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, 2026, and 2025

Table of Contents

Contents	Page
1. Cover Page	
2. Table of Contents	1
3. Independent Auditors' Review Report	2~3
4. Consolidated Balance Sheets	4~5
5. Consolidated Statements of Comprehensive Income	6
6. Consolidated Statements of Changes in Equity	7
7. Consolidated Statements of Cash Flows	8~9
8. Notes to the Consolidated Financial Statements	
(1) Company History	10
(2) Approval Date and Procedures of the Financial Statements	10
(3) New Standards, Amendments and Interpretations Adopted	10~11
(4) Summary of Significant Accounting Policies	11~14
(5) Significant accounting Judgments, Assumptions, and the major sources of Estimation Uncertainty	14
(6) Contents of Significant Accounts	14~33
(7) Related-Party Transactions	33~35
(8) Assets Pledged as Collateral	35
(9) Significant Contingencies and Unrecognized Contract Commitments	35
(10) Significant Disasters Loss	35
(11) Significant Subsequent Events	35
(12) Others	35
(13) Other Disclosure	
A. Information of significant transactions	35
B. Information on investee	36
C. Information of investment in Mainland China	36
(14) Segment Information	36~37

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, 2026, and 2025, 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, 2026, and June 30, 2025, the total assets of these non-significant subsidiaries amounted to NT$173,887 thousand and NT$69,721 thousand, respectively, constituting 6.41% and 2.74% of the consolidated total assets. The total liabilities amounted to NT$76,491 thousand and NT$25,104 thousand, respectively, constituting 5.48% and 1.94% of the consolidated total liabilities. The total comprehensive income for the three-month and six-month periods ended June 30, 2026, and 2025, was NT$22,488 thousand, NT$2,207 thousand, NT$40,870 thousand and NT$6,208 thousand, respectively, constituting 48.21%, 26.34%, 41.12% and 14.08% 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, 2026 and 2025, and its consolidated financial performance and cash flows for the three-month and six-month periods ended June 30, 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
Aug 7, 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
June 30, 2026, December 31, 2025, and June 30, 2025
(Expressed in thousands of New Taiwan Dollars)

			June 30,2026		December 31,2025		June 30,2025	
Codes	Assets	Notes	Amount	%	Amount	%	Amount	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	155,160	5.72	103,287	4.08	130,711	5.14
1137	Financial assets at amortized cost -current	6(2)	20,900	0.77	900	0.04	900	0.04
1150	Notes receivables, net	6(3)	77,989	2.87	57,489	2.27	52,295	2.05
1152	Other notes receivables	6(3)	310	0.01	44	-	311	0.01
1170	Accounts receivables, net	6(3),7	419,012	15.45	367,811	14.52	380,535	14.96
1200	Other receivables		285	0.01	830	0.03	619	0.02
1220	Current tax assets		10,989	0.41	10,986	0.43	10,976	0.43
130X	Inventories	6(4)	339,370	12.51	280,325	11.07	281,833	11.08
1470	Other current assets		21,559	0.79	14,649	0.58	18,936	0.74
11XX	**Total current assets**		1,045,574	38.54	836,321	33.02	877,116	34.47
	Noncurrent Assets							
1510	Financial assets at fair value through profit or loss -non-current	6(5)	28,995	1.07	28,995	1.14	26,472	1.04
1600	Property, plant and equipment	6(6)	1,550,627	57.15	1,573,206	62.11	1,510,735	59.37
1755	Right-of-use assets	6(7)	29,683	1.09	30,301	1.20	5,718	0.23
1780	Intangible assets	6(8)	1,343	0.05	1,808	0.07	2,515	0.10
1840	Deferred income tax assets		20,985	0.77	29,347	1.16	28,350	1.11
1900	Other noncurrent assets	6(9),7	36,125	1.33	32,938	1.30	93,627	3.68
15XX	**Total noncurrent assets**		1,667,758	61.46	1,696,595	66.98	1,667,417	65.53
1XXX	**Total assets**		2,713,332	100.00	2,532,916	100.00	2,544,533	100.00

(Continued)

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Balance Sheets
June 30, 2026, December 31, 2025, and June 30, 2025
(Expressed in thousands of New Taiwan Dollars)

			June 30,2026		December 31,2025		June 30,2025	
Codes	Liabilities and Equity	Notes	Amount	%	Amount	%	Amount	%
	Current Liabilities							
2100	Short-term loans	6(10)	226,060	8.33	174,595	6.89	167,085	6.57
2151	Notes payables	6(11)	19,145	0.71	4,575	0.18	7,628	0.30
2152	Other notes payables	6(11)	6,438	0.24	4,272	0.17	5,488	0.22
2170	Accounts payables	6(11),7	221,276	8.15	178,309	7.04	207,183	8.15
2200	Other accounts payables	6(12),7	219,207	8.08	109,198	4.31	160,921	6.32
2230	Income tax payables		23,892	0.88	7,878	0.31	10,718	0.42
2250	Provision for warranty obligations-current	6(13)	11,354	0.42	9,410	0.37	10,277	0.40
2281	Lease liabilities from third parties	6(7)	7,341	0.27	7,460	0.30	2,805	0.11
2282	Lease liabilities from related parties	6(7),7	1,060	0.04	-	-	549	0.02
2300	Other current liabilities	6(14)	2,413	0.09	7,117	0.28	4,934	0.19
2322	Current portion of long-term loans payable	6(15)	114,306	4.21	116,449	4.60	108,406	4.26
21XX	**Total current Liabilities**		852,492	31.42	619,263	24.45	685,994	26.96
	Noncurrent Liabilities							
2540	Long-term loans	6(15)	499,260	18.40	560,162	22.12	585,096	22.99
2570	Deferred income tax payable		1,814	0.07	9,235	0.36	1,874	0.07
2581	Lease liabilities from third parties-non current	6(7)	19,791	0.73	22,843	0.90	2,314	0.09
2582	Lease liabilities from related parties-non current	6(7),7	1,629	0.06	-	-	-	-
2630	Long-term deferred revenue		-	-	-	-	170	0.01
2640	Net defined benefit liability -non current	6(17)	20,170	0.74	20,643	0.81	18,630	0.73
2645	Guarantee deposits		1,495	0.06	893	0.04	893	0.04
25XX	**Total noncurrent liabilities**		544,159	20.06	613,776	24.23	608,977	23.93
2XXX	**Total Liabilities**		1,396,651	51.48	1,233,039	48.68	1,294,971	50.89
	Equity Attributable to Shareholders of the Parent							
3100	Capital Stock	6(18)1						
3110	Common stock		823,608	30.35	823,608	32.52	823,608	32.37
3200	Capital surplus	6(18)2	10,660	0.39	10,615	0.42	10,615	0.42
3300	Retained earnings							
3310	Appropriated as legal capital reserve		183,854	6.78	175,430	6.92	175,430	6.89
3350	Unappropriated earnings	6(18)3	249,125	9.18	262,149	10.35	218,623	8.59
31XX	**Equity Attributable to shareholders of the Parent**		1,267,247	46.70	1,271,802	50.21	1,228,276	48.27
36XX	**Non-Controlling Interests**		49,434	1.82	28,075	1.11	21,286	0.84
3XXX	**Total Equity**		1,316,681	48.52	1,299,877	51.32	1,249,562	49.11
	Total Liabilities and Equity		2,713,332	100.00	2,532,916	100.00	2,544,533	100.00

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

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Balance Sheets
June 30, 2026, December 31, 2025, and June 30, 2025
(Expressed in thousands of New Taiwan Dollars, Except for Earnings per Share)

			For the three months ended June 30				For the six months ended June 30			
			2026		2025		2026		2025	
Codes	Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenues**	6(19), 7	545,692	100.00	483,522	100.00	1,117,038	100.00	1,003,955	100.00
5000	**Cost of revenues**	7	(434,719)	(79.66)	(409,265)	(84.64)	(889,297)	(79.61)	(836,358)	(83.31)
5900	**Gross profit**		110,973	20.34	74,257	15.36	227,741	20.39	167,597	16.69
	Operating expenses									
6100	Sales and marketing		(21,708)	(3.98)	(17,894)	(3.70)	(44,391)	(3.97)	(37,634)	(3.75)
6200	General and administrative	7	(23,323)	(4.27)	(16,799)	(3.48)	(47,052)	(4.21)	(38,492)	(3.83)
6300	Research and development		(6,140)	(1.13)	(8,319)	(1.72)	(11,700)	(1.05)	(16,480)	(1.64)
6450	Expected credit loss		(259)	(0.05)	(356)	(0.07)	(402)	(0.04)	(199)	(0.02)
6000	**Total operating expenses**		(51,430)	(9.43)	(43,368)	(8.97)	(103,545)	(9.27)	(92,805)	(9.24)
6900	**Operating income**		59,543	10.91	30,889	6.39	124,196	11.12	74,792	7.45
	Non-operating income and expenses									
7010	Other income	6(20)1	3,096	0.57	5,010	1.04	4,886	0.44	7,182	0.72
7020	Other gains and loss	6(20)2	(433)	(0.08)	(21,712)	(4.49)	3,412	0.30	(19,065)	(1.90)
7050	Finance costs	6(20)4, 7	(4,311)	(0.79)	(4,116)	(0.85)	(8,665)	(0.78)	(8,205)	(0.82)
7100	Interest income		410	0.08	409	0.08	412	0.04	409	0.04
7000	**Total non-operating income and expenses**		(1,238)	(0.22)	(20,409)	(4.22)	45	-	(19,679)	(1.96)
7900	**Profit before tax**		58,305	10.69	10,480	2.17	124,241	11.12	55,113	5.49
7950	**Less: Income tax expense**	6(21)	(11,661)	(2.14)	(2,100)	(0.44)	(24,843)	(2.22)	(11,023)	(1.10)
8200	**Net Income**	6(20)	46,644	8.55	8,380	1.73	99,398	8.90	44,090	4.39
8300	**Other comprehensive income (loss)**		-	-	-	-	-	-	-	-
8500	**Total comprehensive income**		46,644	8.55	8,380	1.73	99,398	8.90	44,090	4.39
8600	**Net income attribute to:**									
8610	Shareholders of the parent		34,591	6.34	7,236	1.49	77,761	6.96	40,718	4.05
8620	Non-controlling interests		12,053	2.21	1,144	0.24	21,637	1.94	3,372	0.34
8700	**Total comprehensive income attribute to**									
8710	Shareholders of the parent		34,591	6.34	7,236	1.49	77,761	6.96	40,718	4.05
8720	Non-controlling interests		12,053	2.21	1,144	0.24	21,637	1.94	3,372	0.34
	Earnings per share	6(25)								
9750	**Basic earnings per share**		0.42		0.09		0.94		0.49	
9850	**Diluted earnings per share**		0.42		0.09		0.94		0.49	

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, 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	Capital Surplus	Legal reserve	Unappropriated retained earnings	Total	Subtotal of equity attributable to the shareholders of the parent	Non-controlling interests	Total equity
		3110	3200	3310	3350	3300	31XX	36XX	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	-	-	-	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
Balance on June 30, 2025	Z1	823,608	10,615	175,430	218,623	394,053	1,228,276	21,286	1,249,562
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	-	-	-	77,761	77,761	77,761	21,637	99,398
Other comprehensive income(loss) for the period	D3	-	-	-	-	-	-	-	-
Total comprehensive income(loss) for the period	D5	-	-	-	77,761	77,761	77,761	21,637	99,398
Cash dividends paid to non-controlling interests	O1	-	-	-	-	-	-	(278)	(278)
Balance on June 30, 2026	Z1	823,608	10,660	183,854	249,125	432,979	1,267,247	49,434	1,316,681

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

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the six-month periods ended June 30, 2026, and 2025
(Expressed in thousands of New Taiwan Dollars)

Codes	Items	For the six-month ended June 30 2026	2025
AAAA	**Cash flows from operating activities**		
A10000	**Profit before income tax**	124,241	55,113
A20000	**Adjustments for:**		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	58,272	51,844
A20200	Amortization expenses	600	755
A20300	Expected credit loss	402	199
A20900	Interest expense	8,500	8,048
A21200	Interest income	(412)	(409)
A22500	Gain on disposal or retirement of property, plant and equipment	55	1,801
A24100	Unrealized (gain) loss on foreign exchange	(963)	7,049
A29900	Others (government grants)	(340)	(341)
A20010	**Total adjustments to reconcile profit (loss)**	66,114	68,946
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31130	(Increase) Decrease in notes receivable	(20,500)	6,497
A31150	Increase in accounts receivable	(50,480)	(1,811)
A31180	Decrease in other receivables	57	325
A31200	Increase in inventories	(59,045)	(21,200)
A31240	(Increase) Decrease in other current assets	(6,910)	458
A31990	Decrease in other operating assets	266	266
A31000	**Total changes in operating assets**	(136,612)	(15,465)
A32000	Changes in operating liabilities		
A32130	Increase in notes payable	14,570	930
A32150	Increase in accounts payable	42,765	20,940
A32180	Increase (Decrease) in other payables	25,080	(13,291)
A32200	Increase (Decrease) in provisions	1,944	(805)
A32230	Decrease in other current liabilities	(4,361)	(3,643)
A32240	(Decrease) Increase in net defined benefit liability	(473)	12
A32990	Increase in other operating liabilities	4,219	-
A32000	**Total changes in operating liabilities**	83,744	4,143
A30000	**Total changes in operating assets and liabilities**	(52,868)	(11,322)
A20000	**Total adjustments**	13,246	57,624
A33000	Cash flow generated from operations	137,487	112,737
A33100	Interest received	412	409
A33300	Interest paid	(8,793)	(9,121)
A33500	Income Tax Paid	(7,891)	(17)
AAAA	**Net cash flows generated by operating activities**	121,215	104,008

(Continued)

Shuang-Bang Industrial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the six-month periods ended June 30, 2026, and 2025
(Expressed in thousands of New Taiwan Dollars)

Codes	Items	For the six-month ended June 30 2026	2025
	(Continued)		
BBBB	**Cash flows from investing activities**		
B00040	Acquisition of financial assets at amortized costs	(20,000)	-
B02700	Acquisition of property, plant and equipment	(9,449)	(19,774)
B02800	Disposal of property, plant and equipment	28	272
B04500	Acquisition of intangible assets	(135)	(206)
B06800	Decrease in other non-current assets	346	324
B07100	Increase in prepayments for business facilities	(24,578)	(48,715)
BBBB	**Net cash used in (generated by) investing activities**	(53,788)	(68,099)
CCCC	**Cash flows from financing activities**		
C00100	Increase in short-term loans	528,436	410,836
C00200	Decrease in short-term loans	(476,961)	(366,739)
C01600	Raise long-term bank loans	120,221	-
C01700	Repayment of long-term bank loans	(183,266)	(64,939)
C03100	Decrease in deposits received	602	-
C04020	Repayment of the principal portion of lease liabilities	(4,381)	(4,666)
C04500	Distribution of cash dividends	(278)	-
C09900	Others	45	29
CCCC	**Net cash (used in) generated by financing activities**	(15,582)	(25,479)
DDDD	**Effect of exchange rate changes on cash and cash equivalents**	28	16
EEEE	**Net Increase in cash and cash equivalents**	51,873	10,446
E00100	Cash and cash equivalents, beginning of the year	103,287	120,265
E00200	Cash and cash equivalents, end of the year	155,160	130,711
E00210	Cash and cash equivalents on consolidated balance sheets	155,160	130,711

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 six-month periods ended June 30, 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 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 7, 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 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029
Amendments to IFRS 21 "Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2027 (Note 3)

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.

Note 3: An entity shall apply these amendments when it applies IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements.” and Related Consequential Amendments

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

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, 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	June 30, 2026	December 31, 2025	June 30, 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 June 30, 2026, and 2025 were not reviewed by independent auditors.

As of June 30, 2026, December 31, 2025, and June 30, 2025, 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, 2026	December 31, 2025	June 30, 2025
Miracle textile industry Co. Ltd.	55.50	$ 49,434	$ 28,075	$ 21,286

Name of subsidiary	Ownership (%)	Profit (Loss) Allocated to Non-controlling Interests For the three-month ended June 30 2026	2025	For the six-month ended June 30 2026	2025
Miracle textile industry Co. Ltd.	55.50	$ 12,053	$ 1,144	$ 21,637	$ 3,372

(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, 2026	December 31, 2025	June 30, 2025
Current assets	$ 146,882	$ 58,618	$ 56,347
Non-current assets	27,282	19,443	13,623
Current liabilities	(67,460)	(31,335)	(26,250)
Non-current liabilities	(17,633)	(14,449)	(5,367)
Equity	$ 89,071	$ 32,277	$ 38,353
Equity attributable to shareholders of the parent	$ 39,637	$ 14,363	$ 17,067
Equity attributable to non-controlling interests	$ 49,434	$ 17,914	$ 21,286

b. Comprehensive income statements

	Miracle textile industry Co. Ltd. Three months ended June 30 2026	2025	Six months ended June 30 2026	2025
Operating revenue	$ 80,199	$ 26,988	$ 141,831	$ 60,283
Net income	$ 21,717	$ 2,062	$ 38,986	$ 6,076
Other comprehensive income (loss), after tax	-	-	-	-
Total comprehensive income	$ 21,717	$ 2,062	$ 38,986	$ 6,076
Net income attributable to shareholders of the parent	$ 9,664	$ 918	$ 17,349	$ 2,704
Net income attributable to non-controlling interests	$ 12,053	$ 1,144	$ 21,637	$ 3,372
Total comprehensive income attributable to owners of parent	$ 9,664	$ 918	$ 17,349	$ 2,704
Total comprehensive income attributable to non-controlling interests	$ 12,053	$ 1,144	$ 21,637	$ 3,372
Dividends paid to non-controlling interests	$ -	$ -	$ 278	$ -

C. Cash flows statements

	Miracle textile industry Co. Ltd. Six months ended June 30	
	2026	2025
Cash flows generated from operating activities	$ 22,223	$ 9,154
Cash flows used in investing activities	(220)	(444)
Cash flows used in financing activities	(7,082)	(14,758)
Net Increase (Decrease) in cash and cash equivalents	14,921	(6,048)
Cash and cash equivalents, beginning of the period	38,308	30,838
Cash and cash equivalents, end of the period	$ 53,229	$ 24,790

(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

	June 30, 2026	December 31, 2025	June 30, 2025
Cash	$ 278	$ 276	$ 266
Checking accounts and demand deposits	154,882	103,011	130,445
	$ 155,160	$ 103,287	$ 130,711

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

	June 30, 2026	December 31, 2025	June 30, 2025
Demand deposits (%)	0.010～0.705	0.010～0.705	0.010～0.800

(2) Financial assets at amortized costs－current

	June 30, 2026	December 31, 2025	June 30, 2025
Pledged time deposits	$ 900	$ 900	$ 900
Time deposits	20,000	-	-
	$ 20,900	$ 900	$ 900
Interests rate (%)	0.655～1.680	0.655	0.655

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

	June 30, 2026	December 31, 2025	June 30, 2025
Total of carrying amount	$ 20,900	$ 900	$ 900
Loss allowance	-	-	-
Financial assets at amortized costs	$ 20,900	$ 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

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivables			
From operating activities	$ 77,989	$ 57,489	$ 52,295
Not from operating activities	310	44	311
	$ 78,299	$ 57,533	$ 52,606
Accounts receivables	$ 393,446	$ 343,138	$ 355,873
Less: loss allowance	(665)	(263)	(948)
	$ 392,781	$ 342,875	$ 354,925
Accounts receivables from related parties	$ 26,231	$ 24,936	$ 25,610

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, 2026

	Current	Overdue 1-60 days	Overdue more than 61 days	Total
Total carrying amount	$ 486,302	$ 11,622	$ 52	$ 497,976
Provision for loss allowance	(158)	(481)	(26)	(665)
Cost after amortization	$ 486,144	$ 11,141	$ 26	$ 497,311

The Group's abovementioned rates of expected credit loss were as follows, current rates were 0.000% to 0.044%, rates of due over 1 to 60 days were 0.000% to 22.715% and rates of due over 61 days were 39.326% 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%.

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%.

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

	For the six-month periods ended June 30	
	2026	2025
Balance on January 1	$ 263	$ 749
Add: Impairment loss for the current period, net	402	199
Balance on June 30	$ 665	$ 948

(4) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Merchandises	$ 21,260	$ 13,248	$ 16,230
Finished goods	149,969	139,669	130,977
Semi-finished goods	13,082	10,432	12,438
Work in process	14,653	15,647	14,395
Raw materials	112,832	77,507	81,043
Manufacturing materials	27,574	23,822	26,750
	$ 339,370	$ 280,325	$ 281,833

The operating costs relating to inventories amounted to $889,297 thousand and $836,358 thousand for the six months periods ended June 30, 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 periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Reversal of inventory obsolescence for the period (gains)	$ (140)	$ 3,856	$ (3,578)	$ 2,316

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

	June 30, 2026		December 31, 2025		June 30, 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 June 30, 2026, the Group's cumulative investment in LOYAL SPLENDOR INT'L LTD. (Seychelles) totaled US$540,000.

As of June 30, 2026, the Group's cumulative investment in GRAND AND GREAT CORPORATION LIMITED (Samoa) totaled USD 1.4 million.

(6) Property, plant and equipment

	June 30, 2026	December 31, 2025	June 30, 2025
Owner occupation	$ 1,519,602	$ 1,542,073	$ 1,492,965
Operating leases	31,025	31,133	17,770
	$ 1,550,627	$ 1,573,206	$ 1,510,735

A. Owner occupation

Carrying amount	June 30, 2026	December 31, 2025	June 30, 2025
Land	$ 645,954	$ 645,954	$ 645,954
Buildings, net	401,512	409,629	431,602
Machinery equipment, net	373,082	384,465	313,174
Testing equipment, net	5,903	5,639	5,696
Pollution control equipment, net	38,072	40,824	46,252
Transportation	3,506	3,883	4,507
Office equipment	109	37	46
Other equipment	51,464	51,642	45,734
	$ 1,519,602	$ 1,542,073	$ 1,492,965

Cost	January 1, 2026	Additions	Disposals	Prepaid	Reclassification	June 30, 2026
Land	$ 645,954	$ -	$ -	$ -	$ -	$ 645,954
Buildings	554,347	370	-	85	(283)	554,519
Equipment	577,774	3,819	(49,402)	14,200	-	546,391
Testing equipment	11,986	377	(2,441)	640	-	10,562
Pollution control equipment	92,836	2,339	(4,537)	627	-	91,265
Transportation	16,981	286	-	-	-	17,267
Office equipment	99	90	-	-	-	189
Other	96,011	5,907	(2,667)	2,519	-	101,770
	$ 1,995,988	$ 13,188	$ (59,047)	$ 18,071	$ (283)	$ 1,967,917

Accumulated depreciation and impairment	January 1, 2026	Depreciation	Disposals	Prepaid	Reclassification	June 30, 2026
Buildings	$ 144,718	$ 8,320	$ -	$ -	$ (31)	$ 153,007
Machine equipment	193,309	29,402	(49,402)	-	-	173,309
Testing equipment	6,347	754	(2,442)	-	-	4,659
Pollution control equipment	52,012	5,718	(4,537)	-	-	53,193
Transportation	13,098	663	-	-	-	13,761
Office equipment	62	18	-	-	-	80
Other equipment	44,369	8,520	(2,583)	-	-	50,306
	$ 453,915	$ 53,395	$ (58,964)	$ -	$ (31)	$ 448,315

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
	$ 1,901,171	$ 15,162	$ (66,087)	$91,707	$ -	$1,941,953

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
	$ 465,922	$ 47,080	$ (64,014)	$ -	$ -	$ 448,988

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	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	$ 31,025	$ 31,133	$ 17,770

Cost	January 1, 2026	Additions	Disposals	Prepaid	Reclassification	June 30, 2026
Buildings	$ 34,717	$ -	$ -	$ -	$ 283	$ 35,000

Accumulated depreciation and impairment	January 1, 2026	Depreciation	Disposals	Prepaid	Reclassification	June 30, 2026
Buildings	$ 3,584	$ 360	$ -	$ -	$ 31	$ 3,975

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

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

As Lessee

A. Right-of-use assets

Carrying amount	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	$ 24,031	$ 23,970	$ 980
Transportation	5,652	6,331	4,738
	$ 29,683	$ 30,301	$ 5,718

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Additions of right-of-use assets	$ 688	$ -	$ 3,899	$ -
Depreciation of right-of-use assets				
Buildings	$ 1,575	$ 1,588	$ 3,150	$ 3,177
Transportation	683	692	1,367	1,384
	$ 2,258	$ 2,280	$ 4,517	$ 4,561

B. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ 8,401	$ 7,460	$ 3,354
Noncurrent	$ 21,420	$ 22,843	$ 2,314

The discount rates of lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings (%)	1.987～2.220	1.272～2.220	1.272～1.720
Transportation (%)	0.967～2.040	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 periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Items that affect profit or loss				
Interest expense on lease liabilities	$ 162	$ 25	$ 332	$ 59
Expense relating to short-term leases	418	480	778	900
	$ 580	$ 505	$ 1,110	$ 959

E. The Group's total lease cash outflows from January 1 to June 30, 2026, and 2025 were NT$4,713 thousand and NT$4,725 thousand, respectively.

As 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
Buildings (plant)	2026/05/01~2026/06/30	Monthly rental fees $8 thousand.	$23 thousand
Buildings (plant)	2026/04/01~2031/03/31	Monthly rental fees $4 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 six-month periods ended June 30, 2026, and 2025, respectively, is as follows:

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Rental revenue	$ 1,754	$ 1,123	$ 2,989	$ 2,247

C. Non-cancellable operating lease contracts

	June 30, 2026	December 31, 2025	June 30, 2025
Within one year	$ 6,801	$ 6,189	$ 3,440
More than 1 year to 3 years	7,122	8,589	2,455
Over 3 years	6,976	8,653	-

(8) Intangible assets

Carrying amounts	June 30, 2026	December 31, 2025	June 30, 2025
Computer software	$ 1,343	$ 1,808	$ 2,515

Costs	January 1, 2026	Additions	Disposals	June 30, 2026
Computer software	$ 4,700	$ 135	$ -	$ 4,835

Accumulated amortization and impairment	January 1, 2026	Additions	Disposals	June 30, 2026
Computer software	$ 2,892	$ 600	$ -	$ 3,492

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments for equipment	$ 32,606	$ 29,029	$ 89,243
Refundable deposits	2,148	2,148	2,147
Long-term notes receivables	-	44	311
Other	1,371	1,717	1,926
	$ 36,125	$ 32,938	$ 93,627

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, 2026	December 31, 2025	June 30, 2025
Secured loans			
Operating deposits	$ 51,600	$ 60,000	$ -
L/C loans	75,761	54,595	86,085
Unsecured loans			
Operating deposits	70,400	60,000	81,000
L/C loans	28,299	-	-
	$ 226,060	$ 174,595	$ 167,085
Loan rate (%)	1.87～5.14	1.87～2.00	1.87～2.919
Due date	Before 2026/12/31	Before 2026/06/28	Before 2025/12/20

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

	June 30, 2026	December 31, 2025	June 30, 2025
Arising from operation:			
Notes payables	$ 19,145	$ 4,575	$ 7,628
Accounts payables	221,276	178,309	207,183
Not arising from operation:			
Other notes payables	6,438	4,272	5,488

(12) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Third-party transaction			
Salary and bonus payables	$ 39,823	$ 41,634	$ 29,603
Dividends payables	82,361	-	65,889
Employee compensation payables	16,057	7,354	3,906
Directors' remuneration payables	7,247	3,184	1,674
Insurance payables	4,928	4,792	4,916
Other accounts payables	68,704	52,185	54,845
	$ 219,120	$ 109,149	$ 160,833
Related parties	$ 87	$ 49	$ 88

(13) Provision

	June 30, 2026	December 31, 2025	June 30, 2025
Employees benefits	$ 9,531	$ 8,446	$ 9,298
Returns and discounts	1,823	964	979
Sales rebates	-	-	-
	$ 11,354	$ 9,410	$ 10,277

	Employees benefits	Returns and discounts	Sales rebates	Total
Balance on January 1, 2026	$ 8,446	$ 964	$ -	$ 9,410
Provision for the period	4,506	1,288	-	5,794
Payments for the period	(71)	-	-	(71)
Write-off for the period	(3,350)	(429)	-	(3,779)
Balance on June 30, 2026	$ 9,531	$ 1,823	$ -	$ 11,354

	Employees benefits	Returns and discounts	Sales rebates	Total
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	$ 9,298	$ 979	$ -	$ 10,277

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, 2026	December 31, 2025	June 30, 2025
Contract liabilities	$ 580	$ 5,000	$ 2,610
Temporary receipts	225	226	226
Receipts under custody	1,437	1,380	1,416
Deferred revenue－current	171	511	682
	$ 2,413	$ 7,117	$ 4,934

(15) Long-term loans

Category	Due year	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings	2028	$ 95,833	$ 120,833	$ 145,833
Secured borrowings	2029	34,167	39,167	44,167
Secured borrowings	2034	207,660	220,776	233,891

Category	Due year	June 30, 2026	December 31, 2025	June 30, 2025
Secured borrowings	2038	242,572	252,609	262,647
Unsecured borrowings	2028	-	5,893	6,964
Unsecured borrowings	2030	33,334	37,333	-
		$ 613,566	$ 676,611	$ 693,502
Current portion of long-term loans payable		$ 114,306	$ 116,449	$ 108,406
Non-current		499,260	560,162	585,096
		$ 613,566	$ 676,611	$ 693,502
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 June 30, 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 in 2026, and a subsidy funding of NT$2,936 thousand in 2025, 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 NT$2,701 thousand, NT$2,868 thousand, NT$5,378 thousand and NT$5,385 thousand for the periods from April 1 to June 30, 2026, and 2025, from January 1 to June 30, 2026, and 2025, respectively. As of June 30, 2026, December 31, 2025, and June 30, 2025, the unpaid amounts of defined contribution plans amounted to NT$2,675 thousand, NT$2,694 thousand and NT$2,788 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 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, 2025, and 2024, was recognized in the comprehensive income statement in the following periods.

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Operating costs	$ 121	$ 86	$ 250	$ 169
Selling expenses	8	8	16	16
General and administrative expenses	31	33	63	66
Research and development expenses	4	3	7	7
	$ 164	$ 130	$ 336	$ 258

(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

	June 30, 2026	December 31, 2025	June 30, 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 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, 2026	December 31, 2025	June 30, 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 thousand)	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 June 30, 2026	82,361	$ 823,608	$ 983	$ 9,506	$ 171
Balance on January 1, 2025	82,361	$ 823,608	$ 983	$ 9,506	$ 97
Others	-	-	-	-	29
Balance on June 30, 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	2026	2025	2026	2025
Legal reserve	$ 8,424	$ 6,337		
Cash dividends	82,361	65,889	$ 1.0	$ 0.8
	$ 90,785	$ 72,226		

(19) Sales revenue

	Three months periods ended June 30		Six months periods ended June 30	
	2025	2025	2025	2025
Revenue from contracts with customers				
Sales revenue	$ 544,294	$ 470,815	$ 1,113,866	$ 986,726
Service revenue	1,398	12,707	3,172	17,229
	$ 545,692	$ 483,522	$ 1,117,038	$ 1,003,955

Balance of the contracts

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes receivables, net (including related parties)	$ 77,989	$ 57,489	$ 52,295	$ 58,792
Accounts receivables, net (including related parties)	$ 419,012	$ 367,811	$ 380,535	$ 387,404
Contract liabilities－current (Recognized as other current liabilities)	$ 580	$ 5,000	$ 2,610	$ 5,995

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 periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Sales revenue of goods	$ -	$ -	$ 4,487	$ 5,980

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

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Rental revenue	$ 1,754	$ 1,123	$ 2,989	$ 2,247
Other income	1,342	3,887	1,897	4,935
	$ 3,096	$ 5,010	$ 4,886	$ 7,182

B. Other profit and loss

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Loss on disposal of plant, property and equipment	$ (55)	$ (1,801)	$ (55)	$ (1,801)
Gains (loss) on foreign exchange	(378)	(19,911)	3,467	(17,264)
	$ (433)	$ (21,712)	$ 3,412	$ (19,065)

C. Depreciation and amortization

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Depreciation of plant, property and equipment	$ 27,047	$ 23,802	$ 53,755	$ 47,283
Depreciation of right-of-use assets	2,258	2,280	4,517	4,561
Amortization of intangible assets	304	367	600	755
	$ 29,609	$ 26,449	$ 58,872	$ 52,599
Depreciation expenses were summarized by functions:				
Operating costs	$ 26,875	$ 23,591	$ 53,382	$ 46,875
Operating expenses	2,430	2,491	4,890	4,969
Amortization expenses were summarized by functions				
Operating costs	71	113	143	226
Operating expenses	233	254	457	529
	$ 29,609	$ 26,449	$ 58,872	$ 52,599

D. Financial cost

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Bank loans	$ 4,055	$ 3,958	$ 8,160	$ 7,982
Interests from lease liabilities	162	25	332	59
Handling fees	89	105	165	157
Imputed interest on deposits	5	4	8	7
	$ 4,311	$ 4,116	$ 8,665	$ 8,205
Amount of capitalized borrowing costs	$ 133	$ 428	$ 257	$ 995
Rate of capitalized borrowing costs (%)	1.284~2.076	1.284~2.076	1.284~2.076	1.284~2.076

E. Gains (loss) on foreign exchange

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Total of gains on foreign exchange	$ 2,274	$ 4,430	$ 6,940	$ 7,818
Total of loss on foreign exchange	(2,652)	(24,341)	(3,473)	(25,082)
Net of gains (loss) on foreign exchange	$ (378)	$ (19,911)	$ 3,467	$ (17,264)

F. Employees benefits

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Salary	$ 85,393	$ 74,059	$ 172,511	$ 154,315
Employee insurance	7,937	7,535	15,196	14,682
Post-employment benefits plans				
Defined contribution plans	2,701	2,868	5,378	5,385
Defined benefit plans	164	130	336	258
Directors' remuneration	360	390	760	798
Other benefits	3,079	2,849	5,734	5,272
	$ 99,634	$ 87,831	$ 199,915	$ 180,710
Summary by function:				
Operating costs	$ 70,649	$ 65,072	$ 140,863	$ 130,378
Operating expenses	28,985	22,759	59,052	50,332
	$ 99,634	$ 87,831	$ 199,915	$ 180,710

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 June 30, 2026, and 2025, as follows:

	Six months periods ended June 30			
	2026		2025	
	Percentage	Amount	Percentage	Amount
Employees' compensation	7.00%	$ 7,226	7.00%	$ 3,906
Directors' remuneration	3.00%	$ 3,097	3.00%	$ 1,674

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 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 were as follows:

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Current tax				
Current year	$ 12,066	$ 3,648	$ 24,363	$ 10,735
Deferred tax				
Current year	(405)	(1,548)	480	288
Income tax expense recognized in profit or loss	$ 11,661	$ 2,100	$ 24,843	$ 11,023

B. Income tax assessment

As of August 7, 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 June 30, 2026, December 31, 2025, and June 30, 2025, respectively were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total of liabilities	$ 1,396,651	$ 1,233,039	$ 1,294,971
Total of assets	2,713,332	2,532,916	2,544,533
Ratio of liabilities (%)	51.48	48.68	50.89

(24) Financial instruments

A. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at amortized cost			
Cash and cash equivalents	$ 155,160	$ 103,287	$ 130,711
Financial assets at amortized cost－current	20,900	900	900
Notes and accounts receivables, net	497,001	425,300	432,830
Other notes receivables	310	44	311
Other accounts receivables	285	830	619
Other current assets	1,234	465	5,126
Other noncurrent assets	2,148	2,192	2,458
Financial assets at fair value through profit or loss - noncurrent	28,995	28,995	26,472
Financial liabilities			
Financial liabilities at amortized cost			
Short-term loans	$ 226,060	$ 174,595	$ 167,085
Notes and accounts payables	240,421	182,884	214,811
Other notes payables	6,438	4,272	5,488
Other payables	219,207	109,198	160,921
Guarantee deposits	1,495	893	893
Long-term loans (including current portion)	613,566	676,611	693,502

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 months periods ended June 30, 2026, and 2025.

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 after tax for January 1 to June 30, 2026, and 2025 would have decreased/increased by NT$19,608 thousand and NT$16,671 thousand, respectively. Assuming a 10% strengthening/weakening of the functional currency against Japanese Yen, the Company's net income after tax for January 1 to June 30, 2026, and 2025 would have decreased/increased by NT$116 thousand and NT$37 thousand, respectively.

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

Unit: currency in thousand

	June 30, 2026		December 31, 2025		June 30, 2025	
Items	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate	Foreign Currencies	Exchange Rate
Financial assets						
Monetary items						
USD	$ 8,053	31.84	$ 7,121	31.365	$ 8,049	29.85
JPY	7,395	0.1965	106	0.1979	106	0.2037
Financial liabilities						
Monetary items						
USD	355	31.84	751	31.365	1.068	29.85
JPY	-	-	-	-	2,380	0.2037

The Group recognized gains or loss on foreign exchange (including realized and unrealized) of NT$3,467 thousand and NT$(17,264) thousand for the six months periods ended June 30, 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 six months periods ended June 30, 2026, and 2025 would have decreased/increased by NT$5,581 thousand and NT$6,485 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, 2026	December 31, 2025	June 30, 2025
Fixed rates			
Financial liabilities	$ 141,951	$ 110,000	$ 50,000
Floating rate borrowing			
Financial assets	173,827	102,284	129,740
Financial liabilities	697,675	741,206	810,587

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, 2026, December 31,2025 and June 30, 2025, the Group's ten largest customers accounted for 57%, 55% and 56% 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, 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	$ 466,090	$ 792	$ -	$ 100	$ 579	$467,561
Lease liabilities	4,516	4,423	15,033	7,065	-	31,037
Instruments using floating interests' rate	141,262	57,153	174,445	106,111	218,704	697,675
Instruments using fixed interests' rate	141,951	-	-	-	-	141,951

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

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

As of June 30, 2026, December 31, 2025, and June 30, 2025, the unused financing facilities of the Group amounted to NT$526,741 thousand, NT$481,648 thousand and NT$446,900 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, 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

June 30, 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	$ -	$ -	$ 26,472	$ 26,472

There was no transfer of measurements of fair value in the Group for the six-month periods ended June 30, 2026, and 2025, respectively.

(25) Earnings per share

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Basic earnings per share				
Net income available to common shareholders	$ 34,591	$ 7,236	$ 77,761	$ 40,718
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)	$ 0.42	$ 0.09	$ 0.94	$ 0.49
Diluted earnings per share				
Net income available to common shareholders	$ 34,591	$ 7,236	$ 77,761	$ 40,718
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	170	34	391	236
Weighted average number of common shares used in the computation of diluted EPS (in thousand)	82,531	82,395	82,752	82,597
Diluted EPS (in dollars)	$ 0.42	$ 0.09	$ 0.94	$ 0.49

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, 2026, and 2025, respectively were as follows:

A. Investing activities of property, plant and equipment

	Six months periods ended June 30	
	2026	2025
Additions of property, plant and equipment	$ (13,188)	$ (15,162)
Changes in other notes payables	574	(10,106)
Changes in other accounts payables	3,165	5,494
Payments for acquisition of property, plant and equipment	$ (9,449)	$ (19,774)

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

	June 30, 2026	June 30, 2025
Current portion of long-term loans payable	$ 114,306	$ 108,406

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 periods ended June 30		Six months periods ended June 30	
Accounts	Category	2026	2025	2026	2025
Operating revenue	Others	$ 24,710	$ 24,147	$ 47,257	$ 41,936

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 periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Other related party	$ 2,439	$ 2,142	$ 3,941	$ 3,595

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

Accounts	Category	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivables	Others	$ 26,231	$ 24,936	$ 25,610

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

(5) Accounts payable-related parties

Accounts	Category	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payables	Others	$ 610	$ -	$ 2,249
Other payables	Others	$ 87	$ 49	$ 88

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

(6) Lease agreements

Accounts	Category	June 30, 2026	December 31, 2025	June 30, 2025
Lease liability	Others	$ 2,689	$ -	$ 549

		Three months periods ended June 30		Six months periods ended June 30	
Accounts	Category	2026	2025	2026	2025
Interest expense	Others	$ 13	$ 2	$ 28	$ 5

(7) Other

A. Guarantee Deposits (recognized as other noncurrent assets)

Category	June 30, 2026	December 30, 2025	June 30, 2025
Others	$ 220	$ 220	$ 220

B. Operating - Commission Expenses

Category	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Others	$ 87	$ 88	$ 170	$ 136

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

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

	Three months periods ended June 30		Six months periods ended June 30	
	2026	2025	2026	2025
Short-term benefits	$ 5,393	$ 5,327	$ 10,674	$ 10,548
Post-employment benefits	158	157	317	314
	$ 5,551	$ 5,484	$ 10,991	$ 10,862

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, 2026	December 31, 2025	June 30, 2025
Land	Long-term and short-term loans	$ 642,154	$ 642,154	$ 642,154
Buildings	Long-term and short-term loans	387,644	393,567	401,818
Financial assets at amortized cost－current	Custom duty deposits	900	900	900
		$ 1,030,698	$ 1,036,621	$ 1,044,872

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 NT$32,193 thousand, NT$34,268 thousand and NT$26,226 thousand as of June 30, 2026, December 31, 2025, and June 30, 2025, respectively.

(2) The Group had signed contracts for the purchase of equipment, the amount which were not yet recognized of NT$23,204 thousand, NT$21,051 thousand and NT$40,882 thousand as of June 30, 2026, December 31, 2025, and June 30, 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 June 30, 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 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 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 periods ended June 30, 2026	Coatings	Polymer	TPU	Reconciliation and Elimination	Others	Total
External revenue	$ 326,670	$ 167,684	$ 51,338	$ -	$ -	$ 545,692
Inter-segment revenue	$ 761	$ 73,945	$ -	$ (74,706)	$ -	$ -
Segment profit (loss)	$ 65,406	$ 7,639	$ (5,075)	$ (9,665)	$ -	$ 58,305

Three months periods ended June 30, 2025	Coatings	Polymer	TPU	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

Six months periods ended June 30,2026	Coatings	Polymer	TPU	Reconciliation and Elimination	Others	Total
External revenue	$ 643,569	$ 369,074	$ 104,395	$ -	$ -	$ 1,117,038
Inter-segment revenue	$ 1,897	$ 162,469	$ 17,708	$ (182,074)	$ -	$ -
Segment profit (loss)	$ 132,874	$ 19,260	$ (10,544)	$ (17,349)	$ -	$ 124,241

Six months periods ended June 30,2025	Coatings	Polymer	TPU	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

(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:

	Six months periods ended June 30	
	2026	2025
Customer B	$ 131,944	$ 115,309

Table 1

Shuang Bang Industrial Corporation and Subsidiaries
Securities held as of the six-month periods ended June 30, 2026
(Excluding investment in subsidiaries)
(Expressed in Thousands of New Taiwan Dollars)

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	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 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.

Table 2

Shuang Bang Industrial Corporation and Subsidiaries
Business relationship and significant intercompany transactions
For the six-month periods ended June 30, 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	12,349	-	1.10
				Notes receivables－related party	6,510	Net 75-120 days	0.24
				Accounts receivables－related party	2,091	Net 75-120 days	0.08

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 six-month periods ended June 30, 2026
(Expressed in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main business	Original investment amount		Balance as of June 30, 2026			Net income (loss) of the investees (Note 1)	Share of Profits/Losses of Investee (Note 1)	Note
				June 30, 2026	December 31, 2025	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	39,637	38,986	17,349	Subsidiary

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

Table 4

Shuang Bang Industrial Corporation and Subsidiaries
Information of investment in Mainland China
For the six-month periods ended June 30, 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 June 30, 2026	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of Balance as of June 30, 2026 (Note 2)	Accumulated Inward Remittance of Earnings as of June 30, 2026
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

Accumulated Investment in Mainland China as of S June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 1)
24,849	24,849	760,348

Note1: The net value of the stocks on the balance sheet date by 1,267,247 thousand * 0.6 = 760,348 thousand dollars.

Note2: The above amounts were translated into New Taiwan dollars at the prevailing exchange rate as of June 30, 2026, except for the original investment.

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