each subsidiary based on its most recent financial statements. However, for lending transactions between foreign companies whose voting shares are 100% directly or indirectly held by the Company, and between such foreign companies and the Company itself, the total lending limit and the limit for each individual borrower shall not exceed 100% of the net worth of the lending company based on its most recent financial statements.

Note 3: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The total interest income from loans to others by Dongguan MeiJer Plastic Products Co., Ltd. for the current year amounted to NT\$1,043 thousand.

Note 5: For items involving foreign currencies in this statement, amounts were converted to New Taiwan dollars (NT\$) at the exchange rates of US\$1:NT\$33.2050 and RMB1:NT\$4.6258 as of the balance sheet date; the related profit and loss amounts were converted at the exchange rates of US\$1:NT\$32.8950 and RMB1:NT\$4.5840.

(Concluded)

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	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 (Note 2)										
0	M.J. International Co., Ltd. (the "Company")	Opulent International Group Limited	b	\$ 5,027,685	\$ 1,239,124	\$ 1,239,124	\$ -	N/A	36.97	\$ 10,055,370	Yes	No	No
		M.J. International Flooring And Interior Products Inc	b	5,027,685	3,385,269	3,385,269	2,545,262	N/A	92.05	10,055,370	Yes	No	No
		Dongguan MeiJer Plastic Products Co., Ltd.	b	5,027,685	231,290	231,290	-	N/A	6.90	10,055,370	Yes	No	Yes

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

- 0 for parent company.
- The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The seven types of relationships between the endorser/guarantor and endorsee/guarantee receiver indicated as numbers in the table above are as follows:

- Having a business relationship.
- The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee receiver.
- The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
- The endorser/guarantor owns directly or indirectly more than 90% of the ordinary shares of the endorsee/guarantee receiver.
- Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
- Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee receiver in proportion to its ownership.
- Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

Note 3: a. The Company's endorsements and guarantees for any single enterprise shall not exceed 40% of the Company's net worth as stated in its most recent financial statements. However, for companies in which the Company directly or indirectly holds 100% of the voting shares, the endorsement and guarantee limit shall not exceed 150% of the Company's net worth as stated in its most recent financial statements.

b. Endorsements and guarantees between companies in which the Company directly or indirectly holds 90% or more of the voting shares are permitted, provided that the total amount shall not exceed 10% of the Company's net worth. However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly or indirectly holds 100% of the voting shares.

c. The total amount of endorsements and guarantees provided by the Company shall not exceed 300% of the Company's net worth as stated in its most recent financial statements. The combined total amount of endorsements and guarantees provided by the Company and its subsidiaries shall also be limited to 300% of the Company's net worth as stated in its most recent financial statements.

Note 4: The listed amounts were eliminated upon consolidation.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

MARCH 31, 2025

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

Holding Company Name	Type and Name of Marketable Security (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	March 31, 2025				Note	
				Number of Shares	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value		
Opulent International Group Limited	Banco Santander S.A. 5.179% 11/19/2025 DTD 11/19/2015	-	Financial assets at FVTOCI - current	-	\$ 33,259	-	\$ 33,259	Note 4	
	Credit Agricole S.A. London Branch 4.125% 01/10/2027 DTD 01/10/2017	-	"	-	32,948	-	32,948	Note 4	
	Societe Generale S.A. 4% 01/12/2027 DTD 01/12/2017	-	"	-	32,824	-	32,824	Note 4	
	Banque Ouest Africaine de Developpement 5.0% 07/27/2027 DTD 07/27/2017	-	"	-	32,400	-	32,400	Note 4	
	Golden Legacy Pte. Ltd. 6.875% 3/27/2024 DTD 3/27/2017	-	"	-	-	-	-	Note 4	
	Yuzhou Properties Company Limited 6.00% 1/25/2022 DTD 1/25/2017	-	"	-	-	-	-	Note 4	
						<u>\$ 131,431</u>		<u>\$ 131,431</u>	
	Softbank Group Corp 6.875% Perpetual DTD 7/19/2017	-	Financial assets at FVTOCI - non-current	-	\$ 6,584	-	\$ 6,584	Note 4	
	RKP Overseas Finance 2016 (A) Limited 7.95% Perpetual DTD 2/17/2017	-	"	-	1,215	-	1,215	Note 4	
	HSBC Holdings PLC, 6% Perpetual DTD 5/22/2017	-	"	-	<u>6,626</u>	-	<u>6,626</u>	Note 4	
					<u>\$ 14,425</u>		<u>\$ 14,425</u>		

Note 1: The term "securities" as used in this table refers to stocks, bonds, beneficiary certificates, and derivative securities within the scope of International Financial Reporting Standard (IFRS) No. 9 - Financial Instruments.

Note 2: The issuer of the securities is not a related party.

Note 3: Measured at fair value and presented at the adjusted carrying amount.

Note 4: The listed securities are not used as collateral, pledged for borrowings, or otherwise subject to any contractual restrictions on use.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount (Note 1)	% of Total (Note 2)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 1)	% of Total (Note 2)	
Opulent International Group Limited	Dongguan MeiJer Plastic Products Co., Ltd.	Affiliated company	Purchase	\$ 291,188	17	O/A 120 days	\$ -	-	\$ (291,286)	(78)	Note 4
Dongguan MeiJer Plastic Products Co., Ltd.	Opulent International Group Limited	Affiliated company	Sale	(291,188)	(94)	O/A 120 days	-	-	291,286	95	Notes 3 and 4

Note 1: Balances and transactions between M. J. International Co., Ltd. and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: Each ratio is calculated based on the transaction amounts or balances with the respective trading companies.

Note 3: The unrealized profit for the current period is NT\$7,686 thousand.

Note 4: The transaction price is determined using a cost-plus pricing method.

Note 5: For items involving foreign currencies in this statement, amounts are converted to New Taiwan dollars (NT\$) using the exchange rates of US\$1:NT\$33.2050 and RMB1:NT\$4.6258 as of the balance sheet date; related profit and loss are converted at exchange rates of US\$1:NT\$32.8950 and RMB1:NT\$4.5840.

M. J. INTERNATIONAL CO., LTD. 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)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Dongguan MeiJer Plastic Products Co., Ltd.	Opulent International Group Limited	Affiliated company	Trade receivables \$ 291,286	3.84 times	\$ -	-	\$ 78,145	\$ -
	Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Investee company	Other receivables 147,897 (Note 3)		-	-	1,028	-
Opulent International Group Limited	M.J. International Flooring And Interior Products Inc	Affiliated company	Other receivables 111,338		-	-	-	-

Note 1: Balances and transactions between M. J. International Co., Ltd. and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The amount recovered from April 1, 2025 to April 30, 2025.

Note 3: This amount includes accrued interest of NT\$1,028 thousand.

Note 4: For items involving foreign currencies in this statement, amounts are converted to New Taiwan dollars (NT\$) using the exchange rates of US\$1:NT\$33.2050 and RMB1:NT\$4.6258 as of the balance sheet date; related profit and loss are converted using the exchange rates of US\$1:NT\$32.8950 and RMB1:NT\$4.5840.

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transacting Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details				
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)	
0	M.J. International Co., Ltd. (parent company)	Opulent International Group Limited	a	Endorsements/guarantees provided	\$ 1,239,124	-	18	
		M.J. International Flooring and Interior Products Inc	a	Endorsements/guarantees provided	3,085,269	-	44	
		Dongguan MeiJer Plastic Products Co., Ltd.	a	Endorsements/guarantees provided	231,290	-	3	
		M.J. TECHNOLOGIES (THAILAND) CO., LTD.	a	Cash capital increase	36,810	-	1	
1	Dongguan Prolong Plastic Products Co., Ltd	Opulent International Group Limited	c	Revenue	77,232	Negotiated case by case. O/A 120 days	9	
		Opulent International Group Limited		Trade receivables	77,415		-	1
2	Dongguan MeiJer Plastic Products Co., Ltd	Opulent International Group Limited	c	Revenue	291,188	Negotiated case by case. O/A 120 days	32	
		Opulent International Group Limited	c	Trade receivables	291,286		-	4
		Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	c	Other receivables	147,897		Financing (including interest receivables \$1,028)	2
3	Opulent International Group Limited	M.J. International Flooring And Interior Products Inc	c	Revenue	28,318	Negotiated case by case. O/A 120 days	3	
		M.J. International Flooring And Interior Products Inc	c	Trade receivables	34,135		-	-
4	Opulent International Group Limited	M.J. International Flooring And Interior Products Inc	c	Other receivables	111,338	-	2	

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

- 0 for parent company.
- The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The flow of transactions is as follows. The above balances and transactions between the Company and its subsidiaries, which are related parties of the Group, the above have been eliminated on consolidation.

- From the parent company to the subsidiary.
- From the subsidiary to the parent company.
- Between subsidiaries.

Note 3: Transaction ratios are calculated as follows: for balance sheet items, the ending balance is divided by consolidated total assets; for income statement items, the accumulated amount for the period is divided by consolidated total revenue.

Note 4: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 5: Foreign currency amounts in this statement are converted to New Taiwan dollars (NT\$) at exchange rates of US\$1:NT\$33.2050 and RMB1:NT\$4.6258 as of the balance sheet date; related profit and loss are converted at exchange rates of US\$1:NT\$32.8950 and RMB1:NT\$4.5840.

TABLE 7**M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES****INFORMATION ON INVESTEEES****FOR THE THREE MONTHS ENDED MARCH 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount (Notes 3 and 4)		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
M.J. International Co., Ltd	Prolong International Co., Limited	Hong Kong	Investment holding	\$ 480,144 (US\$ 14,460)	\$ 474,071 (US\$ 14,460)	-	100	\$ 1,879,228	\$ 44,387	\$ 44,387	Notes 1 and 2
	Opulent International Group Limited	Hong Kong	International trade	288,884 (US\$ 8,700)	285,230 (US\$ 8,700)	8,700	100	745,352	52,959	52,959	Notes 1, 2, and 5
	M.J. International Flooring And Interior Products Inc	Taiwan	Processing and sale of plastic floor tiles, decorative renovation materials, and building materials.	900,000	900,000	90	100	322,118	(45,638)	(45,638)	Notes 1 and 2
	Fullhouse Investments Limited	Samoa	Investment holding	- (US\$ -)	57,414 (US\$ 1,751)	-	-	-	-	-	Notes 1, 2, and 6
	MJ Group US INC	United States	Trading of decorative and renovation materials	8,301 (US\$ 250)	8,196 (US\$ 250)	250	100	4,446	(1,019)	(1,019)	Notes 1 and 2
	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Thailand	Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service.	48,718 (THB 49,500)	11,908 (THB 12,375)	495	99	48,721	-	-	Notes 1 and 2
M.J. International Flooring And Interior Products Inc	M.J. TECHNOLOGIES (THAILAND) CO., LTD.	Thailand	Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service.	492 (THB 500)	120 (THB 125)	5	1	472	-	-	Notes 1 and 2

Note 1: The recognition of investment gains or losses is based on the investee company's financial statements for the same period, which have been reviewed by independent auditors.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: Information on investments in mainland China is shown in Table 8.

Note 4: The foreign currency investment was translated into New Taiwan dollars (NT\$) at the exchange rate on the reporting date.

Note 5: The investment gains or losses recognized for the current period are net amounts after adjusting for realized and unrealized gross profit from upstream transactions during the period, as well as the amortization of intangible assets arising from business combinations.

Note 6: Fullhouse Investments Limited completed its tax deregistration and business deregistration on March 7, 2025, and the liquidation repatriation process has also been completed.

TABLE 8

M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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

Investee Company	Main Business and Product	Paid-in Capital (Note 6)	Method of Investment (Note 1)	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	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss) (Notes 2 b.(2) and 3)	Carrying Amount as of March 31, 2025 (Notes 3 and 5)	Accumulated Repatriation of Investment Income as of March 31, 2025
					Outward	Inward						
Dongguan MeiJer Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials, as well as investment and holding activities.	\$ 1,071,545 (US\$ 32,271)	b. (1)	\$ -	\$ -	\$ -	\$ -	100	\$ 32,506	\$ 33,772	\$ 1,302,928	\$ -
Dongguan Prolong Plastic Products Co., Ltd.	Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials, as well as investment and holding activities.	335,201 (HK\$ 78,538)	b. (1)	-	-	-	-	100	8,947	10,615	573,777	-
Chongqing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	37,006 (RMB 8,000)	b. (2)	-	-	-	-	100	(175)	(175)	10,352	-
Beijing M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	67,074 (RMB 14,500)	b. (2)	-	-	-	-	100	12,872	12,872	16,679	-
Shanghai M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	217,413 (RMB 47,000)	b. (2)	-	-	-	-	100	(1,605)	(1,605)	104,902	-
Wuhan M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	41,632 (RMB 9,000)	b. (2)	-	-	-	-	100	(139)	(139)	27,580	-

(Continued)

Investee Company	Main Business and Product	Paid-in Capital (Note 6)	Method of Investment (Note 1)	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	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss) (Notes 2 b.(2) and 3)	Carrying Amount as of March 31, 2025 (Note 3 and 5)	Accumulated Repatriation of Investment Income as of March 31, 2025
Xian M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	\$ 20,816 (RMB 4,500)	b. (2)	\$ -	\$ -	\$ -	\$ -	100	\$ (105)	\$ (105)	\$ 13,090	\$ -
Shenyang M.J. Architecture & Decoration Materials Co., Ltd.	Sale of plastic floor tiles, decorative renovation materials, and building materials.	20,816 (RMB 4,500)	b. (2)	-	-	-	-	100	(19)	(19)	16,250	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Note 4	Note 4	Note 4

Note 1: Three methods of investing in mainland China are as follows:

- a. Direct.
- b. Through an existing company established in a third region
 - 1) Prolong International Co., Limited
 - 2) Prolong International Co., Limited invested in Dongguan MeiJer Plastic Products Co., Ltd. and Dongguan Prolong Plastic Products Co., Ltd.)
- c. Other methods.

Note 2: In the column of investment gain (loss)

- a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.
- b. The basis for recognizing investment gain (loss) is as follows:
 - 1) The financial statement reviewed by the attesting CPA of an international accounting firm in cooperation with an accounting firm in the ROC.
 - 2) The financial statement reviewed by the attesting CPA of the parent company in Taiwan.
 - 3) Other.

Note 3: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The Company is not incorporated in the Republic of China; therefore, it is not applicable.

Note 5: Includes unrealized gains and losses from upstream/downstream transactions.

Note 6: Translated at the exchange rate as of the balance sheet date.

(Continued)

Significant transactions with investee companies in the mainland area, either directly or indirectly through a third area:

1. Purchase amounts and percentages, along with the ending balances and percentages of related payables: refer to Table 4.
2. Sales amounts and percentages, along with the ending balances and percentages of related receivables: refer to Table 4.
3. Property transaction amounts and the resulting gains or losses: None.
4. Ending balances and purposes of endorsed notes, guarantees, or pledged collateral: Table 2.
5. Highest balances, ending balances, interest rate ranges, and total interest amounts of financing: refer to Table 1.
6. Other transactions with significant impact on current profit or financial position, such as provision or receipt of services: None.

(Concluded)