

Stock Code:6506

**Shuang-Bang Industrial Corporation  
and Subsidiaries**

**Consolidated Financial Statements  
With Independent Auditors' Review Report  
For the Six-Month Periods Ended  
June 30, 2025 and 2024**

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## **Independent Auditors' Review Report**

To the Board of Directors of Shuang-Bang Industrial Corporation:

### **Introduction**

We have reviewed the consolidated financial statements of Shuang-Bang Industrial Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the six-month periods ended, and notes to the consolidated financial statements, including the summary of accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated 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 these consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Opinion**

As described in note 4(3) to the consolidated financial statements, the financial statements of the non-significant subsidiaries included in the aforementioned consolidated financial statements for the same period were not reviewed. As of June 30, 2025, and June 30, 2024, the total assets of these non-significant subsidiaries amounted to NT\$69,721 thousand and NT\$220,894 thousand, respectively, constituting 2.74% and 8.37% of the consolidated total assets. The total liabilities amounted to NT\$25,104 thousand and NT\$96,728 thousand, respectively, constituting 1.94% and 7.13% of the consolidated total liabilities. The total comprehensive income for the three-month and six-month periods ended June 30, 2025, and 2024, was NT\$2,207 thousand, NT\$(10,296) thousand, NT\$6,208 thousand and NT\$(3,292) thousand, respectively, constituting 26.34%, (41.36)%, 14.08% and (5.73)% of the consolidated total comprehensive income. Additionally, the information related to these subsidiaries disclosed in note 13 to the consolidated financial statements was also not reviewed.

### **Qualified Conclusion**

Based on our reviews, except for the possible impact on the consolidated financial statements if the financial statements of the non-significant subsidiaries, as described in the Basis for Qualified Opinion, had been reviewed. Nothing has come to our attention that causes us to believe that the

accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2025 and 2024, and its consolidated financial performance and cash flows for the three-month and six-month periods ended June 30, 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” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

The engagement partners on the audits resulting in this independent auditors’ report are Jim Chen Ko and Lin Hui Fen.

Weyong International CPAs&Co.  
Taichung, Taiwan  
Republic of China  
Aug 8, 2025

#### **Notice to Readers**

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

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

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2025, December 31, 2024 and June 30, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Codes	Assets	Notes	June 30,2025		December 31,2024		June 30,2024	
			Amount	%	Amount	%	Amount	%
<b>Current Assets</b>								
1100	Cash and cash equivalents	6(1)	130,711	5.14	120,265	4.77	108,835	4.13
1137	Financial assets at amortized cost -current	6(2)	900	0.04	900	0.04	56,900	2.16
1150	Notes receivables, net	6(3)	52,295	2.05	58,792	2.33	107,316	4.07
1152	Other notes receivables	6(3)	311	0.01	532	0.02	310	0.01
1170	Accounts receivables, net	6(3)	354,925	13.95	350,693	13.92	366,601	13.90
1180	Accounts receivables from related parties, net	6(3), 7	25,610	1.01	36,711	1.46	19,440	0.74
1200	Other receivables		619	0.02	768	0.03	880	0.03
1220	Current tax assets		10,976	0.43	10,976	0.44	38	-
130X	Inventories	6(4)	281,833	11.08	260,633	10.35	277,581	10.52
1470	Other current assets		18,936	0.74	17,409	0.69	22,654	0.86
11XX	<b>Total current assets</b>		<b>877,116</b>	<b>34.47</b>	<b>857,679</b>	<b>34.05</b>	<b>960,555</b>	<b>36.42</b>
<b>Noncurrent Assets</b>								
1510	Financial assets at fair value through profit or loss -non-current	6(5)	26,472	1.04	26,472	1.05	38,452	1.46
1600	Property, plant and equipment	6(6)	1,510,735	59.37	1,453,222	57.69	1,426,553	54.08
1755	Right-of-use assets	6(7)	5,718	0.23	10,279	0.41	21,800	0.83
1780	Intangible assets	6(8)	2,515	0.10	3,064	0.12	2,883	0.11
1840	Deferred income tax assets		28,350	1.11	32,098	1.27	48,257	1.83
1900	Other noncurrent assets	6(9), 7	93,627	3.68	136,154	5.41	139,045	5.27
15XX	<b>Total noncurrent assets</b>		<b>1,667,417</b>	<b>65.53</b>	<b>1,661,289</b>	<b>65.95</b>	<b>1,676,990</b>	<b>63.58</b>
1XXX	<b>Total assets</b>		<b>2,544,533</b>	<b>100.00</b>	<b>2,518,968</b>	<b>100.00</b>	<b>2,637,545</b>	<b>100.00</b>

(Continued)

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2025, December 31, 2024 and June 30, 2024**

Codes	Liabilities and Equity	Notes	June 30,2025		December 31,2024		June 30,2024	
			Amount	%	Amount	%	Amount	%
	<b>Current Liabilities</b>							
2100	Short-term loans	6(10)	167,085	6.57	122,988	4.88	123,267	4.67
2151	Notes payables	6(11)	7,628	0.30	4,698	0.19	6,599	0.25
2152	Other notes payables	6(11)	5,488	0.22	15,594	0.62	6,579	0.25
2170	Accounts payables	6(11)	204,934	8.06	185,097	7.35	194,402	7.37
2180	Accounts payables from related parties	6(11),7	2,249	0.09	2,558	0.10	348	0.01
2200	Other accounts payables	6(12)	160,833	6.32	102,881	4.09	157,327	5.97
2220	Other accounts payables from related parties	6(12),7	88	-	26	-	113	0.01
2230	Income tax payables		10,718	0.42	-	-	4,730	0.18
2250	Provision for warranty obligations-current	6(13)	10,277	0.40	11,082	0.44	16,597	0.63
2281	Lease liabilities from third parties	6(7)	2,805	0.11	5,877	0.23	11,453	0.43
2282	Lease liabilities from related parties	6(7), 7	549	0.02	1,095	0.04	1,088	0.04
2300	Other current liabilities	6(14)	4,934	0.19	8,581	0.34	6,239	0.24
2322	Current portion of long-term loans payable	6(15)	108,406	4.26	111,306	4.42	99,743	3.78
21XX	<b>Total current Liabilities</b>		<b>685,994</b>	<b>26.96</b>	<b>571,783</b>	<b>22.70</b>	<b>628,485</b>	<b>23.83</b>
	<b>Noncurrent Liabilities</b>							
2540	Long-term loans	6(15)	585,096	22.99	647,135	25.69	693,934	26.31
2570	Deferred income tax payable		1,874	0.07	5,334	0.21	1,521	0.06
2581	Lease liabilities from third parties-non current	6(7)	2,314	0.09	3,362	0.13	8,910	0.34
2582	Lease liabilities from related parties-non current	6(7),7	-	-	-	-	549	0.02
2630	Long-term deferred revenue		170	0.01	511	0.02	852	0.03
2640	Net defined benefit liability -non current	6(17)	18,630	0.73	18,618	0.74	21,692	0.82
2645	Guarantee deposits		893	0.04	893	0.04	727	0.03
25XX	<b>Total noncurrent liabilities</b>		<b>608,977</b>	<b>23.93</b>	<b>675,853</b>	<b>26.83</b>	<b>728,185</b>	<b>27.61</b>
2XXX	<b>Total Liabilities</b>		<b>1,294,971</b>	<b>50.89</b>	<b>1,247,636</b>	<b>49.53</b>	<b>1,356,670</b>	<b>51.44</b>
	<b>Equity Attributable to Shareholders of the Parent</b>							
3100	Capital Stock	6(18)1						
3110	Common stock		823,608	32.37	823,608	32.70	823,608	31.23
3200	Capital surplus	6(18)2	10,615	0.42	10,586	0.42	10,586	0.40
3300	Retained earnings							
3310	Appropriated as legal capital reserve		175,430	6.89	169,093	6.71	169,093	6.41
3350	Unappropriated earnings	6(18)3	218,623	8.59	250,131	9.93	244,003	9.25
31XX	<b>Equity Attributable to shareholders of the Parent</b>		<b>1,228,276</b>	<b>48.27</b>	<b>1,253,418</b>	<b>49.76</b>	<b>1,247,290</b>	<b>47.29</b>
36XX	<b>Non-Controlling Interests</b>		<b>21,286</b>	<b>0.84</b>	<b>17,914</b>	<b>0.71</b>	<b>33,585</b>	<b>1.27</b>
3XXX	<b>Total Equity</b>		<b>1,249,562</b>	<b>49.11</b>	<b>1,271,332</b>	<b>50.47</b>	<b>1,280,875</b>	<b>48.56</b>
	<b>Total Liabilities and Equity</b>		<b>2,544,533</b>	<b>100.00</b>	<b>2,518,968</b>	<b>100.00</b>	<b>2,637,545</b>	<b>100.00</b>

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

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three-month and six-month periods ended June 30, 2025 and 2024**  
**(Expressed in thousands of New Taiwan Dollars, Except for Earnings per Share)**

Codes	Items	Notes	For the three months ended June 30				For the six months ended June 30			
			2025		2024		2025		2024	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues	6(19), 7	483,522	100.00	488,954	100.00	1,003,955	100.00	976,832	100.00
5000	Cost of revenues	7	(409,265)	(84.64)	(414,579)	(84.79)	(836,358)	(83.31)	(817,126)	(83.65)
5900	Gross profit		74,257	15.36	74,375	15.21	167,597	16.69	159,706	16.35
	<b>Operating expenses</b>									
6100	Sales and marketing		(17,894)	(3.70)	(20,015)	(4.09)	(37,634)	(3.75)	(37,881)	(3.88)
6200	General and administrative	7	(16,799)	(3.48)	(23,349)	(4.78)	(38,492)	(3.83)	(45,845)	(4.69)
6300	Research and development		(8,319)	(1.72)	(10,490)	(2.14)	(16,480)	(1.64)	(17,624)	(1.80)
6450	Expected credit (loss) gain		(356)	(0.07)	(1,118)	(0.23)	(199)	(0.02)	(1,718)	(0.18)
6000	Total operating expenses		(43,368)	(8.97)	(54,972)	(11.24)	(92,805)	(9.24)	(103,068)	(10.55)
6900	Operating income (loss)		30,889	6.39	19,403	3.97	74,792	7.45	56,638	5.80
	<b>Non-operating income and expenses</b>									
7010	Other income	6(20)1	5,010	1.04	10,631	2.17	7,182	0.72	13,220	1.35
7020	Other gains and loss	6(20)2	(21,712)	(4.49)	2,646	0.54	(19,065)	(1.90)	7,581	0.78
7050	Finance costs	6(20)4, 7	(4,116)	(0.85)	(4,183)	(0.85)	(8,205)	(0.82)	(7,956)	(0.81)
7100	Interest income		409	0.08	697	0.14	409	0.04	848	0.08
7000	Total non-operating income and expenses		(20,409)	(4.22)	9,791	2.00	(19,679)	(1.96)	13,693	1.40
7900	Profit before tax		10,480	2.17	29,194	5.97	55,113	5.49	70,331	7.20
7950	Less: Income tax expense	6(21)	(2,100)	(0.44)	(4,302)	(0.88)	(11,023)	(1.10)	(12,845)	(1.32)
8200	Net (Loss) Income	6(20)	8,380	1.73	24,892	5.09	44,090	4.39	57,486	5.88
8300	Other comprehensive income (loss)		-	-	-	-	-	-	-	-
8500	Total comprehensive income		8,380	1.73	24,892	5.09	44,090	4.39	57,486	5.88
8600	Net income attribute to:									
8610	Shareholders of the parent		7,236	1.49	24,511	5.01	40,718	4.05	57,729	5.90
8620	Non-controlling interests		1,144	0.24	381	0.08	3,372	0.34	(243)	(0.02)
8700	Total comprehensive income attribute to									
8710	Shareholders of the parent		7,236	1.49	24,511	5.01	40,718	4.05	57,729	5.90
8720	Non-controlling interests		1,144	0.24	381	0.08	3,372	0.34	(243)	(0.02)
	<b>Earnings per share</b>	6(25)								
9750	Basic earnings per share		0.09		0.30		0.49		0.70	
9850	Diluted earnings per share		0.09		0.30		0.49		0.70	

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

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the six-month periods ended June 30, 2025 and 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Equity attribute to the shareholders of the parent company

Items	Notes	Retained earnings					Subtotal of equity attributable to the shareholders of the parent 31XX	Non-controlling interests 36XX	Total equity 3XXX
		Capital Stock- Common stock 3110	Capital Surplus 3200	Legal reserve 3310	Unappropriated retained earnings 3350	Total 3300			
<b>Balance on January 1, 2024</b>	A1	823,608	10,557	169,093	219,708	388,801	1,222,966	33,339	1,256,305
Cash dividends	B5	-	-	-	(32,945)	(32,945)	(32,945)	-	(32,945)
Changes in capital surplus	C17	-	29	-	-	-	29	-	29
Net income for the period	D1	-	-	-	57,729	57,729	57,729	(243)	57,486
Other comprehensive income(loss) for the period	D3	-	-	-	-	-	-	-	-
Total comprehensive income(loss) for the period	D5	-	-	-	57,729	57,729	57,729	(243)	57,486
Changes in ownership equity of subsidiaries	M7	-	-	-	(489)	(489)	(489)	489	-
<b>Balance on June 30, 2024</b>	Z1	<b>823,608</b>	<b>10,586</b>	<b>169,093</b>	<b>244,003</b>	<b>413,096</b>	<b>1,247,290</b>	<b>33,585</b>	<b>1,280,875</b>
<b>Balance on January 1, 2025</b>	A1	823,608	10,586	169,093	250,131	419,224	1,253,418	17,914	1,271,332
Appropriations of earnings of legal reserve	B1	-	-	6,337	(6,337)	-	-	-	-
Cash dividends	B5	-	-	-	(65,889)	(65,889)	(65,889)	-	(65,889)
Changes in capital surplus	C17	-	29	-	-	-	29	-	29
Net income for the period	D1	-	-	-	40,718	40,718	40,718	3,372	44,090
Other comprehensive income(loss) for the period	D3	-	-	-	-	-	-	-	-
Total comprehensive income(loss) for the period	D5	-	-	-	40,718	40,718	40,718	3,372	44,090
<b>Balance on June 30, 2025</b>	Z1	<b>823,608</b>	<b>10,615</b>	<b>175,430</b>	<b>218,623</b>	<b>394,053</b>	<b>1,228,276</b>	<b>21,286</b>	<b>1,249,562</b>

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



**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the six-month periods ended June 30, 2025 and 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Codes	Items	For the six-month ended June 30	
		2025	2024
AAAA	<b>Cash flows from operating activities</b>		
A10000	Profit before income tax	55,113	70,331
A20000	<b>Adjustments for:</b>		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	51,844	55,452
A20200	Amortization expenses	755	952
A20300	Expected credit loss (reversed gain)	199	1,718
A20900	Interest expense	8,048	7,758
A21200	Interest income	(409)	(848)
A22500	Gain on disposal or retirement of property, plant and equipment	1,801	142
A24100	Unrealized loss (gain) on foreign exchange	7,049	(1,034)
A29900	Others (government grants)	(341)	(341)
A29900	Others	-	905
A20010	<b>Total adjustments to reconcile profit (loss)</b>	<b>68,946</b>	<b>64,704</b>
A30000	<b>Changes in operating assets and liabilities:</b>		
A31000	<b>Changes in operating assets</b>		
A31130	Decrease (Increase) in notes receivable	6,497	(38,693)
A31150	Increase in accounts receivable	(1,811)	(57,936)
A31180	Decrease in other receivables	325	210
A31200	Increase in inventories	(21,200)	(15,128)
A31240	Decrease (Increase) in other current assets	458	(6,473)
A31990	Decrease in other operating assets	266	222
A31000	<b>Total changes in operating assets</b>	<b>(15,465)</b>	<b>(117,798)</b>
A32000	<b>Changes in operating liabilities</b>		
A32130	Increase in notes payable	930	2,547
A32150	Increase in accounts payable	20,940	20,833
A32180	(Decrease) Increase in other payables	(13,291)	53,164
A32200	(Decrease) Increase in provisions	(805)	7,780
A32230	(Decrease) Increase in other current liabilities	(3,643)	1,421
A32240	Increase (Decrease) in net defined benefit liability	12	(39)
A32000	<b>Total changes in operating liabilities</b>	<b>4,143</b>	<b>85,706</b>
A30000	<b>Total changes in operating assets and liabilities</b>	<b>(11,322)</b>	<b>(32,092)</b>
A20000	<b>Total adjustments</b>	<b>57,624</b>	<b>32,612</b>
A33000	Cash flow generated from operations	112,737	102,943
A33100	Interest received	409	848
A33300	Interest paid	(9,121)	(8,995)
A33500	Income Tax Paid	(17)	(13,310)
AAAA	<b>Net cash flows generated by operating activities</b>	<b>104,008</b>	<b>81,486</b>

(Continued)

**Shuang-Bang Industrial Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the six-month periods ended June 30, 2025 and 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

Codes	Items	For the six-month ended June 30	
		2025	2024
	(Continued)		
BBBB	<b>Cash flows from investing activities</b>		
B00040	Acquisition of financial assets at amortized costs	-	(13,400)
B02700	Acquisition of property, plant and equipment	(19,774)	(18,399)
B02800	Disposal of property, plant and equipment	272	32
B03700	Increase in deposits paid	-	(160)
B04500	Acquisition of intangible assets	(206)	(315)
B06800	Decrease in other non-current assets	324	284
B07100	Increase in prepayments for business facilities	(48,715)	(62,183)
BBBB	<b>Net cash used in (generated by) investing activities</b>	<u>(68,099)</u>	<u>(94,141)</u>
CCCC	<b>Cash flows from financing activities</b>		
C00100	Increase in short-term loans	410,836	334,825
C00200	Decrease in short-term loans	(366,739)	(276,093)
C01700	Repayment of long-term bank loans	(64,939)	(51,632)
C03100	Decrease in deposits received	-	(294)
C04020	Repayment of the principal portion of lease liabilities	(4,666)	(6,245)
C09900	Others	29	29
CCCC	<b>Net cash (used in) generated by financing activities</b>	<u>(25,479)</u>	<u>590</u>
DDDD	<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>16</u>	<u>34</u>
EEEE	<b>Net Increase (Decrease) in cash and cash equivalents</b>	10,446	(12,031)
E00100	Cash and cash equivalents, beginning of the year	120,265	120,866
E00200	Cash and cash equivalents, end of the year	<u>130,711</u>	<u>108,835</u>
E00210	Cash and cash equivalents on consolidated balance sheets	<u>130,711</u>	<u>108,835</u>

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

**Shuang Bang Industrial Corporation and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**For the three-month periods ended June 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

**1. Company History**

Shuang Bang Industrial Corporation (the Company) was incorporated on November 17, 1989. The Company is mainly engaged in manufacturing of PU resin for shoes, coating and lamination, hardener, and Thermoplastic Polyurethane (TPU) as well as the sales of photoinitiators. The Company's stock has been listed on the Taipei Exchange (TPEX) since May 3, 2011. The registered address main operational base of the Company is located at No. 3, Yongxing Road, Nantou City, Nantou County. The principal operating activities of the Group and its subsidiaries (herein after referring to as the "Group") are described in note 14.

The consolidated financial statements are presented in the functional currency of the Group, which is New Taiwan Dollars.

**2. Approval Date and Procedures of the Financial Statements**

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on Aug 8, 2025.

**3. New Standards, Amendments and Interpretations Adopted**

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant impact on the accounting policies of Shuang Bang Industrial Corporation and its subsidiaries (collectively as the "Group").

- (2) The IFRSs Endorsed by the FSC for 2026

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

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted from January 1, 2025.

- (3) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date issued by IASB (Note 1)</b>
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	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

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date issued by IASB (Note 1)</u></b>
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
Amendments to IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

### **IFRS 18 “Presentation and Disclosure in Financial Statements”**

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company 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 Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition to the foregoing impacts, as of the date the accompanying consolidated financial statements were authorized for issue, the Group continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Group completes its evaluation.

#### **4. Summary of Significant Accounting Policies**

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 consolidated financial statements shall prevail.

##### **(1) Statement of Compliance**

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34,

“Interim Financial Reporting,” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed and issued into effect by the FSC (collectively, the “Taiwan-IFRS Accounting Standards”).

(2) Basis of preparation

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

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

- A. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- B. Level 2 fair value measurements are those derived from 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).
- C. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(3) Basis of consolidation

A. Principle of preparation of the consolidated financial statements

The same principles of consolidation have been applied in the Company’s consolidated financial statements as those applied in the Company’s consolidated financial statements for the year ended December 31, 2024.

B. List of subsidiaries in the consolidated financial statements

The detail information of the subsidiaries at the end of reporting period was as follows:

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		
			June 30, 2025	December 31, 2024	June 30, 2024
Shuang Bang Corporation	Miracle textile industry Co., Ltd.	Manufacturing of coatings	44.50	44.50	44.50
Shuang Bang Corporation	Shoetex Corporation	Manufacturing of finished shoes	-	-	80.20

Shoetex Corporation decreased and increased its authorized share capital and by approval of board of directors, resolved to reduce capital to offset losses and to implement a cash capital increase on March 19, 2024. The effective date was March 25 and March 26, 2024, respectively, and had registered in Ministry of Economic Affairs on April 12, 2024. Due to non-proportional investment in an investee’s capital increase, the percentage of the ownership increased from 68.87% to 80.20%.

Subsequently, on October 30, 2024, an extraordinary shareholders’ meeting of the subsidiary resolved to initiate dissolution and liquidation procedures. The effective date of dissolution was set for October 31, 2024, and the liquidator was authorized to handle all related matters. The dissolution registration was approved by the Ministry of Economic Affairs on November 4, 2024, and the liquidation process was completed on December 20, 2024.

The subsidiaries included in the consolidated financial statements are not material subsidiaries, and the Company's management believes that the related investments have no significant impact on the financial statements. Accordingly, the financial statements of these subsidiaries as of June 30, 2025 and 2024 were not reviewed by independent auditors.

As of June 30, 2025, December 31, 2024, and June 30, 2024, there were no subsidiaries excluded from the consolidated financial statements. Furthermore, there were no significant restrictions on the ability of the consolidated entities to access or use the Group's assets or to settle the Group's liabilities.

- C. Subsidiaries with non-controlling interests that are material to the consolidated company were as follows:

Name of subsidiary	Ownership (%)	Non-controlling interest		
		June 30, 2025	December 31, 2024	June 30, 2024
Miracle textile industry Co. Ltd.	55.50	\$ 21,286	\$ 17,914	\$ 19,129
Shoetex Corporation	-	-	-	14,456
		<u>\$ 21,286</u>	<u>\$ 17,914</u>	<u>\$ 33,585</u>

Name of subsidiary	Ownership (%)	Profit (Loss) Allocated to Non-controlling Interests			
		For the three-month ended June 30,		For the six-month ended June 30,	
		2025	2024	2025	2024
Miracle textile industry Co. Ltd.	55.50	\$ 1,144	\$ 1,352	\$ 3,372	\$ 2,119
Shoetex Corporation	-	-	(971)	-	(2,362)
		<u>\$ 1,144</u>	<u>\$ 381</u>	<u>\$ 3,372</u>	<u>\$ (243)</u>

- (A) For the main business and products, location, and registration information of the above subsidiaries, refer to Table 3 in note 13.

- (B) The financial information was summarized as follows:

- a. Balance sheets

	Miracle textile industry Co. Ltd.		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 56,347	\$ 58,618	\$ 66,961
Non-current assets	13,623	19,443	23,477
Current liabilities	(26,250)	(31,335)	(34,621)
Non-current liabilities	(5,367)	(14,449)	(21,350)
Equity	<u>\$ 38,353</u>	<u>\$ 32,277</u>	<u>\$ 34,467</u>
Equity attributable to shareholders of the parent	<u>\$ 17,067</u>	<u>\$ 14,363</u>	<u>\$ 15,338</u>
Equity attributable to non-controlling interests	<u>\$ 21,286</u>	<u>\$ 17,914</u>	<u>\$ 19,129</u>

	Shoetex Corporation		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ -	\$ -	\$ 103,518
Non-current assets	-	-	35,770
Current liabilities	-	-	(30,938)
Non-current liabilities	-	-	(35,340)
Equity	\$ -	\$ -	\$ 73,010
Equity attributable to shareholders of the parent	\$ -	\$ -	\$ 58,554
Equity attributable to non-controlling interests	\$ -	\$ -	\$ 14,456

#### b. Comprehensive income statements

	Miracle textile industry Co. Ltd.			
	For the three- month ended June 30, 2025	For the three- month ended June 30, 2024	For the six- month ended June 30, 2025	For the six- month ended June 30, 2024
Operating revenue	\$ 26,988	\$ 33,632	\$ 60,283	\$ 63,281
Net income	\$ 2,062	\$ 2,436	\$ 6,076	\$ 3,819
Other comprehensive income (loss), after tax	-	-	-	-
Total comprehensive income	\$ 2,062	\$ 2,436	\$ 6,076	\$ 3,819
Net income attributable to shareholders of the parent	\$ 918	\$ 1,084	\$ 2,704	\$ 1,700
Net income attributable to non-controlling interests	\$ 1,144	\$ 1,352	\$ 3,372	\$ 2,119
Total comprehensive income attributable to owners of parent	\$ 918	\$ 1,084	\$ 2,704	\$ 1,700
Total comprehensive income attributable to non-controlling interests	\$ 1,144	\$ 1,352	\$ 3,372	\$ 2,119
Dividends paid to non-controlling interests	\$ -	\$ -	\$ -	\$ -

	Shoetex Corporation			
	For the three- month ended June 30, 2025	For the three- month ended June 30, 2024	For the six- month ended June 30, 2025	For the six- month ended June 30, 2024
Operating revenue	\$ -	\$ 12,555	\$ -	\$ 28,942
Net loss	\$ -	\$ (4,903)	\$ -	\$ (9,447)
Other comprehensive income (loss), after tax	-	-	-	-
Total comprehensive income (loss)	\$ -	\$ (4,903)	\$ -	\$ (9,447)
Net income (loss) attributable to shareholders of the parent	\$ -	\$ (3,932)	\$ -	\$ (7,085)
Net income (loss) attributable to non-controlling interests	\$ -	\$ (971)	\$ -	\$ (2,362)
Total comprehensive income (loss) attributable to owners of parent	\$ -	\$ (3,932)	\$ -	\$ (7,085)
Total comprehensive income (loss) attributable to non-controlling interests	\$ -	\$ (971)	\$ -	\$ (2,362)
Dividends paid to non-controlling interests	\$ -	\$ -	\$ -	\$ -

#### C. Cash flows statements

	Miracle textile industry Co. Ltd.	
	For the six- month ended June 30, 2025	For the six- month ended June 30, 2024
Cash flows generated from operating activities	\$ 9,154	\$ 14,132
Cash flows used in investing activities	(444)	-
Cash flows used in financing activities	(14,758)	(2,873)

	Miracle textile industry Co. Ltd.	
	For the six- month ended June 30, 2025	For the six- month ended June 30, 2024
Net (Decrease) Increase in cash and cash equivalents	(6,048)	11,259
Cash and cash equivalents, beginning of the year	30,838	7,544
Cash and cash equivalents, end of the year	<u>\$ 24,790</u>	<u>\$ 18,803</u>

	Shoetex Corporation	
	For the six- month ended June 30, 2025	For the six- month ended June 30, 2024
Cash flows generated from operating activities	\$ -	\$ 3,439
Cash flows used in investing activities	-	(26,761)
Cash flows generated from financing activities	-	24,883
Net Increase in cash and cash equivalents	-	1,561
Cash and cash equivalents, beginning of the year	-	11,661
Cash and cash equivalents, end of the year	<u>\$ -</u>	<u>\$ 13,222</u>

(4) Other material accounting policy information

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024.

A. Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year. And for the significant market fluctuations during the period, as well as for significant revisions, settlements, or other major one-time items, adjustments have been made.

B. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average effective annual income tax rate applied to the pre-tax income of the interim period.

**5. Significant accounting Judgments, Assumptions, and the major sources of Estimation Uncertainty**

The same material accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2024.

**6. Contents of Significant Accounts**

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash	\$ 266	\$ 280	\$ 312
Checking accounts and demand deposits	130,445	119,985	108,523
	<u>\$ 130,711</u>	<u>\$ 120,265</u>	<u>\$ 108,835</u>

The details of the interest rate for bank deposits were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Demand deposits (%)	0.010~0.800	0.002~0.800	0.001~1.450



(2) Financial assets at amortized costs – current

	June 30, 2025	December 31, 2024	June 30, 2024
Pledged time deposits	\$ 900	\$ 900	\$ 900
Time deposits	-	-	-
	<u>\$ 900</u>	<u>\$ 900</u>	<u>\$ 56,900</u>
Interests rate (%)	0.655	0.655~0.705	0.455~1.690

The details of loss allowance of financial assets at amortized costs – current were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total of carrying amount	\$ 900	\$ 900	\$ 56,900
Loss allowance	-	-	-
Financial assets at amortized costs	<u>\$ 900</u>	<u>\$ 900</u>	<u>\$ 56,900</u>

The Group's financial assets at amortized costs – current comprised custom duty deposits, bank loans with a specific purpose and bank deposits with originally due over three months and within one year which cannot be transferred to other category.

The Group's financial assets at amortized costs were pledged as collateral; please refer to note 8.

(3) Accounts and notes receivables, net

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivables			
From operating activities	\$ 52,295	\$ 58,792	\$ 107,316
Not from operating activities	311	532	310
	<u>\$ 52,606</u>	<u>\$ 59,324</u>	<u>\$ 107,626</u>
Accounts receivables	\$ 355,873	\$ 351,442	\$ 374,805
Less: loss allowance	(948)	(749)	(8,204)
	<u>\$ 354,925</u>	<u>\$ 350,693</u>	<u>\$ 366,601</u>
Accounts receivables from related parties	<u>\$ 25,610</u>	<u>\$ 36,711</u>	<u>\$ 19,440</u>

The credit term on sales to the customers is 30 to 120 days.

The Group applies the simplified approach to provide for its loss allowance used for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all notes and accounts receivable. The expected credit losses on accounts receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience shows that there is no significant difference in the loss patterns of different customer groups, it does not further differentiate the customer groups for the provision matrix and only sets the expected credit loss based on the number of days past due for notes and accounts receivable.

The abovementioned notes receivables which were not from operating were compensation payments by installments for the equipment was recognized as notes receivables and long-term accounts receivables of other noncurrent liabilities, respectively.

Details of allowance of accounts receivables were as follows:

June 30, 2025

	Current	Overdue 1-60 days	Overdue more than 61 days	Total
Total carrying amount	\$ 428,109	\$ 5,592	\$ 388	\$ 434,089
Provision for loss allowance	(241)	(322)	(385)	(948)
Cost after amortization	\$ 427,868	\$ 5,270	\$ 3	\$ 433,141

The Group's abovementioned rates of expected credit loss were as follows, current rates were 0.010% to 0.066%, rates of due over 1 to 60 days were 1.575% to 16.268% and rates of due over 61 days were 32.207% to 100%.

December 31, 2024

	Current	Overdue 1-60 days	Overdue more than 61 days	Total
Total carrying amount	\$ 444,438	\$ 2,721	\$ 318	\$ 447,477
Provision for loss allowance	(251)	(241)	(257)	(749)
Cost after amortization	\$ 444,187	\$ 2,480	\$ 61	\$ 446,728

The Group's abovementioned rates of expected credit loss were as follows, current rates were 0.068%, rates of due over 1 to 60 days were 0.000% to 29.879% and rates of due over 61 days were 66.124% to 100%.

June 30, 2024

	Current	Overdue 1-60 days	Overdue more than 61 days	Total
Total carrying amount	\$ 489,887	\$ 4,943	\$ 7,041	\$ 501,871
Provision for loss allowance	(287)	(960)	(6,957)	(8,204)
Cost after amortization	\$ 489,600	\$ 3,983	\$ 84	\$ 493,667

The Group's abovementioned rates of expected credit loss were as follows, current rates were 0.000% to 0.080%, rates of due over 1 to 60 days were 0.000% to 53.824% and rates of due over 61 days were 86.822% to 100%.

Information of changes in impairments of notes and accounts receivables were as follows:

	For the six-month periods ended June 30,	
	2025	2024
Balance on January 1	\$ 749	\$ 6,486
Add: Impairment loss for the current period, net	199	1,718
Balance on June 30	\$ 948	\$ 8,204

(4) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandises	\$ 16,230	\$ 13,829	\$ 5,149
Finished goods	130,977	128,209	111,956
Semi-finished goods	12,438	10,507	18,096
Work in process	14,395	10,263	23,547
Raw materials	81,043	72,194	97,662
Manufacturing materials	26,750	25,631	21,171
	\$ 281,833	\$ 260,633	\$ 277,581

The operating costs relating to inventories amounted to \$836,358 thousand and \$817,126 thousand for the six-month periods ended June 30, 2025 and 2024, respectively.

The information of write-down of inventories to net realizable value and reversal of write-down of inventories resulting from the increase in net realizable value which were included in the cost of revenue:

	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Reversal of inventory obsolescence for the period (gains)	\$ 3,856	\$ 487	\$ 2,316	\$ (2,076)

(5) Financial assets at fair value through profit or loss, non-current

	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	Ownership%	Amount	Ownership%	Amount	Ownership%
Financial assets at fair value through profit or loss, non-current						
Stock:						
Nanyang Cooperatives for common labors	\$ 20	0.42	\$ 20	0.42	\$ 20	0.42
Loyal Splendor Int'l Ltd. (Seychelles)	9,176	18.00	9,176	18.00	10,678	18.00
Grand and Great Corp. (Samoa)	17,276	3.33	17,276	3.33	27,754	3.33
Total	\$ 26,472		\$ 26,472		\$ 38,452	

The Group's financial assets at fair value through profit or loss were not pledged as collateral.

For the purpose of expanding oversea market of TPU, the Group set up a joint venture (Loyal Splendor Int'l Ltd. (Seychelles)) with others. This decision was approved in 2017, with the intention of setting up another new company. As of June 30, 2025, the Group had paid a total of USD 540,000 in investment funds.

For the purposes of vertical integration and expanding oversea market, the Group set up a joint venture (Grand and Great Corporation Limited (SAMOA)) with others. This decision was approved in 2015, with the intention of setting up another new company. The Group resolved to make a capital injection of USD 10.5 million on August 19, 2022, with the reference date for the capital injection being January 4, 2023. The Group did not subscribe according to its shareholding ratio. Resulting in a decrease in its shareholding percentage from 4.44% to 3.33%. As of June 30, 2024, the Group had paid a total of USD 1.4 million in investment funds.

(6) Property, plant and equipment

	June 30, 2025	December 31, 2024	June 30, 2024
Owner occupation	\$ 1,492,965	\$ 1,435,249	\$ 1,411,956
Operating leases	17,770	17,973	14,597
	\$ 1,510,735	\$ 1,453,222	\$ 1,426,553

A. Owner occupation

Carrying amount	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 645,954	\$ 645,954	\$ 645,954
Buildings, net	431,602	438,575	450,071
Machinery equipment, net	313,174	267,576	233,776
Testing equipment, net	5,696	5,951	6,096
Pollution control equipment, net	46,252	29,001	22,866

Carrying amount	June 30, 2025	December 31, 2024	June 30, 2024
Transportation	4,507	5,130	5,624
Office equipment	46	56	69
Other equipment	45,734	43,006	47,500
	<u>\$ 1,492,965</u>	<u>\$ 1,435,249</u>	<u>\$ 1,411,956</u>

Cost	January 1, 2025	Additions	Disposals	Prepaid	Reclassification	June 30, 2025
Land	\$ 645,954	\$ -	\$ -	\$ -	\$ -	\$ 645,954
Buildings	567,372	765	-	1,100	-	569,237
Equipment	460,440	4,922	(28,340)	63,863	-	500,885
Testing equipment	13,527	427	(685)	170	-	13,439
Pollution control equipment	93,922	1,128	(26,136)	23,852	-	92,766
Transportation	16,981	-	-	-	-	16,981
Office equipment	99	-	-	-	-	99
Other	102,876	7,920	(10,926)	2,722	-	102,592
	<u>\$ 1,901,171</u>	<u>\$ 15,162</u>	<u>\$ (66,087)</u>	<u>\$91,707</u>	<u>\$ -</u>	<u>\$1,941,953</u>

Accumulated depreciation and impairment	January 1, 2025	Depreciation	Disposals	Prepaid	Reclassification	June 30, 2025
Buildings	\$ 128,797	\$ 8,838	\$ -	\$ -	\$ -	\$ 137,635
Machine equipment	192,864	23,187	(28,340)	-	-	187,711
Testing equipment	7,576	852	(685)	-	-	7,743
Pollution control equipment	64,921	5,656	(24,063)	-	-	46,514
Transportation	11,851	623	-	-	-	12,474
Office equipment	43	10	-	-	-	53
Other equipment	59,870	7,914	(10,926)	-	-	56,858
	<u>\$ 465,922</u>	<u>\$ 47,080</u>	<u>\$ (64,014)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 448,988</u>

Cost	January 1, 2024	Additions	Disposals	Prepaid	Reclassification	June 30, 2024
Land	\$ 645,954	\$ -	\$ -	\$ -	\$ -	\$ 645,954
Buildings	558,001	106	(1,822)	4,313	9,528	569,856
Equipment	399,662	4,714	(10,563)	43,874	-	437,687
Testing equipment	14,637	1,021	(1,531)	126	-	14,253
Pollution control equipment	87,750	-	(2,997)	675	-	85,428
Transportation	17,963	-	-	-	-	17,963
Office equipment	548	-	-	-	-	548
Other	126,876	5,415	(11,188)	2,917	-	124,020
Construction in progress and inspection equipment	905	-	-	-	(905)	-
	<u>\$ 1,852,296</u>	<u>\$ 11,256</u>	<u>\$ (28,101)</u>	<u>\$ 51,905</u>	<u>\$ 8,353</u>	<u>\$ 1,895,709</u>

Accumulated depreciation and impairment	January 1, 2024	Depreciation	Disposals	Prepaid	Reclassification	June 30, 2024
Buildings	\$ 111,816	\$ 9,154	\$ (1,822)	\$ -	\$ 637	\$ 119,785
Machine equipment	191,001	23,299	(10,389)	-	-	203,911
Testing equipment	8,775	913	(1,531)	-	-	8,157
Pollution control equipment	60,977	4,582	(2,997)	-	-	62,562
Transportation	11,796	543	-	-	-	12,339
Office equipment	443	36	-	-	-	479
Other equipment	77,236	10,472	(11,188)	-	-	76,520
	<u>\$ 462,044</u>	<u>\$ 48,999</u>	<u>\$ (27,927)</u>	<u>\$ -</u>	<u>\$ 637</u>	<u>\$ 483,753</u>

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Item	Useful lives	Item	Useful lives
Buildings	2 to 50 years	Transportation	3 to 13 years
Machine equipment	2 to 10 years	Office equipment	5 years
Testing equipment	3 to 10 years	Other equipment	1 to 10 years
Pollution control equipment	3 to 25 years		

B. Operating leases

	Carrying amount	June 30, 2025	December 31, 2024	June 30, 2024
	Buildings	\$ 17,770	\$ 17,973	\$ 14,597

  

Cost	January 1, 2025	Additions	Disposals	Prepaid	Reclassification	June 30, 2025
Buildings	\$ 19,590	\$ -	\$ -	\$ -	\$ -	\$ 19,590

  

Accumulated depreciation and impairment	January 1, 2025	Depreciation	Disposals	Prepaid	Reclassification	June 30, 2025
Buildings	\$ 1,617	\$ 203	\$ -	\$ -	\$ -	\$ 1,820

  

Cost	January 1, 2024	Additions	Disposals	Prepaid	Reclassification	June 30, 2024
Buildings	\$ 25,257	\$ -	\$ -	\$ -	\$ (9,258)	\$ 15,999

  

Accumulated depreciation and impairment	January 1, 2024	Depreciation	Disposals	Prepaid	Reclassification	June 30, 2024
Buildings	\$ 1,788	\$ 251	\$ -	\$ -	\$ (637)	\$ 1,402

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Item	Useful lives
Buildings	48 years

The Group's property, plant and equipment were pledged as collateral for bank loans and secured borrowings, please refer to note 8.

(7) Leases

Lessee

A. Right-of-use assets

	Carrying amount	June 30, 2025	December 31, 2024	June 30, 2024
Buildings		\$ 980	\$ 4,157	\$ 14,162
Transportation		4,738	6,122	7,638
		\$ 5,718	\$ 10,279	\$ 21,800

  

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Additions of right-of-use assets	\$ -	\$ 1,293	\$ -	\$ 1,293
Depreciation of right-of-use assets				
Buildings	\$ 1,588	\$ 2,377	\$ 3,177	\$ 4,753
Transportation	692	713	1,384	1,449
	\$ 2,280	\$ 3,090	\$ 4,561	\$ 6,202

## B. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 3,354	\$ 6,972	\$ 12,541
Noncurrent	\$ 2,314	\$ 3,362	\$ 9,459

The discount rates of lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings (%)	1.272~1.720	1.250~1.926	1.272~1.926
Transportation (%)	0.967~1.846	0.967~1.846	0.967~1.846

## C. Significant leasing activities and requirements

The underlying assets leased by the Group include land, houses and buildings, company cars and photocopiers. The periods of the lease contract vary from 3 to 5 years. The lease contract is negotiated individually and contains various terms and conditions.

## D. Profit and loss items associated with lease contracts are as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Items that affect profit or loss				
Items that affect profit or loss	\$ 25	\$ 95	\$ 59	\$ 198
Interest expense on lease liabilities	480	649	900	1,107
	<u>\$ 505</u>	<u>\$ 744</u>	<u>\$ 959</u>	<u>\$ 1,305</u>

E. The Group's total lease cash outflows from January 1 to June 30, 2025, and 2024 were NT\$4,725 thousand and NT\$6,443 thousand, respectively.

## Lessor

### A. Rental agreements

Objective	Lease period	Monthly rental revenue and method	Guarantee Deposits
Buildings in Taoyuan	2020/09/01~2025/08/31	Monthly rental fees \$100 thousand.	\$100 thousand
Buildings (dormitory)	2021/06/01~2024/06/01 2024/06/01~2026/06/01	Monthly rental fees \$14 thousand. (Note 1)	-
Buildings (plant)	2021/07/01~2027/06/30	Monthly rental fees \$149 thousand.	\$448 thousand
Buildings (plant)	2022/05/01~2025/04/30	First year, monthly rental fees \$140 thousand. Starting from the second year, monthly rental fees \$147 thousand. (Note 2)	-
Buildings (plant)	2022/08/31~ 2025/04/30	Monthly rental fees \$6 thousand. Starting from July 2023, monthly rental fees \$8 thousand. (Note 2)	-
Buildings (plant)	2023/01/01~2027/06/30	Monthly rental fees \$55 thousand.	\$166 thousand
Buildings (plant)	2023/02/01~2024/03/31 2024/04/01~2025/03/31 2025/04/01~2026/03/31	Monthly rental fees \$13 thousand. Starting from the April 2024, the monthly rental fees \$14 thousand. Rental fees are collected monthly.	\$13 thousand
Buildings (plant)	2024/08/01~2026/06/30	Monthly rental fees \$55 thousand.	\$166 thousand

Note 1 : The Company has terminated the contract early in November 2024.

Note 2 : The Company has terminated the contract early in May 2024.

B. The information on gains from operating lease rental contracts for the six-month periods ended June 30, 2025 and 2024, respectively, is as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Rental revenue	\$ 1,123	\$ 1,156	\$ 2,247	\$ 2,620

C. Non-cancellable operating lease contracts

	June 30, 2025	December 31, 2024	June 30, 2024
Within one year	\$ 3,440	\$ 3,958	\$ 3,950
More than 1 year to 3 years	2,455	4,013	5,267

(8) Intangible assets

Carrying amounts	June 30, 2025	December 31, 2024	June 30, 2024
Computer software	\$ 2,515	\$ 3,064	\$ 2,883
Professional technology	-	-	-
	\$ 2,515	\$ 3,064	\$ 2,883

Costs	January 1, 2025	Additions	Disposals	June 30, 2025
Computer software	\$ 6,188	\$ 206	\$ -	\$ 6,394

Accumulated amortization and impairment	January 1, 2025	Additions	Disposals	June 30, 2025
Computer software	\$ 3,124	\$ 755	\$ -	\$ 3,879

Costs	January 1, 2024	Additions	Disposals	June 30, 2024
Computer software	\$ 8,887	\$ 315	\$ (195)	\$ 9,007
Professional technology	2,000	-	-	2,000
	\$ 10,887	\$ 315	\$ (195)	\$ 11,007

Accumulated amortization and impairment	January 1, 2024	Additions	Disposals	June 30, 2024
Computer software	\$ 5,534	\$ 785	\$ (195)	\$ 6,124
Professional technology	1,833	167	-	2,000
	\$ 7,367	\$ 952	\$ (195)	\$ 8,124

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

Item	Useful lives
Computer software	1 to 5 years

(9) Other noncurrent assets

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for equipment	\$ 89,243	\$ 131,240	\$ 132,901
Refundable deposits	2,147	2,132	3,047
Long-term notes receivables	311	532	843
Other	1,926	2,250	2,254
	\$ 93,627	\$ 136,154	\$ 139,045

The abovementioned long-term notes receivables were for the compensation payment with installments for the machine equipment, please refer to note 6(3).

(10) Short-term loans

	June 30, 2025	December 31, 2024	June 30, 2024
Secured loans			
L/C loans	\$ 86,085	\$ 51,679	\$ 28,534

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Unsecured loans			
Operating deposits	81,000	61,050	31,050
L/C loans	-	10,259	63,683
	<u>\$ 167,085</u>	<u>\$ 122,988</u>	<u>\$ 123,267</u>
Loan rate (%)	1.87~2.919	1.80~2.92	1.880~6.600
Due date	Before 2025/12/20	Before 2025/11/28	Before 2024/12/22

The abovementioned loans were all bank loans.

The Group's short-term loans were pledged as collateral, please refer to note 8.

#### (11) Notes and accounts payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Arising from operation:			
Notes payables	\$ 7,628	\$ 4,698	\$ 6,599
Accounts payables	207,183	187,655	194,750
Not arising from operation:			
Other notes payables	5,488	15,594	6,579

Other notes payables were mainly used for the purchase of equipment.

#### (12) Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Third-party transaction			
Salary and bonus payables	\$ 29,603	\$ 44,351	\$ 36,666
Employee compensation payables	6,310	816	3,013
Insurance payables	4,916	4,456	5,062
Equipment payables	3,906	5,800	5,582
Directors' remuneration payables	1,674	2,160	2,392
Dividends payables	65,889	-	32,944
Other accounts payables	48,535	45,298	71,668
	<u>\$ 160,833</u>	<u>\$ 102,881</u>	<u>\$ 157,327</u>
Related parties	<u>\$ 88</u>	<u>\$ 26</u>	<u>\$ 113</u>

#### (13) Provision

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Employees benefits	\$ 9,298	\$ 8,017	\$ 10,180
Returns and discounts	979	850	6,417
Sales rebates	-	2,215	-
	<u>\$ 10,277</u>	<u>\$ 11,082</u>	<u>\$ 16,597</u>

	<u>Employees benefits</u>	<u>Returns and discounts</u>	<u>Sales rebates</u>	<u>Total</u>
Balance on January 1, 2025	\$ 8,017	\$ 850	\$ 2,215	\$ 11,082
Provision for the period	4,266	129	1,999	6,394
Payments for the period	(40)	-	-	(40)
Write-off for the period	(2,945)	-	(4,214)	(7,159)
Balance on June 30, 2025	<u>\$ 9,298</u>	<u>\$ 979</u>	<u>\$ -</u>	<u>\$ 10,277</u>

	<u>Employees benefits</u>	<u>Returns and discounts</u>	<u>Sales rebates</u>	<u>Total</u>
Balance on January 1, 2024	\$ 8,557	\$ 260	\$ -	\$ 8,817
Provision for the period	4,643	6,157	-	10,800
Payments for the period	(52)	-	-	(52)



	Employees benefits	Returns and discounts	Sales rebates	Total
Write-off for the period	(2,968)	-	-	(2,968)
Balance on June 30, 2024	\$ 10,180	\$ 6,417	\$ -	\$ 16,597

The Group's provision was for benefits of accumulated paid time off as of the balance sheet date, probable sales returns of the products and the sales rebates. Provision for warranty and after service cost was estimated based on the historical information, management judgements and other known factors.

#### (14) Other current liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Contract liabilities	\$ 2,610	\$ 5,995	\$ 3,891
Temporary receipts	226	226	486
Receipts under custody	1,416	1,678	1,180
Deferred revenue – current	682	682	682
	<u>\$ 4,934</u>	<u>\$ 8,581</u>	<u>\$ 6,239</u>

#### (15) Long-term loans

Category	Due year	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings	2028	\$ 145,833	\$ 170,833	\$ 195,833
Secured borrowings	2029	44,167	49,167	-
Secured borrowings	2034	233,891	247,007	260,122
Secured borrowings	2038	262,647	272,684	282,722
Unsecured borrowings	2028	6,964	18,750	55,000
		<u>\$ 693,502</u>	<u>\$ 758,441</u>	<u>\$ 793,677</u>
Current portion of long-term loans payable		\$ 108,406	\$ 111,306	\$ 99,743
Non-current		585,096	647,135	693,934
		<u>\$ 693,502</u>	<u>\$ 758,441</u>	<u>\$ 793,677</u>
Interest rate of loans (%)		1.925~2.220	1.925~2.220	0.500~2.100

Some of the abovementioned loans had been paid in advance.

The abovementioned loans are bank loans and used in floating rate borrowings, please refer to note 6(24).

The Group's pledged and mortgaged assets used as collateral for long term loans, please refer to note 8.

#### (16) Government grants

The Group purchased pollution control equipment in 2015 and had applied for exemption in the local government in accordance with the laws. The application had been reviewed and approved by the Department of Environmental Protection in Taoyuan and obtained \$5,000 thousand of the exemption. As of December 31, 2024, it has been completely offset.

The Group purchased pollution control equipment in 2018 and had applied for exemption in the local government in accordance with the laws. The application had been reviewed and approved by the Bureau of Energy, Ministry of Economic Affairs and obtained \$5,000 thousand of the exemption. As of June 30, 2024, the government grant was recognized under other liabilities, current and long-term deferred revenue and will be transferred to other revenue in accordance the useful lives of the equipment.

The Group applied for the Industrial Upgrading and Innovation Platform Guidance Program (Recycled Materials Circular Reuse and Polyurethane Product Development Project) of the Ministry of Economic Affairs. The application was reviewed and approved by the Small and

Medium Enterprise Foundation of Taiwan. In 2024, the Group received government grants of \$8,417 thousand, which were recognized under other revenue.

(17) Post-employment benefits plans

A. Defined contribution plans

The plan under the R.O.C. Labor Pension Act (the “Act”) is deemed a defined contribution plan. Pursuant to the Act, the Group have made monthly contributions equal to 6% of each employee’s monthly salary to employees’ pension accounts. Accordingly, the Group recognized as expenses under consolidated comprehensive income statement amounts to \$2,868 thousand, \$2,805 thousand, \$5,385 thousand and \$5,581 thousand for the periods from April 1 to June 30, 2025, and 2024, from January 1 to June 30, 2025, and 2024, respectively. As of June 30, 2024, December 31, 2024 and June 30, 2024, the unpaid amounts of define benefit plans amounted to \$2,788 thousand, 2,551 thousand and \$2,899 thousand, respectively.

B. Defined benefit plans

The Group has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee’s length of service and average monthly salary for the six-month period prior to retirement. According to the law, two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Group contributes an amount equal to 5% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of June of the next year. The Funds are operated and managed by the government’s designated authorities; as such, the Group does not have any right to intervene in the investments of the Funds.

(a) Expenses through profit or loss

The pension cost under the defined benefit retirement plan, determined by actuarial valuation as of December 31, 2024, and 2023, was recognized in the comprehensive income statement in the following periods.

	For the three-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Operating costs	\$ 86	\$ 61	\$ 169	\$ 123
Selling expenses	8	6	16	12
General and administrative expenses	33	25	66	50
Research and development expenses	3	3	7	5
	<u>\$ 130</u>	<u>\$ 95</u>	<u>\$ 258</u>	<u>\$ 190</u>

(b) The Group plans to allocate \$1,288 thousand to the defined benefit plan in 2025.

(18) Equity

A. Common stocks

	June 30, 2025	December 31, 2024	June 30, 2024
Amount of shares authorized (\$10 per share)	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Amount of shares issued	\$ 823,608	\$ 823,608	\$ 823,608
Numbers of shares authorized (in thousand of shares)	120,000	120,000	120,000
Numbers of shares issued (in thousand of shares)	82,361	82,361	82,361

Each share has the same voting rights equal to the number of Directors to be elected, and dividends receives.

#### B. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Capital surplus	\$ 983	\$ 983	\$ 983
Employee share options	9,506	9,506	9,506
Expired dividends	126	97	97
	<u>\$ 10,615</u>	<u>\$ 10,586</u>	<u>\$ 10,586</u>

According to regulation, the Group may not use capital surplus to cover capital losses unless the earnings reserve is insufficient to make up for the losses.

The capital surplus from shares issued in excess of par (including additional paid-in capital from the converted convertible bonds) may be used to offset deficits; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (but limited to a certain percentage of the Group's paid-in capital on a yearly basis).

The capital surplus arising from employee share options may not be used for any purpose. The capital surplus arising from expired dividends may not be used for any purpose, except for offsetting a deficit.

The Group's reconciliation of outstanding common stocks and capital surplus were as follows:

	Capital		Capital surplus		
	Shares (in thousand)	Amount	Share premiums	Employee share options	Expired dividends
Balance on January 1, 2025	82,361	\$ 823,608	\$ 983	\$ 9,506	\$ 97
Others	-	-	-	-	29
Balance on June 30, 2025	<u>82,361</u>	<u>\$ 823,608</u>	<u>\$ 983</u>	<u>\$ 9,506</u>	<u>\$ 126</u>
Balance on January 1, 2024	82,361	\$ 823,608	\$ 983	\$ 9,506	\$ 68
Others	-	-	-	-	29
Balance on June 30, 2024	<u>82,361</u>	<u>\$ 823,608</u>	<u>\$ 983</u>	<u>\$ 9,506</u>	<u>\$ 97</u>

#### C. Appropriation of earnings and dividend policy

According to the Group Act, A company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. The appropriation for legal capital reserve shall be made until the reserve equals the Group's paid-in capital. The reserve may be used to offset a deficit or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Group incurs no loss.

Pursuant to existing regulations, the Group is required to set aside additional special capital reserve equivalent to the net debit balance of stockholders' equity. For the

subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

When allocating the profits for each fiscal year, the following order shall be followed:

- (a) pay all taxes and dues.
  - (b) offset accumulated deficits.
  - (c) set aside 10 percent of earning as legal reserve
  - (d) set aside special capital reserve in accordance with relevant laws or regulations.
- The remaining balance after the mentioned above payment to be made, combining with the undistributed earnings of the proceeding years may be retained or distributed as shareholders' dividends after the approval of the shareholders' meeting.

Since the Group is in a highly developing industry, the Group has to adapt its dividend policy to meet the Group's long-term development and capital requirement, along with the shareholders' demand of cash. Therefore, the Group is allowed to distribute no more than 90% of the amount of the profits of the fiscal year. The Board of Directors shall submit a distribution proposal for approval at the shareholder's meeting. Distribution of profits may be made by way of a cash dividend or stock dividend; provided, however, the ratio for cash dividend shall be not less than 10% of total distribution.

On March 7, 2025, and March 12, 2024, the Group held board of directors resolved to distribute cash dividends for the fiscal year 2024 and 2023, respectively. The remaining items of distribution of earnings were also approved by the shareholders' meetings on June 12, 2025, and May 31, 2024, with the distribution details as follows:

Items	Appropriation of earnings		Dividends per share (NTD)	
	2024	2023	2024	2023
Legal reserve	\$ 6,337	\$ -		
Cash dividends	65,889	32,945	\$ 0.8	\$ 0.4
	<u>\$ 72,226</u>	<u>\$ 32,945</u>		

#### (19) Sales revenue

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Revenue from contracts with customers				
Sales revenue	\$ 470,815	\$ 484,307	\$ 986,726	\$ 970,719
Service revenue	12,707	4,647	17,229	6,113
	<u>\$ 483,522</u>	<u>\$ 488,954</u>	<u>\$ 1,003,955</u>	<u>\$ 976,832</u>

#### Balance of the contracts

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2025</u>	<u>January 1, 2024</u>
Notes receivables, net (including related parties)	<u>\$ 52,295</u>	<u>\$ 58,792</u>	<u>\$ 107,316</u>	<u>\$ 68,623</u>
Accounts receivables, net (including related parties)	<u>\$ 380,535</u>	<u>\$ 387,404</u>	<u>\$ 386,041</u>	<u>\$ 328,785</u>
Contract liabilities—current (Recognized as other current liabilities)	<u>\$ 2,610</u>	<u>\$ 5,995</u>	<u>\$ 3,891</u>	<u>\$ 2,727</u>

Changes arising from the contract liabilities were mainly because of the differences of fulfillment of the obligation and payment received from the customers.

The sales revenue on contract liabilities were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Sales revenue of goods	\$ -	\$ -	\$ 5,980	\$ 2,721

For the disaggregation of the Group's revenue from customer contracts, please refer to Note 14.

(20) Net income

The Group's net income included the following items:

A. Other revenue

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Rental revenue	\$ 1,123	\$ 1,156	\$ 2,247	\$ 2,620
Other income	3,887	9,475	4,935	10,600
	\$ 5,010	\$ 10,631	\$ 7,182	\$ 13,220

B. Other profit and loss

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Loss on disposal of plant, property and equipment	\$ (1,801)	\$ -	\$ (1,801)	\$ (143)
Gains (loss) on foreign exchange	(19,911)	2,681	(17,264)	8,556
Others	-	(35)	-	(832)
	\$ (21,712)	\$ 2,646	\$ (19,065)	\$ 7,581

C. Depreciation and amortization

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Depreciation of plant, property and equipment	\$ 23,802	\$ 24,561	\$ 47,283	\$ 49,250
Depreciation of right-of-use assets	2,280	3,090	4,561	6,202
Amortization of intangible assets	367	440	755	952
	\$ 26,449	\$ 28,091	\$ 52,599	\$ 56,404

Depreciation expenses were summarized by functions:

Operating costs	\$ 23,591	\$ 24,902	\$ 46,875	\$ 49,815
Operating expenses	2,491	2,749	4,969	5,637

Amortization expenses were summarized by functions

Operating costs	113	113	226	257
Operating expenses	254	327	529	695

	\$ 26,449	\$ 28,091	\$ 52,599	\$ 56,404
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D. Financial cost

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Bank loans	\$ 3,958	\$ 3,958	\$ 7,982	\$ 7,560
Interests from lease liabilities	25	95	59	198
Handling fees	105	130	157	198
Imputed interest on deposits	4	-	7	-
	\$ 4,116	\$ 4,183	\$ 8,205	\$ 7,956
Amount of capitalized borrowing costs	\$ 428	\$ 633	\$ 995	\$ 1,252
Rate of capitalized borrowing costs (%)	1.284~2.076	1.284~2.052	1.284~2.076	1.284~2.052

### E. Gains (loss) on foreign exchange

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Total of gains on foreign exchange	\$ 4,430	\$ 3,456	\$ 7,818	\$ 10,151
Total of loss on foreign exchange	(24,341)	(775)	(25,082)	(1,595)
Net of gains (loss) on foreign exchange	\$ (19,911)	\$ 2,681	\$ (17,264)	\$ 8,556

### F. Employees benefits

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Salary	\$ 74,059	\$ 88,083	\$ 154,315	\$ 174,049
Employee insurance	7,535	7,571	14,682	14,925
Post-employment benefits plans				
Defined contribution plans	2,868	2,805	5,385	5,581
Defined benefit plans	130	95	258	190
Directors' remuneration	390	270	798	628
Other benefits	2,849	2,996	5,272	5,760
	\$ 87,831	\$ 101,820	\$ 180,710	\$ 201,133
Summary by function:				
Operating costs	\$ 65,072	\$ 72,705	\$ 130,378	\$ 143,316
Operating expenses	22,759	29,115	50,332	57,817
	\$ 87,831	\$ 101,820	\$ 180,710	\$ 201,133

### G. Employees' compensation and remuneration of directors

According to the Group's Articles of Incorporation, the Group shall allocate compensation to directors and profit-sharing bonus to employees of the Group as follows:

If there is any profit for the current fiscal year, the Group shall allocate 5% to 10% of the profit as employees' compensation and shall allocate at a maximum of 3% of the profit as remuneration to directors, provided that the Group's accumulated losses shall have been covered in advance.

The aforementioned income was calculated using the Group's net income before income taxes without the remunerations to employees and directors for each period. The employee remuneration will be distributed in cash or in the form of shares to the employees of the controlling companies and subsidiaries who meet certain criteria.

The distributable dividends and bonus in whole or in part or the legal reserve and capital reserved in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Group estimated the employees' compensation and directors' remuneration were as follows:

#### Percentage of estimate

	For the six-month periods ended June 30,	
	2025	2024
Employees' compensation	7.00%	7.00%
Directors' remuneration	3.00%	3.00%

#### Amount

	For the six-month periods ended June 30,	
	2025	2024
Employees' compensation	\$ 3,906	\$ 5,582
Directors' remuneration	\$ 1,674	\$ 2,392

The estimated amount of employees' compensation and directors' remuneration were recognized as an operating cost or operating expense. If there is a change in the proposed amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

If the board of directors decided to pay the employee remuneration in the form of company shares, the number of dividend shares is determined by dividing the amount of the dividend by the fair value of the share. The fair value of the share is based on the closing price of the day before the resolution date of the shareholders' meeting.

The 2024 and 2023 employee's compensation and director's and supervisor's remuneration were respectively resolved in the board meeting on March 7, 2025 and March 12, 2024 as follows:

	2024	2023
Employees' compensation	\$ 5,800	\$ -
Directors' remuneration	\$ 2,160	\$ -

There is no difference between the 2024 and 2023 employee's compensation and director's and supervisor's remuneration and the Group's 2024 and 2023 recognized fee estimates.

The information about appropriations of the Group's employees' compensation and remuneration to directors is available on the Market Observation Post System website.

## (21) Income tax

### A. Income tax expense recognized in profit or loss

The major components of tax expense (benefit) were as follows:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
Current tax				
Current year	\$ 3,648	\$ (1,347)	\$ 10,735	\$ 4,730
Adjustments for prior year	-	7,609	-	7,609
Deferred tax				
Current year	(1,548)	(1,960)	288	506
Income tax expense recognized in profit or loss	\$ 2,100	\$ 4,302	\$ 11,023	\$ 12,845

### B. Income tax assessment

As of Aug 8, 2025, the income tax returns of the Group through 2023 and its subsidiaries, including Miracle Textile Industry Co., Ltd. and Shoetex Corporation, have been examined by the tax authorities.

## (22) Explanation of seasonal or periodic in interim operations

The Group operates in the coating and resin industry, which exhibits a high degree of seasonality. Based on past experiences, its peak sales typically occur in the first half of each year. Consequently, the Group generates higher sales revenue and operating profits in the first half of the year compared to the second half.

## (23) Capital management

The coating markets had been affected by the global demands which needs large amount of operating fund in the early of the year. The Group manages its capital risk to ensure sufficient financial resources and operational plan to meet the demand of necessary operating fund, capital expenditure, research and development expense, debt repayment, and dividend expenditure for the future. The Group had adjusted the proportion of liabilities to maintain the capital structures. The ratio of assets and liabilities as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total of liabilities	\$ 1,294,971	\$ 1,247,636	\$ 1,356,670
Total of assets	2,544,533	2,518,968	2,637,545
Ratio of liabilities (%)	50.89	49.53	51.44

## (24) Financial instruments

### A. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 130,711	\$ 120,265	\$ 108,835
Financial assets at amortized cost—current	900	900	56,900
Notes and accounts receivables, net	432,830	446,196	493,357
Other notes receivables	311	532	310
Other accounts receivables	619	768	880
Other current assets	5,126	1,581	183
Other noncurrent assets	2,458	2,664	3,890
Financial assets at amortized cost — noncurrent	26,472	26,472	38,452
Financial liabilities			
Financial liabilities at amortized cost			
Short-term loans	\$ 167,085	\$ 122,988	\$ 123,267
Notes and accounts payables	214,811	192,353	201,349
Other accounts payables	5,488	15,594	6,579
Other payables	160,921	102,907	157,440
Guarantee deposits	893	893	727
Long-term loans (including current portion)	693,502	758,441	793,677

### B. Financial risk management objectives

The Group manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by management in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Group must comply with certain treasury procedures that provide guiding principles for overall financial risk management.

### C. Market risk

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

#### (a) Risks of foreign currency exchange rates

The Group's operating activities and investment in foreign are mainly denominated in foreign currencies and exposed to foreign currency risk.

The Group used foreign exchange forward contracts to eliminate currency exposure.



These foreign exchange forward contracts could reduce the influence of the exchange rate fluctuations on the Group's income.

The Group had not used derivatives financial instruments for the six-month periods ended June 30, 2025 and 2024.

The Group had not hedge certain foreign exchange risks that the Group is exposed to throughout its operating.

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 10% strengthening/weakening of the functional currency against U.S. dollars, the Group's net income before tax for January 1 to June 30, 2025 and 2024 would have decreased/increased by \$16,671 thousand and \$18,708 thousand, respectively. Assuming a 10% strengthening/weakening of the functional currency against Japanese Yen, the Company's net income before tax for January 1 to June 30, 2025 and 2024 would have decreased/increased by \$37 thousand and \$2 thousand, respectively.

The information of financial assets and liabilities with major impact were as follows:

Unit: currency in thousand

Items	June 30, 2025		December 31, 2024		June 30, 2024	
	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets						
Monetary items						
USD	\$ 8,049	29.85	\$ 6,955	32.725	\$ 8,001	32.43
JPY	106	0.2037	106	0.2072	106	0.2038
Financial liabilities						
Monetary items						
USD	1,068	29.85	22	32.725	790	32.43
JPY	2,380	0.2037	-	-	-	-

The Group recognized gains or loss on foreign exchange (including realized and unrealized) of \$(17,264) thousand and \$8,556 thousand for the six-month periods ended June 30, 2025 and 2024, respectively.

(b) Interest rate risk

The Group holds assets and liabilities at fixed and floating interest rates which may encounter the risks of future cash flow and from the changes of market rates. The Group is exposed to interest rate risk from floating rates.

The sensitivity analysis of interest is performed based on the financial liabilities exposed to cash flow interest rate risk at the end of each reporting period. If interest rates had been 1% higher/lower, the Group's pre-tax loss for the six months periods ended June 30, 2025 and 2024 would have decreased/increased by \$6,485 thousand and \$7,076 thousand, respectively.

The information of carrying amount of the fixed and floating interest rate as of the balance sheet date were as follows:

Items	June 30, 2025	December 31, 2024	June 30, 2024
Fixed rates			
Financial liabilities	\$ 50,000	\$ 30,000	\$ 32,497
Floating rate borrowing			
Financial assets	129,740	119,061	163,565
Financial liabilities	810,587	851,429	884,447

## D. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk mainly arises from trade receivables - operating, bank deposits, and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

### Business related credit risk

In order to maintain the credit quality of trade receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables.

Credit evaluation is performed in the consideration of the relevant factors, such as financial condition, external and internal credit scoring, historical experience, and economic conditions, which may affect the customer's paying ability.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's ten largest customers accounted for 56%, 62% and 54% of its total trade receivables (including receivables from related parties), respectively. The Group believed that the concentration of credit risk is relatively insignificant for the remaining trade receivables.

### Financial credit risk

The Group's exposure to financial credit risk which pertained to bank deposits and other financial instruments were evaluated and monitored by Corporate Treasury function. The Group only deals with creditworthy counterparties and banks so that no significant credit risk was identified.

## E. Liquidity risk

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements of cash and cash equivalents and the unused of financing facilities associated with existing operations.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual, undiscounted payments, including principal and estimated interest of bearing interest.

June 30, 2025	On Demand or Less than 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Non-derivative financial liabilities						
Noninterest bearing	\$ 381,220	\$ 179	\$ 714	\$ -	\$ -	\$382,113
Lease liabilities	2,305	1,071	2,182	200	-	5,758
Instruments using floating interests' rate	171,310	54,181	213,309	106,778	265,009	810,587
Instruments using fixed interests' rate	50,000	-	-	-	-	50,000
December 31, 2024	On Demand or Less than 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Non-derivative financial liabilities						
Noninterest bearing	\$ 310,868	\$ -	\$ 879	\$ -	\$ -	\$311,747
Lease liabilities	4,659	2,389	2,953	500	-	10,501
Instruments using floating interests' rate	147,641	56,653	226,362	132,611	288,162	851,429
Instruments using fixed interests' rate	30,000	-	-	-	-	30,000

June 30, 2024	On Demand or Less than 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Non-derivative financial liabilities						
Noninterest bearing	\$ 365,367	\$ 14	\$ 714	\$ -	\$ -	\$366,095
Lease liabilities	5,801	6,411	8,788	834	-	21,834
Instruments using floating interests' rate	140,485	50,028	212,889	169,730	311,315	884,447
Instruments using fixed interests' rate	32,497	-	-	-	-	32,497

As of June 30, 2025, December 31, 2024 and June 30, 2024, the unused financing facilities of the Group amounted to \$446,900 thousand, \$459,413 thousand and \$520,934 thousand, respectively.

#### F. Fair value of financial instrument

##### (a) Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of non-financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or the fair values cannot be reliably measured.

##### (b) Valuation techniques and assumptions used fair value measurement

Financial assets at fair value through profit or loss and financial assets at fair value through OCI are classified into Level 3 and Level 1 fair value, respectively.

The listed stocks, beneficiary certificates and global depositary receipts held by the Group are measured at fair value according to standard provision and conditions; the fair value is measured using the quoted price in an active market.

Financial instruments without an active market held by the Group are measured at fair value according to the market approach; the fair value is assessed by using the price-equity ratio and price-earnings ratio of the competitors.

##### (c) Fair value measurements recognized in the consolidated balance sheet

June 30, 2025	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Stock	\$ -	\$ -	\$ 26,472	\$ 26,472
<hr/>				
December 31, 2024	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Stock	\$ -	\$ -	\$ 26,472	\$ 26,472
<hr/>				
June 30, 2024	Level 1	Level 2	Level 4	Total
<b>Assets</b>				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Stock	\$ -	\$ -	\$ 38,452	\$ 38,452

There was no transfer of measurements of fair value in the Group for the six-month periods ended June 30, 2025 and 2024, respectively.

## (25) Earnings per share

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2025	2024	2025	2024
<b>Basic earnings per share</b>				
Net income available to common shareholders	\$ 7,236	\$ 24,511	\$ 40,718	\$ 57,729
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousand)	82,361	82,361	82,361	82,361
Basic earnings per share (dollar)	\$ 0.09	\$ 0.30	\$ 0.49	\$ 0.70
<b>Diluted earnings per share</b>				
Net income available to common shareholders	\$ 7,236	\$ 24,511	\$ 40,718	\$ 57,729
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousand)	82,361	82,361	82,361	82,361
Effects of all dilutive potential common shares (in thousand)				
Employees compensation	34	124	236	308
Weighted average number of common shares used in the computation of diluted EPS (in thousand)	82,395	82,485	82,597	82,669
Diluted EPS (in dollars)	\$ 0.09	\$ 0.30	\$ 0.49	\$ 0.70

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 or bonus will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is diluted. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## (26) Non-cash transaction

Investing and financing activities which were not listed in the statement of cash flows for the six-month periods ended June 30, 2025 and 2024, respectively were as follows:

### A. Investing activities of property, plant and equipment

	For the six-month periods ended June 30,	
	2025	2024
Additions of property, plant and equipment	\$ (15,162)	\$ (11,256)
Changes in other notes payables	(10,106)	(8,983)
Changes in other accounts payables	5,494	1,840
Payments for acquisition of property, plant and equipment	\$ (19,774)	\$ (18,399)

### B. Financing activities that will not have effect on cash flows

	June 30, 2025	June 30, 2024
Current portion of long-term loans payable	\$ 108,406	\$ 99,743

## 7. Related-Party Transactions

Intercompany balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated upon consolidation; therefore, those items are not disclosed in this note. The following is a summary of significant transactions between the Group and other related parties:

(1) Related party name and categories

<u>Related Party Name</u>	<u>Related Party Categories</u>
Hor Jing Corp.	Others
Htm Material Co., Ltd	Others
Wada Technology Co., Ltd	Others
Chia Cherng Industry Co., Ltd	Others
Lego Stone Co., Ltd.	Others
Panel Trading Co., Ltd.	Others
VESSI Footwear LTD. (Note 1)	Others
Wang, Hong-Rong (Note 1)	Others
Wu, Li Hsueh	Others
Chen Wu, Li Show	Others

Note 1: Since October 31, 2024, no longer a related party of the Group.

(2) Operating revenue

<u>Accounts</u>	<u>Category</u>	<u>For the three-month periods ended</u>		<u>For the six-month periods ended</u>	
		<u>June 30,</u>		<u>June 30,</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating revenue	Others	\$ 24,147	\$ 16,005	\$ 41,936	\$ 28,909

The sales price to related parties was determined based on normal market terms. The collection terms for related parties were 45 to 120 days after monthly closing.

(3) Purchases

	<u>For the three-month periods ended</u>		<u>For the six-month periods ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Other related party	\$ 2,142	\$ 1,715	\$ 3,595	\$ 2,287

The purchase prices to related parties was determined based on normal market terms. The payment terms for related parties were 30 to 60 days after monthly closing.

(4) Accounts receivable-related parties

<u>Accounts</u>	<u>Category</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts receivables	Others	\$ 25,610	\$ 36,711	\$ 19,440

The Group had no insurance for those outstanding accounts receivables from related parties.

(5) Accounts payable-related parties

<u>Accounts</u>	<u>Category</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes payables	Others	\$ 2,249	\$ 2,558	\$ 348
Other notes payables	Others	\$ 88	\$ 26	\$ 113

The Group had no insurance for those outstanding accounts payables from related parties.

(6) Lease agreements

<u>Accounts</u>	<u>Category</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Lease liability	Others	\$ 549	\$ 1,095	\$ 1,637

<u>Accounts</u>	<u>Category</u>	<u>For the three-month periods ended</u>		<u>For the six-month periods ended</u>	
		<u>June 30,</u>		<u>June 30,</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense	Others	\$ 2	\$ 6	\$ 5	\$ 12

(7) Other

A. Guarantee Deposits (recognized as other noncurrent assets)

Category	June 30, 2025	December 30, 2024	June 30, 2024
Others	\$ 220	\$ 220	\$ 220

B. Operating - Commission Expenses

Category	For the three-month periods ended		For the six-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Others	\$ 88	\$ 83	\$ 136	\$ 133

(8) Directors, Supervisors, and the Management's Remuneration

Directors, supervisors, and the management's remuneration were as follows:

	For the three-month periods ended		For the six-month periods ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Short-term benefits	\$ 5,327	\$ 5,174	\$ 10,548	\$ 10,427
Post-employment benefits	157	159	314	495
	\$ 5,484	\$ 5,333	\$ 10,862	\$ 10,922

The compensation to directors and other key management personnel were determined by the compensation committee of the Group in accordance with the individual performance and market trends.

**8. Assets Pledged as Collateral**

Assets	Purposes	June 30, 2025	December 31, 2024	June 30, 2024
Land	Long-term and short-term loans	\$ 642,154	\$ 642,154	\$ 642,154
Buildings	Long-term and short-term loans	401,818	405,868	412,234
Financial assets at amortized cost – current	Custom duty deposits	900	900	900
		\$ 1,044,872	\$ 1,048,922	\$ 1,055,288

**9. Significant Contingencies and Unrecognized Contract Commitments**

- (1) For the purpose of purchasing materials, the amounts of the L/C issued by the Group but not yet used were \$26,226 thousand, \$42,010 thousand and \$23,095 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- (2) The Group had signed contracts for the purchase of equipment, the amount which were not yet recognized of \$40,882 thousand, \$57,811 thousand and \$72,456 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

**10. Significant Disasters Loss: None**

**11. Significant Subsequent Events: None**

**12. Others : None**

**13. Other Disclosures**

(1) Information on significant transactions

A. Loans to other parties: None

B. Guarantees and endorsements for other parties: None

- C. Securities held as of June 30, 2025 (excluding investment in subsidiaries): Please refer to Table 1.
  - D. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
  - E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
  - F. Business relationships and significant intercompany transactions: Please refer to Table 2.
- (2) Information of investees: Please refer to Table 3.
- (3) Information on investment in Mainland China:
- A. The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 4.
  - B. Any of the following significant transactions with investee companies in the mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
    - (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
    - (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
    - (c) The amount of property transactions and the amount of the resultant gains or losses: None.
    - (d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
    - (e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
    - (f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

## 14. Segment Information

### (1) Operation

The Group has four segments, including coating and lamination, polymer, TPU and sports. The segment of coating and lamination were mainly for manufacturing; the segment of TPU were mainly for manufacturing of PU resin for shoes, coating and lamination, hardener, and Thermoplastic Polyurethane (TPU) and sales of photo initiators and the main business for production line of finished shoes were mainly from sales of sports shoes and manufacturing.

The Group's unallocated expenses or nonrecurring expenses should allocate to the segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4. The profit or loss for the operating department was measured by operating income or loss before tax and it is the base to evaluate the performance.

(2) Segment information

The Group's operating segment information and reconciliations were as follows:

For the three-month periods ended June 30, 2025	Coatings	Polymer	TPU	Finished goods of shoes	Reconciliation and Elimination	Others	Total
External revenue	\$ 244,130	\$ 186,344	\$ 53,048	\$ -	\$ -	\$ -	\$ 483,522
Inter-segment revenue	\$ 198	\$ 104,462	\$ 16,058	\$ -	\$ (120,718)	\$ -	\$ -
Segment profit (loss)	\$ 7,779	\$ 14,357	\$ (10,738)	\$ -	\$ (918)	\$ -	\$ 10,480

  

For the three-month periods ended June 30,2024	Coatings	Polymer	TPU	Finished goods of shoes	Reconciliation and Elimination	Others	Total
External revenue	\$ 274,601	\$ 155,915	\$ 45,895	\$ 12,543	\$ -	\$ -	\$ 488,954
Inter-segment revenue	\$ 1,532	\$ 80,634	\$ 22,817	\$ 12	\$ (104,995)	\$ -	\$ -
Segment profit (loss)	\$ 18,204	\$ 21,490	\$ (7,220)	\$ (6,127)	\$ 2,847	\$ -	\$ 29,194

  

For the six-month periods ended June 30,2025	Coatings	Polymer	TPU	Finished goods of shoes	Reconciliation and Elimination	Others	Total
External revenue	\$ 515,577	\$ 363,551	\$ 124,827	\$ -	\$ -	\$ -	\$ 1,003,955
Inter-segment revenue	\$ 185	\$ 200,169	\$ 38,133	\$ -	\$ (238,487)	\$ -	\$ -
Segment profit (loss)	\$ 43,752	\$ 28,432	\$ (14,367)	\$ -	\$ (2,704)	\$ -	\$ 55,113

  

For the six-month periods ended June 30,2024	Coatings	Polymer	TPU	Finished goods of shoes	Reconciliation and Elimination	Others	Total
External revenue	\$ 561,049	\$ 293,974	\$ 92,884	\$ 28,925	\$ -	\$ -	\$ 976,832
Inter-segment revenue	\$ 2,541	\$ 184,467	\$ 44,246	\$ 17	\$ (231,271)	\$ -	\$ -
Segment profit (loss)	\$ 58,285	\$ 35,716	\$ (17,455)	\$ (11,600)	\$ 5,385	\$ -	\$ 70,331

(3) Information by product and service.

The Group has operating activities only in Taiwan.

(4) Information on major customers

Information of single customers whose revenue comprised up to 10% of the Group's total revenue:

	For the six-month periods ended June 30,	
	2025	2024
Customer B	\$ 118,009	\$ 145,672



**Shuang Bang Industrial Corporation and Subsidiaries**  
**Securities held as of the six-month periods ended June 30, 2025**  
**(excluding investment in subsidiaries)**  
**June 30, 2025**

Name of holder	Category and name of security (note 1)	Relationship with company	Account title	Ending balance (Note 2)				Note
				Shares	Carrying amount	Ownership (%)	Fair value	
Shuang Bang Industrial Corporation	Stock-LOYAL SPLENDOR INT'L LTD.(Seychelles)	—	Financial assets at fair value through profit or loss — non-current	540	9,176	18.00	9,176	(Note 3)
Shuang Bang Industrial Corporation	Stock-GRAND AND GREAT CORPORATION LIMITED(Samoa)	—	Financial assets at fair value through profit or loss — non-current	1,400	17,276	3.33	17,276	(Note 3)

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 “Financial instruments.”

Note 2: Refer to the note 6(5) in consolidated financial statements.

Note 3: The number of shares of securities were not provided as collateral, pledged for loans, or subject to any other contractual restrictions on their use under certain agreements.

Note 4: This table includes the marketable securities disclosed by the Company based on the principle of materiality.

**Shuang Bang Industrial Corporation and Subsidiaries**  
**Business relationship and significant intercompany transactions**  
**For the six-month periods ended June 30, 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

Number (Note1)	Name of Company	Name of counterparty	Nature of relationship (Note2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (%)(Note3)
0	Shuang Bang Industrial Corporation	Miracle textile industry Co., LTD.	1	Sales revenue	12,244	-	1.22
				Notes receivables—related party	4,861	Net 120 days	0.19
				Accounts receivables—related party	1,652	Net 120 days	0.06

Note1: Numbers are filled in as follows:

- 1.0 represents the parent company.
2. Subsidiaries are numbered from 1.

Note 2: Nature of relationship: 1. From parent to subsidiary. ; 2. From subsidiary to parent. 3. Between subsidiaries. Related party transactions are not separately disclosed.

Note 3: Regarding the percentage of transaction amount to consolidated total operating revenues or total assets, it is calculated based on ending balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

**Shuang Bang Industrial Corporation and Subsidiaries**  
**Information on investee**  
**For the six-month periods ended June 30, 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main business	Original investment amount		Balance as of June 30, 2025			Net income (loss) of the investees (Note 1)	Share of Profits/Losses of Investee (Note 1)	Note
				June 30, 2025	December 31, 2024	Shares (in thousand)	Ownership %	Carrying value			
Shuang Bang Corporation	Miracle textile industry Co., LTD.	Taiwan	Manufacturing of coatings	22,517	22,517	2,225	44.50	17,067	6,076	2,704	Subsidiary

Note1: Recognized based on the financial statements audited by certified public accountants.

**Shuang Bang Industrial Corporation and Subsidiaries**  
**Information of investment in Mainland China**  
**For the six-month periods ended June 30, 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024 (Note 3)	Investment flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2025	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of June 30, 2025(Note 2)	Accumulated Inward Remittance of Earnings as of June 30, 2025
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

Accumulated Investment in Mainland China as of S June 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 1)
24,849	24,849	736,966

Note1: The net value of the stocks on the balance sheet date by 1,228,276 thousand \* 0.6 = 736,966 thousand dollars.

Note2: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of June 30, 2025, except for the original investment.

Note3: The Group did not have any investments in Mainland China currently.