Stock Code:6506

Shuang-Bang Industrial Corporation and Subsidiaries

Consolidated Financial Statements
With Independent Auditors' Review Report
For the Three-Month Periods Ended
March 31, 2026, and 2025

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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 March 31, 2026 and 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the three-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 to 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 people 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 March 31, 2026, and March 31, 2025, the total assets of these non-significant subsidiaries amounted to NT$135,500 thousand and NT$72,975 thousand, respectively, constituting 5.13% and 2.83% of the consolidated total assets. The total liabilities amounted to NT$59,846 thousand and NT$26,753 thousand, respectively, constituting 4.37% and 2.00% of the consolidated total liabilities. The total comprehensive income for the three-month periods ended March 31, 2026, and 2025, was NT$18,382 thousand and NT$4,001 thousand, respectively, constituting 34.84% and 11.20% 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 March 31, 2026, and 2025, and its consolidated financial performance and cash flows for the three-month ended March 31, 2026, and 2025, 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
May 8, 2026

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
March 31, 2026, December 31, 2025, and March 31, 2025
(Expressed in thousands of New Taiwan Dollars)

			March 31,2026		December 31,2025		March 31,2025	
Codes	Assets	Notes	Amount	%	Amount	%	Amount	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	146,617	5.55	103,287	4.08	128,055	4.97
1137	Financial assets at amortized cost - current	6(2)	900	0.03	900	0.04	900	0.03
1150	Notes receivables, net	6(3)	64,963	2.46	57,489	2.27	72,282	2.80
1152	Other notes receivables	6(3)	443	0.02	44	-	443	0.02
1170	Accounts receivables, net	6(3), 7	442,085	16.74	367,811	14.52	421,330	16.33
1200	Other receivables		264	0.01	830	0.03	511	0.02
1220	Current tax assets		10,986	0.42	10,986	0.43	10,976	0.43
130X	Inventories	6(4)	282,399	10.69	280,325	11.07	270,551	10.49
1470	Other current assets		14,128	0.54	14,649	0.58	16,443	0.64
11XX	**Total current assets**		962,785	36.46	836,321	33.02	921,491	35.73
	Noncurrent Assets							
1510	Financial assets at fair value through profit or loss -non-current	6(5)	28,995	1.10	28,995	1.14	26,472	1.03
1600	Property, plant and equipment	6(6)	1,565,103	59.27	1,573,206	62.11	1,470,163	57.00
1755	Right-of-use assets	6(7)	31,253	1.18	30,301	1.20	7,999	0.31
1780	Intangible assets	6(8)	1,647	0.06	1,808	0.07	2,883	0.11
1840	Deferred income tax assets		20,469	0.78	29,347	1.16	27,206	1.06
1900	Other noncurrent assets	6(9), 7	30,417	1.15	32,938	1.30	122,829	4.76
15XX	**Total noncurrent assets**		1,677,884	63.54	1,696,595	66.98	1,657,552	64.27
1XXX	**Total assets**		2,640,669	100.00	2,532,916	100.00	2,579,043	100.00

(Continued)

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Balance Sheets
March 31, 2026, December 31, 2025, and March 31, 2025
(Expressed in thousands of New Taiwan Dollars)

			March 31,2026		December 31,2025		March 31,2025	
Codes	Liabilities and Equity	Notes	Amount	%	Amount	%	Amount	%
	Current Liabilities							
2100	Short-term loans	6(10)	173,676	6.58	174,595	6.89	156,397	6.07
2151	Notes payables	6(11)	12,240	0.46	4,575	0.18	616	0.02
2152	Other notes payables	6(11)	9,129	0.35	4,272	0.17	8,392	0.33
2170	Accounts payables	6(11),7	246,062	9.32	178,309	7.04	212,296	8.23
2200	Other accounts payables	6(12),7	197,174	7.46	109,198	4.31	186,045	7.21
2230	Income tax payables		19,334	0.73	7,878	0.31	7,088	0.28
2250	Provision for warranty obligations-current	6(13)	10,387	0.39	9,410	0.37	14,000	0.54
2281	Lease liabilities from third parties	6(7)	7,324	0.28	7,460	0.30	4,372	0.17
2282	Lease liabilities from related parties	6(7), 7	1,054	0.04	-	-	823	0.03
2300	Other current liabilities	6(14)	5,766	0.22	7,117	0.28	2,262	0.09
2322	Current portion of long-term loans payable	6(15)	114,306	4.33	116,449	4.60	108,406	4.20
21XX	**Total current Liabilities**		796,452	30.16	619,263	24.45	700,697	27.17
	Noncurrent Liabilities							
2540	Long-term loans	6(15)	527,836	19.99	560,162	22.12	612,208	23.74
2570	Deferred income tax payable		2,083	0.08	9,235	0.36	2,278	0.09
2581	Lease liabilities from third parties-non current	6(7)	21,060	0.80	22,843	0.90	2,819	0.11
2582	Lease liabilities from related parties-non current	6(7),7	1,896	0.07	-	-	-	-
2630	Long-term deferred revenue		-	-	-	-	341	0.01
2640	Net defined benefit liability -non current	6(17)	20,412	0.77	20,643	0.81	18,625	0.72
2645	Guarantee deposits		893	0.03	893	0.04	893	0.03
25XX	**Total noncurrent liabilities**		574,180	21.74	613,776	24.23	637,164	24.70
2XXX	**Total Liabilities**		1,370,632	51.90	1,233,039	48.68	1,337,861	51.87
	Equity Attributable to Shareholders of the Parent							
3100	Capital Stock	6(18)1						
3110	Common stock		823,608	31.19	823,608	32.52	823,608	31.94
3200	Capital surplus	6(18)2	10,660	0.40	10,615	0.42	10,615	0.41
3300	Retained earnings							
3310	Appropriated as legal capital reserve		183,854	6.96	175,430	6.92	175,430	6.80
3350	Unappropriated earnings	6(18)3	214,534	8.13	262,149	10.35	211,387	8.20
31XX	**Equity Attributable to shareholders of the Parent**		1,232,656	46.68	1,271,802	50.21	1,221,040	47.35
36XX	**Non-Controlling Interests**		37,381	1.42	28,075	1.11	20,142	0.78
3XXX	**Total Equity**		1,270,037	48.10	1,299,877	51.32	1,241,182	48.13
	Total Liabilities and Equity		2,640,669	100.00	2,532,916	100.00	2,579,043	100.00

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

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
March 31, 2026, December 31, 2025, and March 31, 2025
(Expressed in thousands of New Taiwan Dollars, Except for Earnings per Share)

			Three Months Ended March 31			
			2026		2025	
Codes	Items	Notes	Amount	%	Amount	%
4000	**Operating revenues**	6(19), 7	571,346	100.00	520,433	100.00
5000	**Cost of revenues**	7	(454,578)	(79.56)	(427,093)	(82.06)
5900	**Gross profit**		116,768	20.44	93,340	17.94
	Operating expenses	7				
6100	Sales and marketing		(22,683)	(3.97)	(19,740)	(3.79)
6200	General and administrative		(23,729)	(4.15)	(21,693)	(4.17)
6300	Research and development		(5,560)	(0.97)	(8,161)	(1.57)
6450	Expected credit (loss) gain		(143)	(0.03)	157	0.03
6000	**Total operating expenses**		(52,115)	(9.12)	(49,437)	(9.50)
6900	**Operating income**		64,653	11.32	43,903	8.44
	Non-operating income and expenses					
7010	Other income	6(20)1	1,790	0.31	2,172	0.42
7020	Other gains and loss	6(20)2	3,845	0.67	2,647	0.51
7050	Finance costs	6(20)4, 7	(4,354)	(0.76)	(4,089)	(0.79)
7100	Interest income		2	-	-	-
7000	**Total non-operating income and expenses**		1,283	0.22	730	0.14
7900	**Profit before tax**		65,936	11.54	44,633	8.58
7950	**Less: Income tax expense**	6(21)	(13,182)	(2.31)	(8,923)	(1.72)
8200	**Net (Loss) Income**	6(20)	52,754	9.23	35,710	6.86
8300	**Other comprehensive income (loss)**		-	-	-	-
8500	**Total comprehensive income**		52,754	9.23	35,710	6.86
8600	**Net income attribute to:**					
8610	Shareholders of the parent		43,170	7.55	33,482	6.43
8620	Non-controlling interests		9,584	1.68	2,228	0.43
8700	**Total comprehensive income attribute to**					
8710	Shareholders of the parent		43,170	7.55	33,482	6.43
8720	Non-controlling interests		9,584	1.68	2,228	0.43
	Earnings per share	6(25)				
9750	**Basic earnings per share**		0.52		0.41	
9850	**Diluted earnings per share**		0.52		0.41	

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 three-month periods ended March 31, 2026, and 2025
(Expressed in thousands of New Taiwan Dollars)

		Equity attribute to the shareholders of the parent company							
				Retained earnings					
Items	Notes	Capital Stock-Common stock 3110	Capital Surplus 3200	Legal reserve 3310	Unappropriated retained earnings 3350	Total 3300	Subtotal of equity attributable to the shareholders of the paren 31XX	Non-controlling interests 36XX	Total equity 3XXX
Balance on January 1, 2025	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	-	-	-	33,482	33,482	33,482	2,228	35,710
Other comprehensive income(loss) for the period	D3	-	-	-	-	-	-	-	-
Total comprehensive income(loss) for the period	D5	-	-	-	33,482	33,482	33,482	2,228	35,710
Balance on March 31, 2025	Z1	823,608	10,615	175,430	211,387	386,817	1,221,040	20,142	1,241,182
Balance on January 1, 2026	A1	823,608	10,615	175,430	262,149	437,579	1,271,802	28,075	1,299,877
Appropriations of earnings of legal reserve	B1	-	-	8,424	(8,424)	-	-	-	-
Cash dividends	B5	-	-	-	(82,361)	(82,361)	(82,361)	-	(82,361)
Changes in capital surplus	C17	-	45	-	-	-	45	-	45
Net income for the period	D1	-	-	-	43,170	43,170	43,170	9,584	52,754
Other comprehensive income(loss) for the period	D3	-	-	-	-	-	-	-	-
Total comprehensive income(loss) for the period	D5	-	-	-	43,170	43,170	43,170	9,584	52,754
Cash dividends paid to non-controlling interests	O1	-	-	-	-	-	-	(278)	(278)
Balance on March 31, 2026	Z1	823,608	10,660	183,854	214,534	398,388	1,232,656	37,381	1,270,037

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 three-month periods ended March 31, 2026, and 2025
(Expressed in thousands of New Taiwan Dollars)

		Three Months Ended March 31	
Codes	Items	2026	2025
AAAA	**Cash flows from operating activities**		
A10000	**Profit before income tax**	65,936	44,633
A20000	**Adjustments for:**		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	28,967	25,762
A20200	Amortization expenses	296	388
A20300	Expected credit loss (reversed gain)	143	(157)
A20900	Interest expense	4,278	4,037
A21200	Interest income	(2)	-
A24100	Unrealized loss (gain) on foreign exchange	(2,305)	(2,020)
A29900	Others (government grants)	(170)	(170)
A20010	**Total adjustments to reconcile profit (loss)**	31,207	27,840
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31130	Increase in notes receivable	(7,474)	(13,490)
A31150	Increase in accounts receivable	(71,910)	(31,644)
A31180	Decrease in other receivables	566	302
A31200	Increase in inventories	(2,074)	(9,918)
A31240	Decrease in other current assets	521	951
A31990	Decrease in other operating assets	(355)	133
A31000	**Total changes in operating assets**	(80,726)	(53,666)
A32000	Changes in operating liabilities		
A32130	(Decrease) Increase in notes payable	7,665	(4,082)
A32150	Increase in accounts payable	67,500	24,422
A32180	Increase in other payables	4,176	15,405
A32200	Increase in provisions	977	2,918
A32230	Decrease in other current liabilities	(1,206)	(6,319)
A32240	Increase (Decrease) in net defined benefit liability	(231)	7
A32000	**Total changes in operating liabilities**	78,881	32,351
A30000	**Total changes in operating assets and liabilities**	(1,845)	(21,315)
A20000	**Total adjustments**	29,362	6,525
A33000	Cash flow generated from operations	95,298	51,158
A33100	Interest received	2	-
A33300	Interest paid	(4,421)	(4,630)
AAAA	**Net cash flows generated by operating activities**	90,879	46,528

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Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2026, and 2025
(Expressed in thousands of New Taiwan Dollars)

Codes	Items	Three Months Ended March 31 2026	2025
	(Continued)		
BBBB	**Cash flows from investing activities**		
B02700	Acquisition of property, plant and equipment	(3,127)	(11,019)
B04500	Acquisition of intangible assets	(135)	(207)
B06800	Decrease in other non-current assets	174	162
B07100	Increase in prepayments for business facilities	(7,014)	(21,078)
BBBB	**Net cash used in investing activities**	(10,102)	(32,142)
CCCC	**Cash flows from financing activities**		
C00100	Increase in short-term loans	264,458	201,655
C00200	Decrease in short-term loans	(265,370)	(168,246)
C01600	Proceeds from long-term debt	120,221	-
C01700	Repayment of long-term bank loans	(154,690)	(37,827)
C04020	Repayment of the principal portion of lease liabilities	(2,179)	(2,320)
C09900	Others	45	29
CCCC	**Net cash used in financing activities**	(37,515)	(6,709)
DDDD	**Effect of exchange rate changes on cash and cash equivalents**	68	113
EEEE	**Net increase in cash and cash equivalents**	43,330	7,790
E00100	Cash and cash equivalents, beginning of the perior	103,287	120,265
E00200	Cash and cash equivalents, end of the perior	146,617	128,055
E00210	Cash and cash equivalents on consolidated balance sheets	146,617	128,055

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 March 31, 2026, and 2025
(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 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 May 08, 2026.

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 issued by IASB but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date issued by IASB (Note 1)
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
Amendments to IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
Amendments to IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures" (Including 2025 amendments)	January 1, 2027
Amendments to IFRS 21 "Translation to a Hyperinflationary Presentation Currency	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.

Note 2: The FSC issued a press release on September 25, 2025, announcing the plan for public companies to adopt IFRS 18 starting from the fiscal year 2028.

<u>IFRS 18 "Presentation and Disclosure in Financial Statements." and Related Consequential Amendments</u>

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes of this standard include:

- 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 income statement should report subtotals and totals for operating profit/loss, financing, and pre-tax profit/loss.
- Guidance to enhance aggregation and disaggregation requirements: The Consolidated Company must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events and classify and aggregate them based on common characteristics, ensuring that each line item in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. The Consolidated Company should label items as "other" only when no more informative label can be found.
- The disclosure of increased management-defined performance measures: When the Consolidated Company engages in public communication outside of the financial statements and communicates with users of the financial statements about the management's view of a certain aspect of the Consolidated Company's overall financial performance, it should disclose information related to management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, reconciliation with subtotals or totals defined by IFRS, and the impact or effect of related reconciling items on income tax and non-controlling interests.

In addition, IAS7 “Statement of Cash Flows” has been amended as follows:

- Requiring the Company to use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Group assesses that it has specified main business activities, it shall consider the categories in which dividend income, interest income, and interest expenses are presented in the statement of profit or loss to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of these cash flows must be classified into only a single category within the statement of cash flows.

Except for the above impact, as of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating other impacts of the above amended standards and 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 Company completes its evaluation.

4. Summary of Significant Accounting Policies

(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, 2025.

B. List of subsidiaries in the consolidated financial statements

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

			Percentage of Ownership		
Name of Investor	Name of Investee	Main Business and Products	March 31, 2026	December 31, 2025	March 31, 2025
Shuang Bang Corporation	Miracle textile industry Co., Ltd.	Manufacturing of coatings	44.50	44.50	44.50

The subsidiaries included in the consolidated financial statements are not significant subsidiaries, and the Group's management determined that the related investments have no significant impact on the consolidated financial statements. Accordingly, the financial statements of these subsidiaries as of March 31, 2026, and 2025 were not reviewed by independent auditors.

As of March 31, 2026, December 31, 2025, and March 31, 2025, there were no subsidiaries excluded from the consolidated financial statements. Additionally, there were no significant restrictions on the ability of the consolidated company to access or use the group's assets and settle the group's liabilities.

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

		Non-controlling interest		
Name of subsidiary	Ownership (%)	March 31, 2026	December 31, 2025	March 31, 2025
Miracle textile industry Co. Ltd.	55.50	$ 37,381	$ 28,075	$ 20,142

		Profit (Loss) Allocated to Non-controlling Interests	
		Three Months Ended March 31	
Name of subsidiary	Ownership (%)	2026	2025
Miracle textile industry Co. Ltd.	55.50	$ 9,584	$ 2,228

(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.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 106,548	$ 71,961	$ 57,034
Non-current assets	29,076	32,125	16,234
Current liabilities	(49,278)	(29,418)	(30,976)
Non-current liabilities	(18,993)	(24,083)	(6,001)
Equity	$ 67,353	$ 50,585	$ 36,291
Equity attributable to shareholders of the parent	$ 29,972	$ 22,510	$ 16,149
Equity attributable to non-controlling interests	$ 37,381	$ 28,075	$ 20,142

b. Comprehensive income statements

	Miracle textile industry Co. Ltd.	
	Three Months Ended March 31	
	2026	2025
Operating revenue	$ 61,632	$ 33,295
Net income	$ 17,269	$ 4,014
Other comprehensive income (loss), after tax	-	-
Total comprehensive income (loss)	$ 17,269	$ 4,014
Net income (loss) attributable to shareholders of the parent	$ 7,685	$ 1,786
Net income (loss) attributable to non-controlling interests	$ 9,584	$ 2,228
Total comprehensive income attributable to owners of parent	$ 7,685	$ 1,786
Total comprehensive income attributable to non-controlling interests	$ 9,584	$ 2,228
Dividends paid to non-controlling interests	$ 278	$ -

C. Cash flows statements

	Miracle textile industry Co. Ltd.	
	Three Months Ended March 31	
	2026	2025
Cash flows from (used in) operating activities	$ 13,014	$ (2,395)
Cash flows used in investing activities	(220)	(200)
Cash flows used in financing activities	(5,725)	(12,749)
Net Increase (Decrease) in cash and cash equivalents	7,069	(15,344)
Cash and cash equivalents, beginning of the period	38,308	30,838
Cash and cash equivalents, end of the period	$ 45,377	$ 15,494

(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, 2025.

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, 2025.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash	$ 278	$ 276	$ 298
Checking accounts and demand deposits	146,339	103,011	127,757
	$ 146,617	$ 103,287	$ 128,055

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

	March 31, 2026	December 31, 2025	March 31, 2025
Demand deposits (%)	0.010～0.705	0.010～0.705	0.010～0.800

(2) Financial assets at amortized costs－current

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged time deposits	$ 900	$ 900	$ 900
Time deposits	-	-	-
	$ 900	$ 900	$ 900
Interests rate (%)	0.655	0.655	0.655

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

	March 31, 2026	March 31, 2025
Total of carrying amount	$ 900	$ 900
Loss allowance	-	-
Financial assets at amortized costs	$ 900	$ 900

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

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivables			
From operating activities	$ 64,963	$ 57,489	$ 72,282
Not from operating activities	443	44	443
	$ 65,406	$ 57,533	$ 72,725
Accounts receivables	$ 418,508	$ 343,138	$ 403,214
Less: loss allowance	(358)	(263)	(592)
	$ 418,150	$ 342,875	$ 402,622
Accounts receivables from related parties	$ 23,935	$ 24,936	$ 18,708

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.

None of the Group's notes receivable and accounts receivable had been pledged as collateral.

The abovementioned notes receivable 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:

March 31,2026

	Current	Overdue 1-60 days	Overdue more than 61 days	Total
Total carrying amount	$ 503,419	$ 4,423	$ 7	$ 507,849
Provision for loss allowance	(154)	(198)	(6)	(358)
Cost after amortization	$ 503,265	$ 4,225	$ 1	$ 507,491

The Group's abovementioned rates of expected credit loss were as follows, current rates were 0.000% to 0.039%, rates of due over 1 to 60 days were 0.000% to 15.699% and rates of due over 61 days were 31.623% to 100%.

December 31, 2025

	Current	Overdue 1-60 days	Overdue more than 61 days	Total
Total carrying amount	$ 424,607	$ 822	$ 178	$ 425,607
Provision for loss allowance	(137)	(35)	(91)	(263)
Cost after amortization	$ 424,470	$ 787	$ 87	$ 425,344

The Group's abovementioned rates of expected credit loss were as follows, current rates were 0.010% to 0.039%, rates of due over 1 to 60 days were 1.575% to 15.633% and rates of due over 61 days were 22.289% to 100%.

March 31, 2025

	Current	Overdue 1-60 days	Overdue more than 61 days	Total
Total carrying amount	$ 488,220	$ 6,326	$ 101	$ 494,647
Provision for loss allowance	(181)	(315)	(96)	(592)
Cost after amortization	$ 488,039	$ 6,011	$ 5	$ 494,055

The Group's abovementioned rates of expected credit loss were as follows, current rates were 0.010% to 0.045%, rates of due over 1 to 60 days were 1.575% to 16.664% and rates of due over 61 days were 41.594% to 100%.

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

	Three Months Ended March 31	
	2026	2025
Balance on January 1	$ 263	$ 749
Add: Impairment loss for the current period, net	143	-
Less: Reversal of impairment loss for the current period, net	-	(157)
Less: Actual write-offs during the period	(48)	-
Balance on March 31	$ 358	$ 592

(4) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Merchandises	$ 14,443	$ 13,248	$ 14,190
Finished goods	114,876	139,669	127,852
Semi-finished goods	13,958	10,432	13,044
Work in process	14,049	15,647	15,766
Raw materials	101,893	77,507	76,734
Manufacturing materials	23,177	23,822	22,965
	$ 282,399	$ 280,325	$ 270,551

The operating costs relating to inventories amounted to $454,578 thousand and $427,093 thousand for the three-month periods ended March 31, 2026, and 2025, 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:

	Three Months Ended March 31	
	2026	2025
Reversal of inventory obsolescence for the period	$ (3,438)	$ (1,540)

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

	March 31 2026		December 31, 2025		March 31, 2025	
	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)	10,961	18.00	10,961	18.00	9,176	18.00
Grand and Great Corp. (Samoa)	18,014	3.33	18,014	3.33	17,276	3.33
Total	$ 28,995		$ 28,995		$ 26,472	

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

As of March 31, 2026, the Group's cumulative investment in LOYAL SPLENDOR INT'L LTD. (Seychelles) totaled US$540,000.

As of March 31, 2026, the Group's cumulative investment in GRAND AND GREAT CORPORATION LIMITED (Samoa) totaled USD 1.4 million.

(6) Property, plant and equipment

	March 31, 2026	December 31, 2025	March 31, 2025
Owner occupation	$ 1,534,149	$ 1,542,073	$ 1,452,291
Operating leases	30,954	31,133	17,872
	$ 1,565,103	$ 1,573,206	$ 1,470,163

A. Owner occupation

Carrying amount	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 645,954	$ 645,954	$ 645,954
Buildings, net	405,547	409,629	434,873
Machinery equipment, net	383,177	384,465	267,296
Testing equipment, net	5,471	5,639	5,533
Pollution control equipment, net	38,035	40,824	51,035
Transportation	3,841	3,883	4,819
Office equipment	121	37	51
Other equipment	52,003	51,642	42,730
	$ 1,534,149	$ 1,542,073	$ 1,452,291

Cost	January 1, 2026	Additions	Disposals	Prepaid	Reclassification	March 31, 2026
Land	$ 645,954	$ -	$ -	$ -	$ -	$ 645,954
Buildings	554,347	-	-	85	-	554,432
Equipment	577,774	1,647	(40,436)	11,651	-	550,636
Testing equipment	11,986	203	(2,441)	-	-	9,748
Pollution control equipment	92,836	86	(213)	-	-	92,709
Transportation	16,981	286	-	-	-	17,267
Office equipment	99	90	-	-	-	189
Other	96,011	2,801	(692)	1,756	-	99,876
	$ 1,995,988	$ 5,113	$ (43,782)	$ 13,492	$ -	$ 1,970,811

Accumulated depreciation and impairment	January 1, 2026	Depreciation	Disposals	Prepaid	Reclassification	March 31, 2026
Buildings	$ 144,718	$ 4,167	$ -	$ -	$ -	$ 148,885
Machine equipment	193,309	14,586	(40,436)	-	-	167,459
Testing equipment	6,347	317	(2,441)	-	-	4,277
Pollution control equipment	52,012	2,875	(213)	-	-	54,674
Transportation	13,098	328	-	-	-	13,426
Office equipment	62	6	-	-	-	68
Other equipment	44,369	4,196	(692)	-	-	47,873
	$ 453,915	$ 26,529	$ (43,782)	$ -	$ -	$ 436,662

Cost	January 1, 2025	Additions	Disposals	Prepaid	Reclassification	March 31, 2025
Land	$ 645,954	$ -	$ -	$ -	$ -	$ 645,954
Buildings	567,372	-	-	740	-	568,112
Equipment	460,440	2,120	(8,096)	9,024	-	463,488
Testing equipment	13,527	-	-	-	-	13,527
Pollution control equipment	93,922	960	(9,019)	23,852	-	109,715
Transportation	16,981	-	-	-	-	16,981
Office equipment	99	-	-	-	-	99
Other equipment	102,876	2,608	(5,025)	1,118	-	101,577
	$ 1,901,171	$ 5,688	$ (22,140)	$ 34,734	$ -	$ 1,919,453

Accumulated depreciation and impairment	January 1, 2025	Depreciation	Disposals	Prepaid	Reclassification	March 31, 2025
Buildings	$ 128,797	$ 4,442	$ -	$ -	$ -	$ 133,239
Machine equipment	192,864	11,424	(8,096)	-	-	196,192
Testing equipment	7,576	418	-	-	-	7,994
Pollution control equipment	64,921	2,778	(9,019)	-	-	58,680
Transportation	11,851	311	-	-	-	12,162
Office equipment	43	5	-	-	-	48
Other equipment	59,870	4,002	(5,025)	-	-	58,847
	$ 465,922	$ 23,380	$, (22,140)	$ -	$ -	$ 467,162

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	1 to 50 years	Transportation	3 to 13 years
Machine equipment	1 to 10 years	Office equipment	3 to 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	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	$ 30,954	$ 31,133	$ 17,872

Cost	January 1, 2026	Additions	Disposals	Prepaid	Reclassification	March 31, 2026
Buildings	$ 34,717	$ -	$ -	$ -	$ -	$ 34,717

Accumulated depreciation and impairment	January 1, 2026	Additions	Disposals	Prepaid	Reclassification	March 31, 2026
Buildings	$ 3,584	$ 179	$ -	$ -	$ -	$ 3,763

Cost	January 1, 2025	Additions	Disposals	Prepaid	Reclassification	March 31, 2025
Buildings	$ 19,590	$ -	$ -	$ -	$ -	$ 19,590

Accumulated depreciation and impairment	January 1, 2025	Additions	Disposals	Prepaid	Reclassification	March 31, 2025
Buildings	$ 1,617	$ 101	$ -	$ -	$ -	$ 1,718

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

<u>Lessee</u>

A. Right-of-use assets

Carrying amount	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	$ 25,606	$ 23,970	$ 2,569
Transportation	5,647	6,331	5,430
	$ 31,253	$ 30,301	$ 7,999

	Three Months Ended March 31	
	2026	2025
Additions of right-of-use assets	$ 3,211	$ -
Depreciation of right-of-use assets		
Buildings	$ 1,575	$ 1,589
Transportation	684	692
	$ 2,259	$ 2,281

B. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 8,378	$ 7,460	$ 5,195
Noncurrent	$ 22,956	$ 22,843	$ 2,819

The discount rates of lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings (%)	1.987～2.220	1.272～2.220	1.272～1.720
Transportation (%)	0.967～1.956	0.967～1.956	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:

	Three Months Ended March 31	
	2026	2025
Items that affect profit or loss		
Items that affect profit or loss	$ 170	$ 34
Interest expense on lease liabilities	360	420
	$ 530	$ 454

E. The Group's total lease cash outflows from January 1 to March 31, 2026, and 2025 were NT$2,349 thousand and NT$2,354 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 2025/09/01~2030/07/31	Monthly rental fees $100 thousand.	$100 thousand
Buildings (plant)	2021/07/01~2027/06/30	Monthly rental fees $149 thousand.	$448 thousand
Buildings (plant)	2023/01/01~2027/06/30	Monthly rental fees $55 thousand.	$166 thousand
Buildings (plant)	2024/04/01~ 2025/03/31 2025/04/01~ 2026/03/31 2026/04/01~ 2027/03/31	Monthly rental fees $14 thousand.	$13 thousand
Buildings (plant)	2024/08/01~2027/06/30 (Note 1)	Monthly rental fees $55 thousand.	$166 thousand
Buildings (plant)	2025/11/01~2026/04/30 (Note 2)	Monthly rental fees $8 thousand	$24 thousand
Buildings (plant)	2025/12/01~2031/11/30	Monthly rental fees $193 thousand.	$579 thousand

Note 1：The company terminated the contract early in December 2025.
Note 2：The company terminated the contract early in January 2026.

B. The information on gains from operating lease rental contracts for the three-month periods ended March 31, 2026, and 2025, respectively, is as follows:

	Three Months Ended March 31	
	2026	2025
Rental revenue	$ 1,235	$ 1,124

C. Non-cancellable operating lease contracts

	March 31, 2026	December 31, 2025	March 31, 2025
Within one year	$ 6,805	$ 6,189	$ 3,781
More than 1 year to 3 years	7,810	8,589	3,234
Over 3 years	7,775	8,653	-

(8) Intangible assets

Carrying amounts	March 31, 2026	December 31, 2025	March 31, 2025
Computer software	$ 1,647	$ 1,808	$ 2,883

Costs	January 1, 2026	Additions	Disposals	March 31, 2026
Computer software	$ 4,700	$ 135	$ -	$ 4,835

Accumulated amortization and impairment	January 1, 2026	Additions	Disposals	March 31, 2026
Computer software	$ 2,892	$ 296	$ -	$ 3,188

Costs	January 1, 2025	Additions	Disposals	March 31, 2025
Computer software	$ 6,188	$ 207	$ -	$ 6,395

Accumulated amortization and impairment	January 1, 2025	Additions	Disposals	March 31, 2025
Computer software	$ 3,124	$ 388	$ -	$ 3,512

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

Item	Useful lives
Computer software	3 to 5 years

(9) Other noncurrent assets

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments for equipment	$ 26,726	$ 29,029	$ 118,151
Refundable deposits	2,147	2,148	2,147
Long-term notes receivables	-	44	443
Other	1,544	1,717	2,088
	$ 30,417	$ 32,938	$ 122,829

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

(10) Short-term loans

	March 31, 2026	December 31, 2025	March 31, 2025
Secured loans			
Working Capital	$ 51,600	$ 60,000	$ -
L/C loans	70,223	54,595	59,770
Unsecured loans			
Working Capital	50,400	60,000	81,000
L/C loans	1,453	-	15,627
	$ 173,676	$ 174,595	$ 156,397
Loan rate (%)	1.87～4.82	1.87～2.00	1.88～2.92
Due date	Before 2026/09/27	Before 2026/06/28	Before 2025/11/28

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

	March 31, 2026	December 31, 2025	March 31, 2025
Arising from operation:			
Notes payables	$ 12,240	$ 4,575	$ 616
Accounts payables(related parties)	246,062	178,309	212,296
Not arising from operation:			
Other notes payables	9,129	4,272	8,392

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

(12) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Third-party transaction			
Salary and bonus payables	$ 34,025	$ 41,634	$ 39,188
Employee compensation payables	12,110	7,354	9,136
Insurance payables	4,820	4,792	4,537
Remunerated directors payables	5,383	3,184	3,589
Equipment payables	3,667	2,487	2,687
Directors’ remuneration payables	82,638	-	65,889
Other accounts payables	54,448	49,698	60,971
	$ 197,091	$ 109,149	$ 185,997
Related parties	$ 83	$ 49	$ 48

(13) Provision

	March 31 2026	December 31, 2025	March 31 2025
Employees benefits	$ 9,510	$ 8,446	$ 8,952
Returns and discounts	877	964	850
Sales rebates	-	-	4,198
	$ 10,387	$ 9,410	$ 14,000

	Employees benefits	Returns and discounts	Sales rebates	Total
Balance on January 1, 2026	$ 8,446	$ 964	$ -	$ 9,410
Provision for the period	2,286	316	-	2,602
Payments for the period	(71)	-	-	(71)
Write-off for the period	(1,151)	(403)	-	(1,554)
Balance on March 31, 2026	$ 9,510	$ 877	$ -	$ 10,387

	Employees benefits	Returns and discounts	Sales rebates	Total
Balance on January 1, 2025	$ 8,017	$ 850	$ 2,215	$ 11,082
Provision for the period	2,315	-	1,983	4,135
Payments for the period	(40)	-	-	(40)
Write-off for the period	(1,177)	-	-	(1,177)
Balance on March 31, 2025	$ 8,952	$ 850	$ 4,198	$ 14,000

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 historical information, management judgements and other known factors.

(14) Other current liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities	$ 3,458	$ 5,000	$ 17
Temporary receipts	225	226	226
Receipts under custody	1,742	1,380	1,337
Deferred revenue－current	341	511	682
	$ 5,766	$ 7,117	$ 2,262

(15) Long-term loans

Category	Due year	March 31, 2026	December 31, 2025	March 31, 2025
Secured borrowings	2028	$ 108,333	$ 120,833	$ 158,333
Secured borrowings	2029	36,667	39,167	46,667
Secured borrowings	2034	214,218	220,776	240,449
Secured borrowings	2038	247,590	252,609	267,665
Unsecured borrowings	2028	-	5,893	-
Unsecured borrowings	2030	35,334	37,333	7,500
		$ 642,142	$ 676,611	$ 720,614
Current portion of long-term loans payable		$ 114,306	$ 116,449	$ 108,406
Non-current		527,836	560,162	612,208
		$ 642,142	$ 676,611	$ 720,614
Interest rate of loans (%)		1.925～2.130	1.925～2.220	1.925～2.220

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 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 March 31, 2026, the government grant was recognized under other liabilities, current and long-term deferred revenue and will be transferred to other revenue in accordance with the useful lives of the equipment.

The Group applied to the Ministry of Economic Affairs for the Low-Carbon and Intelligent Upgrading and Transformation Subsidy for Leading Manufacturers Driving SMEs (Recycled Materials Circulation and Reuse and Polyurethane Product Development Project). The application was reviewed and approved by the Taiwan SME Joint Guidance Foundation. For the years 2026 and 2025, the Group recognized a return of subsidy of NT$641 thousand and NT$2,936 thousand, respectively, which were recorded 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 amount to $2,677 thousand, $2,517 thousand for the periods from January 1 to March 31, 2026, and 2025, respectively. As of March 31, 2026, December 31, 2025, and March 31, 2024, the unpaid amounts of define benefit plans amounted to $2,677 thousand, $2,694 thousand and $2,524 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% and 2% 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 March 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, 2025, and 2024, was recognized in the comprehensive income statement in the following periods.

	Three Months Ended March 31	
	2026	2025
Operating costs	$ 129	$ 83
Selling expenses	8	8
General and administrative expenses	32	33
Research and development expenses	3	4
	$ 172	$ 128

(b) The Company and its subsidiary expect to contribute NT$1,392 thousand and NT$43 thousand, respectively, to their defined benefit plans in 2026.

(18) Equity

A. Common stocks

	March 31, 2026	December 31, 2025	March 31, 2025
Amount of shares authorized ($10 per share)	$ 1,200,000	$ 1,200,000	$ 1,200,000
Amount of shares issued	$ 823,608	$ 823,608	$ 823,608
Numbers of shares authorized (in thousands of shares)	120,000	120,000	120,000
Numbers of shares issued (in thousands 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 received.

B. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Capital surplus	$ 983	$ 983	$ 983
Employee share options	9,506	9,506	9,506
Expired dividends	171	126	126
	$ 10,660	$ 10,615	$ 10,615

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 thousands)	Amount	Share premiums	Employee share options	Expired dividends
Balance on January 1, 2026	82,361	$ 823,608	$ 983	$ 9,506	$ 126
Others	-	-	-	-	45
Balance on March 31, 2026	82,361	$ 823,608	$ 983	$ 9,506	$ 171

	Capital		Capital surplus		
	Shares (in thousands)	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 March 31, 2025	82,361	$ 823,608	$ 983	$ 9,506	$ 126

C. Appropriation of earnings and dividend policy

According to the Group Act, 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 earnings 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 for 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 shareholders' 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 10, 2026, and June 12, 2025, the Group's board of directors resolved to distribute cash dividends for the fiscal years 2025, and 2024, respectively, with the distribution details as follows:

	Appropriation of earnings		Dividends per share (NTD)	
Items	2025	2024	2025	2024
Legal reserve	$ 8,424	$ 6,337		
Cash dividends	82,361	65,889	$ 1.0	$ 0.8
	$ 90,785	$ 72,226		

The earnings distribution proposal for the year 2025 is pending approval at the Annual General Shareholders' Meeting scheduled for June 5, 2026.

(19) Sales revenue

	Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Sales revenue	$ 569,572	$ 515,911
Service revenue	1,774	4,522
	$ 571,346	$ 520,433

Balance of the contracts

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes receivables, net (including related parties)	$ 64,963	$ 57,489	$ 72,282	$ 58,792
Accounts receivables, net (including related parties)	$ 442,085	$ 367,811	$ 421,330	$ 387,404
Contract liabilities－current (Recognized as other current liabilities)	$ 3,458	$ 5,000	$ 17	$ 5,995

The 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:

	Three Months Ended March 31	
	2026	2025
Sales revenue of goods	$ 4,487	$ 5,980

(20) Net income

The Group's net income included the following items:

A. Other revenue

	Three Months Ended March 31	
	2026	2025
Rental revenue	$ 1,235	$ 1,124
Other income	555	1,048
	$ 1,790	$ 2,172

B. Other profit and loss

	Three Months Ended March 31	
	2026	2025
Gains on foreign exchange	$ 3,845	$ 2,647

C. Depreciation and amortization

	Three Months Ended March 31	
	2026	2025
Depreciation of plant, property and equipment	$ 26,708	$ 23,481
Depreciation of right-of-use assets	2,259	2,281
Amortization of intangible assets	296	388
	$ 29,263	$ 26,150
Depreciation expenses were summarized by functions:		
Operating costs	$ 26,507	$ 23,284
Operating expenses	2,460	2,478
Amortization expenses were summarized by functions		
Operating costs	72	113
Operating expenses	224	275
	$ 29,263	$ 26,150

D. Financial cost

	Three Months Ended March 31	
	2026	2025
Bank loans	$ 4,105	$ 4,000
Interests from lease liabilities	170	34
Handling fees	76	52
Imputed Interest on Rent Deposit	3	3
	$ 4,354	$ 4,089
Amount of capitalized borrowing costs	$ 124	$ 567
Rate of capitalized borrowing costs (%)	1.284～2.076	1.284～2.076

E. Gains (loss) on foreign exchange

	Three Months Ended March 31	
	2026	2025
Total of gains on foreign exchange	$ 4,666	$ 3,388
Total of loss on foreign exchange	(821)	(741)
Net of gains (loss) on foreign exchange	$ 3,845	$ 2,647

F. Employees benefits

	Three Months Ended March 31	
	2026	2025
Salary	$ 87,118	$ 80,256
Employee insurance	7,259	7,147
Post-employment benefits plans		
Defined contribution plans	2,677	2,517
Defined benefit plans	172	128
Directors' remuneration	400	408
Other benefits	2,655	2,423
	$ 100,281	$ 92,879
Summary by function:		
Operating costs	$ 70,214	$ 65,306
Operating expenses	30,067	27,573
	$ 100,281	$ 92,879

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 for the periods from January 1 to March 31, 2026, and 2025, as follows:

	Three Months Ended March 31					
	2026			2025		
	Percentage	Amount		Percentage	Amount	
Employees' compensation	7.05%	$	4,082	7.22%	$	3,336
Directors' remuneration	3.00%	$	1,749	3.00%	$	1,429

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 shares is based on the closing price of the day before the resolution date of the shareholders' meeting.

The employee compensation and the directors' and supervisors' remuneration for 2025 and 2024 were resolved by the Board of Directors on March 10, 2026, and March 7, 2025, respectively, as follows :

	2025		2024	
Employees' compensation	$	7,300	$	5,800
Directors' remuneration	$	3,130	$	2,160

There is no difference between the 2025 and 2024 employee's compensation and director's and supervisor's remuneration and the Group's 2025 and 2024 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:

	Three Months Ended March 31			
	2026		2025	
Current tax				
Current year	$	12,297	$	7,087
Deferred tax				
Current year		885		1,836
Income tax expense recognized in profit or loss	$	13,182	$	8,923

B. Income tax assessment

As of May 8, 2026, the income tax returns of the Company through 2023, and those of its domestic subsidiary, Miracle Textile Industry Co., Ltd., through 2024, have been examined and assessed 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, their 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 March 31, 2026, December 31, 2025, and March 31, 2025, respectively were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Total of liabilities	$ 1,370,632	$ 1,233,039	$ 1,337,861
Total of assets	2,640,669	2,532,916	2,579,043
Ratio of liabilities (%)	51.90	48.68	51.87

(24) Financial instruments

A. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at amortized cost			
Cash and cash equivalents	$ 146,617	$ 103,287	$ 128,055
Financial assets at amortized cost－current	900	900	900
Notes and accounts receivables, net	507,048	425,300	493,612
Other notes receivables	443	44	443
Other accounts receivables	264	830	511
Other current assets	-	465	916
Other noncurrent assets	2,147	2,192	2,590
Financial assets at amortized cost －noncurrent	28,995	28,995	26,472
Financial liabilities			
Financial liabilities at amortized cost			
Short-term loans	$ 173,676	$ 174,595	$ 156,397
Notes and accounts payables	258,302	182,884	212,912
Other accounts payables	9,129	4,272	8,392
Other payables	197,174	109,198	186,045
Guarantee deposits	893	893	893
Long-term loans (including current portion)	642,142	676,611	720,614

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 of reducing 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 conducts certain operating activities and holds net investments in foreign operations denominated in foreign currencies, which expose it to foreign currency risk. To mitigate the potential reduction in foreign currency asset values, the increase in foreign currency liabilities, and the volatility of future cash flows caused by exchange rate fluctuations, the Group employs derivative instruments (primarily foreign exchange forward contracts) and disposes of certain foreign currency accounts receivable as hedging strategies, depending on exchange rate trends. While these derivative instruments help reduce the impact of exchange rate fluctuations, they cannot completely eliminate such risks.

Additionally, the Group's short-term borrowings in USD and JPY for material purchases create a natural hedge against its USD and JPY accounts receivable, effectively offsetting a portion of the risk arising from foreign currency exchange rate fluctuations.

The Group had not used derivatives financial instruments for three-month periods ended March 31,2026 and 2025.

The Group has not hedged 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 March 31, 2026, and 2025 would have decreased/increased by $18,179 thousand and $20,019 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 March 31, 2026, and 2025 would have decreased/increased by $110 thousand and $2 thousand, respectively.

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

Unit: currency in thousand

	March 31, 2026		December 31, 2025		March 31, 2025	
Items	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets						
Monetary items						
USD	$ 7,888	32.000	$ 7,121	31.365	$ 7,871	33.18
JPY	106	0.2007	106	0.1979	6,180	0.2227
Financial liabilities						
Monetary items						
USD	787	32.000	751	31.365	329	33.18

The Group recognized gains or losses on foreign exchange (including realized and unrealized) of $3,845 thousand and $2,647 thousand for the three-month periods ended March 31, 2026, and 2025, 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 three months periods ended March 31, 2026, and 2025 would have decreased/increased by $5,771 thousand and $6,376 thousand, respectively.

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

Items	March 31, 2026	December 31, 2025	March 31, 2025
Fixed rates			
Financial liabilities	$ 94,393	$ 110,000	$ 80,000
Floating rate borrowing			
Financial assets	145,492	102,284	127,333
Financial liabilities	721,425	741,206	797,011

D. Credit risk management

Credit risk refers to the risk that the 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 March 31, 2026, December 31,2025 and March 31, 2025, the Group's ten largest customers accounted for 50%, 55% and 59% 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 the 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 use 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.

March 31, 2026	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	$ 464,605	$ 14	$ 779	$ 100	$ -	$465,498
Lease liabilities	4,552	4,365	15,393	8,368	-	32,678
Instruments using floating interests' rate	136,436	57,153	186,945	110,611	230,280	721,425
Instruments using fixed interests' rate	94,393	-	-	-	-	94,393

December 31, 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	$296,533	$ -	$ 614	$ 100	$ -	$297,247
Lease liabilities	4,113	3,893	13,769	9,964	-	31,739
Instruments using floating interests' rate	122,820	58,224	203,195	115,111	241,856	741,206
Instruments using fixed interests' rate	110,000	-	-	-	-	110,000

March 31, 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	$407,349	$ -	$ 893	$ -	$ -	$408,242
Lease liabilities	3,739	1,492	2,548	350	-	8,129
Instruments using floating interests' rate	130,621	54,182	216,897	118,725	276,586	797,011
Instruments using fixed interests' rate	80,000	-	-	-	-	80,000

As of March 31, 2026, December 31, 2025, and March 31, 2025, the unused financing facilities of the Group amounted to $519,259 thousand, $481,648 thousand and $461,378 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 is categorized under level 1 fair value.

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

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Fair value on a recurring basis				
Financial assets at fair value through profit or loss				
Stock	$ -	$ -	$ 28,995	$ 28,995

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Fair value on a recurring basis				
Financial assets at fair value through profit or loss				
Stock	$ -	$ -	$ 28,995	$ 28,995

March 31, 2025	Level 1	Level 2	Level 4	Total
Assets				
Fair value on a recurring basis				
Financial assets at fair value through profit or loss				
Stock	$ -	$ -	$26,472	$ 26,472

There was no transfer of measurements of fair value in the Group for the three-month periods ended March 31, 2026, and 2025, respectively.

(25) Earnings per share

	Three Months Ended March 31,	
	2026	2025
Basic earnings per share		
Net income available to common shareholders	$ 43,170	$ 33,482
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousand)	82,361	82,361
Basic earnings per share (dollar)	$ 0.52	$ 0.41
Diluted earnings per share		
Net income available to common shareholders	$ 43,170	$ 33,482
Weighted average number of common shares outstanding used in the computation of basic EPS (in thousand)	82,361	82,361
Effects of all dilutive potential common shares (in thousand)		
Employees compensation	246	203
Weighted average number of common shares used in the computation of diluted EPS (in thousand)	82,607	82,564
Diluted EPS (in dollars)	$ 0.52	$ 0.41

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. The 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 three-month periods ended March 31, 2026, and 2025, respectively were as follows:

A. Financing activities that will not have effect on cash flows

	March 31, 2026	March 31, 2025
Current portion of long-term loans payable	$ 114,306	$ 108,406

B. Investing activities of property, plant and equipment

	Three Months Ended March 31	
	2026	2025
Additions of property, plant and equipment	$ (5,113)	$ (5,688)
Changes in other notes payables	2,422	(7,202)
Changes in other accounts payables	(436)	1,871
Payments for acquisition of property, plant and equipment	$ (3,127)	$ (11,019)

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

Related Party Name	Related Party Categories
HOR JING CORP.	Others
HTM MATERIAL CO., LTD.	Others
WADA TECHNOLOGY CO., LTD.	Others
PANEL TRADING CO., LTD.	Others
LEGO STONE CO., LTD	Others
CHIA CHERNG INDUSTRY CO., LTD.	Others
Wu, Li Hsueh	Others
Chen Wu, Li Show	Others

(2) Operating revenue

		Three Months Ended March 31	
Accounts	Category	2026	2025
Operating revenue	Others	$ 22,547	$ 17,789

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

	Three Months Ended March 31	
	2026	2025
Other related party	$ 1,502	$ 1,453

The purchase prices of 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

Accounts	Category	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivables	Others	$ 23,935	$ 24,936	$ 18,708

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

(5) Accounts payable-related parties

Accounts	Category	March 31, 2026	December 31, 2025	March 31, 2025
Notes payables	Others	$ 1,577	$ -	$ 278
Other notes payables	Others	$ 83	$ 49	$ 48

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

(6) Lease agreements

Accounts	Category	March 31, 2026	December 31, 2025	March 31, 2025
Lease liability	Others	$ 2,950	$ -	$ 823

		Three Months Ended March 31	
Accounts	Category	2026	2025
Interest expense	Others	$ 15	$ 3

(7) Other

A. Guarantee deposits (recognized as other noncurrent assets)

Category	March 31, 2026	December 31, 2025	March 31, 2025
Others	$ 220	$ 220	$ 220

B. Operating - commission expenses

Category	March 31, 2026	March 31, 2025
Others	$ 83	$ 48

(8) Compensation of key management personnel

The compensation to directors and other key management personnel were as follows:

	Three Months Ended March 31	
	2026	2025
Short-term benefits	$ 5,281	$ 5,221
Post-employment benefits	159	157
	$ 5,440	$ 5,378

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

8. Assets Pledged as Collateral

Assets	Purposes	March 31, 2026	December 31, 2025	March 31, 2025
Land	Long-term and short-term loans	$ 642,154	$ 642,154	$ 642,154
Buildings	Long-term and short-term loans	390,603	393,567	404,940
Financial assets at amortized cost－current	Custom duty deposits	900	900	900
		$ 1,033,657	$ 1,036,621	$ 1,047,994

9. Significant Contingencies and Unrecognized Contract Commitments

(1) Significant unrecognized commitments

A. For the purpose of purchasing materials, the amounts of the L/C issued by the Group but not yet used were $42,106 thousand, $34,268 thousand and $44,110 thousand as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

B. The Group had signed contracts for the purchase of equipment, the amount which were not yet recognized of $16,759 thousand, $21,051 thousand and $50,661 thousand as of March 31, 2026, December 31, 2025, and March 31, 2025, 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 March 31, 2026 (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 on intercompany investments: 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 number 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 three reportable segments, including coating/lamination, polymer, and TPU. The coating/lamination segment is engaged primarily in the processing and sales of breathable waterproof fabrics. The polymer segment is engaged primarily in the manufacturing, processing, and sales of PU resin and hardeners, as well as the trading of specialty chemicals. The TPU segment is engaged primarily in the manufacturing and sales of TPU.

The Group's unallocated expenses or nonrecurring expenses should be allocated 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:

Three months ended March 31, 2026	Coatings/Lamination	Polymer	TPU	Reconciliation and Elimination	Others	Total
External revenue	$ 316,899	$ 201,390	$ 53,057	$ -	$ -	$ 571,346
Inter-segment revenue	$ 1,136	$ 88,524	$ 17,708	$ (107,368)	$ -	$ -
Reportable segment operating income (loss)	$ 67,468	$ 11,621	$ (5,469)	$ (7,684)	$ -	$ 65,936

Three months ended March 31,2025	Coatings/Lamination	Polymer	TPU	Reconciliation and Elimination	Others	Total
External revenue	$ 271,447	$ 177,207	$ 71,779	$ -	$ -	$ 520,433
Inter-segment revenue	$ (13)	$ 95,707	$ 22,075	$ (117,769)	$ -	$ -
Reportable segment operating income (loss)	$ 35,973	$ 14,075	$ (3,629)	$ (1,786)	$ -	$ 44,633

(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:

	Three Months Ended March 31	
	2026	2025
Customer B	$ 65,285	$ 64,114

Table 1

Shuang Bang Industrial Corporation and Subsidiaries
Securities held as of the three-month periods ended March 31, 2026
(excluding investment in subsidiaries)
(Expressed in Thousands of New Taiwan Dollars)

Name of holder	Category and name of security (note 1)	Relationship with the securities issuer	Account title	Ending balance (Note 2)				Note
				Shares (In Thousands)	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	10,961	18.00	10,961	(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	18,014	3.33	18,014	(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 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: The table sets forth the securities that the Group has determined to disclose in accordance with the principle of materiality.

Table 2

Shuang Bang Industrial Corporation and Subsidiaries
Business relationship and significant intercompany transactions
For the three-month periods ended March 31, 2026
(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	6,876	-	1.20
				Notes receivables	4,620	Net 75-120 days	0.17
				Accounts receivables	3,582	Net 75-120 days	0.14
				Other receivables	222	-	0.01

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.

Table 3

Shuang Bang Industrial Corporation and Subsidiaries
Information on investee
For the three-month periods ended March 31, 2026
(Expressed in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main business	Original investment amount		Balance as of March 31, 2026			Net income (loss) of the investees (Note 1)	Share of Profits/Losses of Investee (Note 1)	Note
				March 31, 2026	December 31, 2025	Shares (In Thousands)	Ownership %	Carrying Value			
Shuang Bang Corporation	Miracle textile industry Co., LTD.	Taiwan	Manufacturing of coatings	22,517	22,517	2,225	44.50	29,972	17,269	7,685	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 three -month periods ended March 31, 2026
(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, 2026 (Note 3)	Investment flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of Balance as of March 31, 2026 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 1)
24,849	24,849	739,594

Note1: The net value of the stocks on the balance sheet date by 1,232,656 thousand * 0.6 = 739,594 thousand dollars.

Note2: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of March 31, 2026, except for the original investment.

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