HEADWAY ADVANCED MATERIALS INC. AND SUBSIDIARIES

Consolidated Financial Statements
For
Nine Months Ended
September 30, 2025, and 2024
And
Independent Auditors' Review Report

(English Version)

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Note: The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

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Independent Auditors' Review Report

To Headway Advanced Materials Inc.:

Introduction

We have reviewed the accompanying financial statements of Headway Advanced Materials Inc.(the Company) and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2025, and 2024, the related consolidated statements of comprehensive income from July 1 to September 30, 2025 and 2024 and from January 1 to September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows from January 1 to September 30, 2025 and 2024, and the notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission ("FSC") of the Republic of China ("ROC''). Our responsibility is to express a conclusion on the consolidated fincncial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2025 and 2024, combined total assets of these non-significant subsidiaries were NT$ 465,221 thousand and NT$ 490,834 thousand, respectively, representing 30% and 29%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$ 10,320 thousand and NT$ 34,468 thousand, respectively, representing 2% and 5%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2025 and 2024, the amounts of combined comprehensive income of these subsidiaries were NT$ 7,590 thousand and NT$ 4,780 thousand, representing 39% and 28%, respectively, of the consolidated total comprehensive income; for the nine months ended September 30, 2025 and 2024, the amounts of combined comprehensive income of these subsidiaries were NT$ 4,371 thousand and NT$ 12,012 thousand, representing (10)% and 21%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true in all material respects, the consolidated financial position of the Company and its subsidiaries as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC of the ROC.

Deloitte & Touche
Taipei, Taiwan Republic of China
November 13, 2025

Auditor Su Li Fang
Securities and Futures
Commission Approval Document No.
Jin-Guang-Zheng—Sheng-Zi
No. 0940161384

Auditor Tung Hui Yeh
Securities and Futures
Commission Approval Document No.
Jin-Guang-Zheng—Sheng-Zi
No. 0980032818

Headway Advanced Materials Inc. and Subsidiaries

Consolidated Balance Sheets

September 30, 2025 & 2024

Units: In Thousands of New Taiwan Dollars

Code	Assets	September 30, 2025 Amount	%	December 31, 2024 Amount	%	September 30, 2024 Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6)	$ 533,932	35	$ 469,981	28	$ 403,068	24
1136	Current financial assets at amortized cost (Note 9)	61,806	4	118,639	7	155,765	9
1150	Notes receivable, net (Note 11 & 28)	27,071	2	46,934	3	32,785	2
1170	Accounts receivable, net (Note 11 & 28)	194,964	13	286,589	17	308,753	18
1220	Current tax assets (Note 24)	352	-	116	-	116	-
130X	Inventories (Note 12)	220,418	14	275,834	16	293,692	17
1476	Other financial assets, current (Note 10 & 29)	30,000	2	30,000	2	30,000	2
1479	Other current Assets (Note 17)	10,155	-	11,562	1	12,112	1
11XX	Total Current Assets	1,078,698	70	1,239,655	74	1,236,291	73
	Non-current Assets						
1510	Financial assets at fair value through profit or loss, non-current (Note 7 & 27)	31,598	2	31,118	2	29,928	2
1517	Financial assets at fair value through other comprehensive income, non-current (Note 8 & 27)	1,079	-	1,253	-	1,257	-
1535	Non-current financial assets at amortized cost (Note 9)	28,936	2	-	-	-	-
1600	Property, plant, and equipment (Note 14 & 29)	285,196	19	305,129	18	325,135	19
1755	Right-of-use assets (Note 15)	51,814	3	60,456	4	62,814	4
1780	Intangible assets	697	-	1,174	-	1,322	-
1805	Goodwill (Note 16)	1,621	-	1,700	-	1,717	-
1840	Deferred tax assets (Note 24)	39,355	3	25,964	1	21,626	1
1900	Other non-current assets (Note 17)	13,828	1	15,991	1	14,802	1
15XX	Total Non-current Assets	454,124	30	442,785	26	458,601	27
1XXX	Total Assets	$ 1,532,822	100	$ 1,682,440	100	$ 1,694,892	100
Code	**Liabilities & Equity**						
	Current Liabilities						
2100	Short-term borrowings (Note 18 & 29)	$ 141,833	9	$ 80,000	5	$ 91,416	5
2120	Financial liabilities at fair value through profit or loss, current (Note 7)	-	-	50	-	-	-
2130	Contract liabilities (Note 22)	755	-	5,567	-	6,284	-
2150	Notes payable (Note 28)	61,015	4	73,083	4	81,464	5
2170	Accounts payable (Note 28)	60,481	4	90,796	5	81,278	5
2200	Other payables (Note 19)	58,813	4	67,747	4	63,125	4
2230	Current tax liabilities (Note 24)	11,647	1	4,832	-	2,712	-
2280	Lease liabilities – current (Note 15)	15,228	1	9,664	1	7,860	-
2399	Other current liabilities	4,119	-	8,610	1	8,666	1
21XX	Total Current Liabilities	353,891	23	340,349	20	342,805	20
	Non-current Liabilities						
2540	Long-term borrowings (Note 18 & 29)	215,000	14	275,000	16	290,000	17
2570	Deferred tax liabilities (Note 24)	26,087	2	25,655	2	24,475	2
2580	Lease liabilities, non-current (Note 15)	13,705	1	18,896	1	20,557	1
25XX	Total Non-current Liabilities	254,792	17	319,551	19	335,032	20
2XXX	Total Liabilities	608,683	40	659,900	39	677,837	40
	Equity (Note 21)						
	Equity Attributable to Owners of The Company						
	Capital						
3110	Common stock capital	601,070	39	601,070	36	601,070	36
3200	Capital surplus	13,104	1	13,104	1	13,104	1
	Retained earnings						
3310	Legal reserve	225,105	15	220,378	13	220,378	13
3320	Special reserve	46,600	3	68,170	4	68,170	4
3350	Unappropriated retained earnings	34,229	2	62,733	4	54,293	3
3300	Total Retained Earnings	305,934	20	351,281	21	342,841	20
3400	Other equity	(92,197)	(6)	(46,601)	(3)	(48,645)	(3)
31XX	Total Equity Attributable to Owners of The Company	827,911	54	918,854	55	908,370	54
36XX	Non-controlling Interests	96,228	6	103,686	6	108,685	6
3XXX	Total Equity	924,139	60	1,022,540	61	1,017,055	60
	Total Liabilities & Equity	$ 1,532,822	100	$ 1,682,440	100	$ 1,694,892	100

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

(With Deloitte & Touche auditors' review report dated November 13, 2025)

Chairman：Liou, Han Yin　　Manager：Chao, Wei Chun　　Accountant in Charge：Liao, Pei Hung

Headway Advanced Materials Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months and for the Nine Months Ended September 30, 2025 & 2024

Unit: In Thousands of NTD,
EPS in NTD

		For the Three Months Ended September 30,2025		For the Three Months Ended September 30,2024		For the Nine Months Ended September 30,2025		For the Nine Months Ended September 30,2024	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenue (Note 22, 28 & 33)	$ 248,889	100	$ 317,404	100	$ 768,674	100	$ 890,993	100
5000	Operating costs (Note 12, 23 &28)	206,224	83	261,898	82	649,903	84	729,954	82
5900	Gross Profit	42,665	17	55,506	18	118,771	16	161,039	18
	Operating expenses (Note 23)								
6100	Selling expenses	11,028	4	14,773	5	34,448	5	40,568	5
6200	Administrative expenses	16,310	7	24,123	8	55,709	7	71,721	8
6300	Research and development expenses	5,831	2	5,914	2	15,501	2	17,173	2
6450	Expected credit loss (gain)	(254)	-	(1,326)	(1)	7,115	1	2,984	-
6000	Total operating expenses	32,915	13	43,484	14	112,773	15	132,446	15
6900	Profit on operations	9,750	4	12,022	4	5,998	1	28,593	3
	Non-operating income and Expenses (Note 23)								
7100	Interest income	2,811	1	4,345	1	10,844	2	14,666	2
7010	Other income	1,511	1	1,920	1	5,238	1	5,348	1
7020	Other gains and losses	3,466	2	1,543	-	(4,773)	(1)	2,783	-
7050	Financial costs	(1,710)	(1)	(2,909)	(1)	(5,172)	(1)	(8,947)	(1)
7000	Total non-operating income and expenses	6,078	3	4,899	1	6,137	1	13,850	2
7900	Pre-tax Profit	15,828	7	16,921	5	12,135	2	42,443	5
7950	Income tax (Note 4 & 24)	(14,554)	(6)	(3,137)	(1)	(15,584)	(2)	(4,836)	(1)
8200	Net Profit	1,274	1	13,784	4	(3,449)	-	37,607	4
	Other comprehensive income								
8310	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gains or losses on investments in equity instruments at fair value through other comprehensive income	(140)	-	(127)	-	(174)	-	(298)	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of the financial statement of foreign operations	23,030	9	4,513	1	(57,286)	(7)	25,575	3

Code		For the Three Months Ended September 30,2025		For the Three Months Ended September 30,2024		For the Nine Months Ended September 30,2025		For the Nine Months Ended September 30,2024	
		Amount	%	Amount	%	Amount	%	Amount	%
8399	Income tax related to items that may be reclassified (Note 24)	(4,551)	(2)	(840)	-	11,355	1	(4,956)	(1)
8300	Total other comprehensive income (After Tax)	18,339	7	3,546	1	(46,105)	(6)	20,321	2
8500	Total comprehensive income	$ 19,613	8	$ 17,330	5	($ 49,554)	(6)	$ 57,928	6
	Profit (loss) attributable to:								
8610	The Company owners	$ 1,131	1	$ 13,972	4	$ 2,739	1	$ 38,830	4
8620	Non-controlling interests	143	-	(188)	-	(6,188)	(1)	(1,223)	-
8600		$ 1,274	1	$ 13,784	4	($ 3,449)	-	$ 37,607	4
	Comprehensive income attributable to:								
8710	The Company owners	$ 19,195	8	$ 17,203	5	($ 42,857)	(5)	$ 58,356	6
8720	Non-controlling interests	418	-	127	-	(6,697)	(1)	(428)	-
8700		$ 19,613	8	$ 17,330	5	($ 49,554)	(6)	$ 57,928	6
	Earnings per share (Note 25)								
	Basic								
9710	Diluted	$ 0.02		$ 0.23		$ 0.05		$ 0.65	
9810	Earnings per share (Note 25)	$ 0.02		$ 0.23		$ 0.05		$ 0.64	

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

(With Deloitte & Touche auditors’ review report dated September 13, 2025)

Chairman:	Manager:	Accountant in Charge：
Liou, Han Yin	Chao, Wei Chun	Liao, Pei Hung

Headway Advanced Materials Inc. and Subsidiaries

Consolidated Statement of Changes in Equity

From January 1 to September 30, 2025 & 2024

Unit: In Thousands of NTD, unless stated otherwise

Code		Equity Attributable to The Company Owners: Common stock capital: Shares (Thousand shares)	Common stock capital: Amount	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Other Equity: Exchange differences on translation of the financial statement of foreign operations	Other Equity: Unrealized revaluation increments	Other Equity: Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	Other Equity: Total	Total	Non -controlling Interests	Total Equity
A1	Balance as of January 1, 2024	60,107	$ 601,070	$ 13,104	$ 217,716	$ 58,130	$ 58,218	$ 334,064	($ 72,026)	$ 6,800	($ 2,945)	($ 68,171)	$ 880,067	$ 109,153	$ 989,220
	2023 Appropriation and distribution of retained earnings:														
B1	Legal reserve	-	-	-	2,662	-	(2,662)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	10,040	(10,040)	-	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(30,053)	(30,053)	-	-	-	-	(30,053)	-	(30,053)
D1	Net profit for the nine months ended September 30, 2024	-	-	-	-	-	38,830	38,830	-	-	-	-	38,830	(1,223)	37,607
D3	Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	19,824	-	(298)	19,526	19,526	795	20,321
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	38,830	38,830	19,824	-	(298)	19,526	58,356	(428)	57,928
O1	Cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(40)	(40)
Z1	Balance as of September 30, 2024	60,107	$ 601,070	$ 13,104	$ 220,378	$ 68,170	$ 54,293	$ 342,841	($ 52,202)	$ 6,800	($ 3,243)	($ 48,645)	$ 908,370	$ 108,685	$ 1,017,055
A1	Balance as of January 1, 2025	60,107	$ 601,070	$ 13,104	$ 220,378	$ 68,170	$ 62,733	$ 351,281	($ 50,154)	$ 6,800	($ 3,247)	($ 46,601)	$ 918,854	$ 103,686	$ 1,022,540
	2024 Appropriation and distribution of retained earnings:														
B1	Legal reserve	-	-	-	4,727	-	(4,727)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	(21,570)	21,570	-	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(48,086)	(48,086)	-	-	-	-	(48,086)	-	(48,086)
D1	Net profit for the nine months ended September 30, 2025	-	-	-	-	-	2,739	2,739	-	-	-	-	2,739	(6,188)	(3,449)
D3	Other comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	-	-	(45,422)	-	(174)	(45,596)	(45,596)	(509)	(46,105)
D5	Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	2,739	2,739	(45,422)	-	(174)	(45,596)	(42,857)	(6,697)	(49,554)
O1	Cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(761)	(761)
Z1	Balance as of September 30, 2025	60,107	$ 601,070	$ 13,104	$ 225,105	$ 46,600	$ 34,229	$ 305,934	($ 95,576)	$ 6,800	($ 3,421)	($ 92,197)	$ 827,911	$ 96,228	$ 924,139

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

(With Deloitte & Touche auditors' review report dated November 13, 2025)

Chairman：Liou, Han Yin　　Manager：Chao, Wei Chun　　Accountant in Charge：Liao, Pei Hung

Headway Advanced Materials Inc. and Subsidiaries

Consolidated Cash Flow Statement

For the Nine Months Ended September 30, 2025 & 2024

Unit: In Thousands of NTD

Code		For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
	Cash Flows from Operating Activities:		
A10000	Pre-tax Profit	$ 12,135	$ 42,443
	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	36,233	44,894
A20200	Amortization expense	422	307
A20300	Expected credit loss (reversal of provision)	7,115	2,984
A20400	Net loss (gain) on financial liabilities at fair value through loss(profit)	(1,442)	(2,085)
A20900	Interest cost	5,172	8,947
A21200	Interest income	(10,844)	(14,666)
A22500	Gain on disposal of property, plant, and equipment	(33)	(97)
A23700	Loss (gain) for market price decline and obsolete and slow-moving inventories	18,759	(1,317)
A24100	Loss (gain) on foreign exchange, net	22,527	(13,506)
A30000	Net changes in operating assets and liabilities:		
A31115	Financial liabilities at fair value through profit or loss – held for trading	(59)	-
A31130	Notes receivable	19,973	8,029
A31150	Accounts receivable	81,926	4,885
A31200	Inventories	38,174	(21,693)
A31240	Other current assets	1,131	(1,099)
A31990	Net defined benefit assets	(8)	(91)
A32125	Contract liabilities	(4,812)	(3,420)
A32130	Notes payable	(12,068)	6,283
A32150	Accounts payable	(30,258)	22,672
A32180	Other payable	(13,632)	(26,820)
A32230	Other current liabilities	(4,491)	(375)
A33000	Cash generated (used in) from operations	165,920	56,275
A33300	Interest paid	(4,842)	(8,820)
A33500	Income tax paid	(10,609)	3,840
AAAA	Net Cash Generated (Used In) from Operating Activities	150,469	51,295
	Cash Flows from Investing Activities:		
B00040	Payment for financial assets at amortized cost	(40,200)	(81,009)
B00050	Proceeds from disposal of financial assets at amortized cost	57,097	67,478
B00100	Acquisition of financial assets at fair value through profit or loss	($ 4,159)	($ 9,426)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	4,355	7,171
B02700	Payment for property, plant, and equipment	(11,138)	(22,525)
B02800	Proceeds from disposal of property, plant, and equipment	267	101
B03700	Decrease (Increase) in guarantee deposits paid	733	(11)

Code		For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
B04500	Payment for Intangible assets	(5)	(770)
B07100	Increase in prepayments for equipment	(687)	(3,727)
B07500	Interest received	11,256	14,910
BBBB	Net Cash Generated (Used In) from Investing Activities	17,519	(27,808)
	Cash Flows from Financing Activities:		
C00100	Increase (Decrease) in Short-term borrowings	61,792	(20,372)
C00600	Decrease in Short-term bills payable	-	(20,000)
C01600	Proceeds from long-term borrowings	-	70,000
C01700	Payment for long-term borrowings	(60,000)	(30,000)
C04020	Repayment of the principal portion of lease liabilities	-	(4,708)
C04500	Cash dividends for non-controlling interests	(48,086)	(30,053)
C05200	Net Cash Generated (Used In) from Financing Activities	(761)	(40)
CCCC	Cash Flows from Financing Activities:	(47,055)	(35,173)
DDDD	Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies	(56,982)	27,424
EEEE	Net Increase in Cash and Cash Equivalents	63,951	15,738
E00100	Cash and Cash Equivalents at the Beginning of the Period	469,981	387,330
E00200	Cash and Cash Equivalents at the End of the Period	$ 533,932	$ 403,068

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

(With Deloitte & Touche auditors' review report dated September 13, 2025)

Chairman: Liou, Han Yin

Manager: Chao, Wei Chun

Accountant in Charge： Liao, Pei Hung

Headway Advanced Materials Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Nine Months Ended September 30, 2025 & 2024
(Amounts expressed in Thousands of NTD, unless stated otherwise)

1. Company History

Headway Advanced Materials Inc. (hereinafter referred to as "the Company") was established on April 24, 1976. Its business includes the manufacture, processing, and sale of PU curing agents, processing agents, coatings, resin for coatings, adhesives, flatting agents, and related raw materials.

The Company's stock has been listed on the Taiwan Stock Exchange since May 2016.

This consolidated financial report is expressed in the functional currency of the Company, which is New Taiwan dollars.

Hereinafter, the Company and its subsidiaries will be collectively referred to as "the Consolidated Company".

2. Date and Procedures of the Authorization of Financial Statements

The consolidated financial statement was authorized by the Board of Directors on November 12, 2025.

3. Application of the Newly Announced and Amended Regulations and Interpretations

(1) The Company has adopted International Financial Reporting Standards (IFRSs) that were recognized by the Financial Supervisory Commission, International Accounting Standards (IAS), Interpretations, and Notices (IFRS), Interpretation (IFRIC), and Interpretative Announcement (SIC) for the first time.

Amendments to IAS 21 “Lack of Exchangeability”

The Company has started applying the Amendments to IAS 21 “Lack of Exchangeability”, and it will not have a significant impact on the accounting policies of the Consolidated Company.

(2) Applicable IFRSs recognized by the Financial Supervisory Commission in 2026

Newly announced / revised / amended. regulations and interpretations	Effective date for the announcement of the IASB
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
“Annual Improvements to IFRS Accounting Standards - Volume 11”	January 1, 2026
IFRS 17 ”Insurance Contracts” (including 2020 & 2021 Amendments)	January 1, 2023

As of the date the accompanying consolidated financial statements were authorized for issue, the Consolidated Company keeps evaluating the amendments on the financial position and financial performance impact. The related impact will be disclosed when the Company completes its assessment.

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

Newly announced / revised / amended regulations and interpretations	Effective date for the announcement of the IASB (Remark1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18“Presentation and Disclosure in Financial Statements”	January 1, 2027 (Remark2)
IFRS 19” Subsidiaries without Public Accountability: Disclosures” (including 2025 Amendments)	January 1, 2027

Remark1: Unless otherwise stated, the above newly announced/ revised/ amended regulations or interpretations become effective for annual reporting periods beginning on or after the respective dates mentioned.

Remark2: The FSC announced on September 25, 2025, that companies in our country should apply IFRS 18 starting from January 1, 2028. They may also choose to apply it early after the FSC recognizes IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 'Presentation of Financial Statements', the main differences between the two standards include:

a) All items of income and expense need to be classified in one of five categories in the statement of profit or loss: operating, investing, financing, income tax, and discontinued operations categories.

b) An entity must present totals and subtotals in the statement of profit or loss for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

c) Guidelines are provided to strengthen the aggregation and disaggregation rules: the Consolidated Company must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters, and classify and aggregate them based on shared characteristics, so that each line item reported in the primary financial statements has at least one similar characteristic. Items with characteristics that are not shared should be disaggregated in the primary financial statements and notes. The Consolidated Company should only label these items as 'other' when they cannot find a more informative name.

d) Increasing the disclosure of Management-defined performance measures (MPMs): When the Consolidated Company conducts public communication outside financial statements and communicates with financial statement users about the management's view of a certain aspect of the overall financial performance of the consolidated company, it should disclose relevant information about the MPMs in a single note to the financial statements. This includes the description of the measure, how it is calculated, its adjustments to the subtotals or totals specified by the IFRS accounting standards, and the impact of related adjustment items on income tax and non-controlling interests, etc.

Besides the impacts, up until the date the accompanying consolidated financial statements were authorized for issue, the Consolidated Company continues to assess the impact on its financial position and financial performance from the initial adoption of standards or interpretations and related applicable period. The related impact will be disclosed when the Consolidated Company completes its assessment.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

(2) Preparation basis for financial statements

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value, and net defined benefit assets/ liabilities 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

B. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

C. Level 3 inputs are unobservable inputs for an asset or liability.

(3) Consolidation basis

This consolidated financial report includes the financial statements of the Company and the entities (subsidiaries) controlled by the Company. The financial reports of the subsidiaries have been adjusted to make their accounting policies consistent with the accounting policies of the Consolidated Company. All transactions, account balances, incomes, and expenses between business entities have been written off at the time of preparing the consolidated financial report. The total comprehensive income of subsidiaries is attributable to the owners and non-controlling interests of the Company, even if the non-controlling interests are with a negative balance thereafter.

When the changes in the equity of the subsidiary owned by the Consolidated Company do not result in the loss of control, it is treated as an equity transaction. The book amount of the Consolidated Company and non-controlling interests have been adjusted to reflect changes in its relative equity in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the Company owners.

Please refer to Note 13, Table 3 Table 4 for the subsidiaries, shareholding ratio, and business items in detail.

(4) Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, please refer to the 2024 fiscal year consolidated financial statements.

A. Defined benefit retirement benefits

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

B. Income tax

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

5. Significant Accounting Judgments, Estimations, and the Main Sources of Assumption Uncertainties

When the consolidated company develops significant accounting estimates, it will incorporate the potential impact into the estimation of cash flow, growth rate, discount rate, profitability, and other related significant accounting estimates. The management will continuously review the estimates and basic assumptions. For other information, please refer to the main sources of uncertainty in significant accounting judgments, estimates, and assumptions in the 2024 fiscal year consolidated financial statements.

6. Cash and Cash Equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	$ 368	$ 485	$ 564
Bank checking deposit and demand deposit	369,953	286,195	268,242
Cash equivalents			
Bank term deposit	163,611	183,301	134,262
	$ 533,932	$ 469,981	$ 403,068

7. Financial Assets Measured at Fair Value through Profit or Loss

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets – non-current			
Measured at fair value through profit or loss mandatorily			
Non-derivative financial assets			
- Foreign Bonds	$ 28,073	$ 28,266	$ 29,407
- Domestic TWSE/TPEx listing stock	3,525	878	521
- Domestic Fund beneficiary certificate	-	1,974	-
	$ 31,598	$ 31,118	$ 29,928
Financial liabilities – current			
Financial liabilities at fair value through profit or loss – held for trading			
Non-hedging derivatives			
-foreign exchange swap contracts	$ -	$ 50	$ -

At the balance sheet date, the Consolidated Company has the following outstanding foreign exchange swap contracts that have not yet matured and are not designated for hedge accounting.

December 31, 2024

Contract Amount (in Thousand)	Maturity date	Pay-side exchange rate range	Receive-side exchange rate range
USD 120	2025/2/20	32.50	32.23

8. Financial Assets Measured at Fair Value through Other Comprehensive income

Equity investment

	September 30, 2025	December 31, 2024	September 30, 2024
Non-current			
Domestic investment			
Non-TWSE/TPEx listing stock	$ 1,079	$ 1,253	$ 1,257

The Consolidated Company has based on the mid-term and long-term strategic purpose to invest in non-TWSE/TPEx listing stocks, TWSE/TPEx listing stocks and Emerging Stocks, and expect to make profits through long-term investment. The management of the Consolidated Company believes that if the short-term fluctuation in the fair value of the investment is included in the profit and loss, it is inconsistent with the long-term investment plan; therefore, the management chooses to have such investments measured at fair value through other comprehensive income.

9. Financial Assets Measured at the Amortized Cost

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Term deposits with original maturity of more than 3 months (Remark 1)	$ 61,806	$ 118,639	$ 155,765
Non-Current			
Term deposits with original maturity of more than 12 months (Remark 2)	$ 28,936	$ -	$ -

Remark 1: As of September 30, 2025, and for the periods ending on December 31, 2024, and September 30, 2024, the annual interest rate ranges for Term deposits with original maturity exceeding 3 months were as follows: 1.445%~5.65%, 1.445%~7.6%, and 1.45%~7.78%

Remark2: As of September 30, 2025, the annual interest rate for Term deposits with original maturity exceeding 12 months was 1.75%~5.22%.

10. Other Financial Assets

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Pledged bank deposit	$ 30,000	$ 30,000	$ 30,000

The Consolidated Company has established pledges as collateral for borrowings, please refer to Note 29.

11. Notes Receivable and Accounts Receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable			
Measured at the amortized cost			
Total book amount	$ 27,071	$ 47,044	$ 32,872
Less: Allowance for loss	-	(110)	(87)
	$ 27,071	$ 46,934	$ 32,785
Accounts receivable			
Measured at the amortized cost			
Total book amount	$ 228,971	$ 315,634	$ 337,198
Less: Allowance for loss	(34,007)	(29,045)	(28,445)
	$ 194,964	$ 286,589	$ 308,753

Accounts receivable

The credit period granted by the Consolidated Company to customers is generally between 30 and 90 days from the end of the month. The allowance for loss is estimated based on the analysis of overdue accounts, customer creditworthiness, and financial status to estimate the number of uncollectible accounts. Before accepting new customers, the Consolidated Company evaluates the credit quality of the potential customer through a credit rating system and sets the customer's credit limit. The customer's credit limit and rating are reviewed regularly every year.

The Consolidated Company recognizes the allowance for loss of accounts receivable based on the expected credit loss over the remaining lifetime of the accounts. The expected credit loss is calculated using a provision matrix, which considers the customer's past default history and current financial condition, the economic situation of the industry, and prospects. Because the credit loss historical experience of the Consolidated Company shows no significant differences in the loss patterns among different customer groups, the provision matrix does not distinguish between customer groups but only sets the expected credit loss rate based on the number of days overdue of accounts receivable.

The provision for doubtful accounts and notes receivable from the Consolidated Company is measured based on the provision matrix as follows:

September 30, 2025

	Not Overdue	Overdue 1 ~ 90 days	Overdue 91~180 days	Overdue Over 180 days	Total
Total book amount	$ 202,410	$ 23,192	$ 640	$ 29,800	$ 256,042
Allowance for loss (expected credit loss in the duration)	(206)	(3,728)	(273)	(29,800)	(34,007)
Amortized cost	$ 202,204	$ 19,464	$ 367	$ -	$ 222,035

December 31, 2024

	Not Overdue	Overdue 1 ~ 90 days	Overdue 91~180 days	Overdue Over 180 days	Total
Total book amount	$ 280,103	$ 34,135	$ 8,062	$ 40,378	$ 362,678
Allowance for loss (expected credit loss in the duration)	(1,058)	(863)	(888)	(26,346)	(29,155)
Amortized cost	$ 279,045	$ 33,272	$ 7,174	$ 14,032	$ 333,523

September 30, 2024

	Not Overdue	Overdue 1 ~ 90 days	Overdue 91~180 days	Overdue Over 180 days	Total
Total book amount	$ 274,120	$ 62,869	$ 14,898	$ 18,183	$ 370,070
Allowance for loss (expected credit loss in the duration)	(4,779)	(6,698)	(3,559)	(13,496)	(28,532)
Amortized cost	$ 269,341	$ 56,171	$ 11,339	$ 4,687	$ 341,538

The changes in the allowance for loss of the notes receivable and accounts receivable are as follows:

	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Beginning Balance	$ 29,155	$ 24,451
Add: Expected credit impairment loss (reversed) for the current year	7,115	2,984
Less: Write-off	(906)	-
Exchange differences on translation	(1,357)	1,097
Ending Balance	$ 34,007	$ 28,532

12. Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Commodities	$ 1,137	$ 2,726	$ 4,092
Finished goods	107,720	138,264	140,376
Work-in-process goods	9,791	11,179	12,056
Raw materials	101,770	120,979	128,005
Construction in progress	-	2,686	9,163
	$ 220,418	$ 275,834	$ 293,692

The nature of the operating cost is as follows:

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Cost of inventory sold	$ 204,741	$ 258,008	$ 631,267	$ 731,407
Inventory impairment loss (reversed)	1,287	3,885	18,759	(1,317)
Physical inventory Gain (loss)	196	5	(123)	(136)
	$ 206,224	$ 261,898	$ 649,903	$ 729,954

The reversal of inventory impairment loss was due to the disposal of obsolete or slow-moving inventory.

13. Subsidiaries

(1) Subsidiaries included in the consolidated financial report

The main business entities of the consolidated financial report are as follows:

Name of Investing Company	Name of Subsidiary	Nature of Business	Location of establishment and operation	The ratio of ownership equity held by The Company September 30, 2025	December 31, 2024	September 30, 2024
The Company	Urasia International Inc. (URASIA)	General investment business	Panama	100%	100%	100%
	Headway Polyurethane Corporation Limited (TPU Company)	Manufacturing and sales of TPU	Taiwan	50%	50%	50%
URASIA	Shanghai Huiyu Construction Co., Ltd. (Shanghai Huiyu Company)	Construction of housing projects, construction of municipal public works projects, construction of mechanical and electrical installation projects, construction of building decoration projects, construction of anti-corrosion and waterproofing projects, construction of sports tracks, stadiums, artificial turf projects, and wholesale of sports field materials.	Shanghai	74%	74%	74%
	Headway Advanced Materials (Vietnam) Co., Ltd. (Headway Vietnam Company)	PU resin products	Vietnam	100%	100%	100%
	Cheng Yu Develop Co., Ltd. (Cheng Yu Company)	General investment business	Hong Kong	100%	100%	100%
Cheng Yu Company	Fo-Shan City Shanshui Lianmei Chemical Co., LTD. (Shanshui Lianmei Company)	PU resin products	Fo-Shan City	100%	100%	100%
Shanghai Huiyu Company	Anhui Huiyu Materials Technology Co., Ltd. (Anhui Huiyu Company)	Research, manufacturing, import and export of plastic materials for sports fields, and sports facility construction.	Chizhou City	100%	100%	100%

Remark1: Except for TPU Company and Headway Vietnam Company in the Third quarter of 2025 and the first quarter of 2024, whose financial reports have been reviewed by the independent auditors, the financial reports of other non-significant subsidiaries have not been reviewed by the independent auditors.

Remark2: On November 13, 2025, the Board of Directors of TPU Company resolved to implement a cash capital reduction of NT$ 80,000 thousand, expecting to cancel 8,000 thousand shares. The paid-in capital after the reduction will be NT$ 56,168 thousand. This proposal is subject to the resolution of the shareholders' meeting.

(2) Information on subsidiaries with significant non-controlling interests

Name of Subsidiary	The ratio of equity and voting rights held by non-controlling interests September 30, 2025	December 31, 2024	September 30, 2024
TPU Company	50%	50%	50%

The information on the Company's main business premises and the country of registration is available in Table 3.

Name of Subsidiary	Profit and loss distributed to non-controlling interest: For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024	Non-controlling interests: September 30, 2025	December 31, 2024	September 30, 2024
TPU Company	($ 232)	$ 187	($ 2,852)	$ 76	$ 88,417	$ 92,029	$ 91,278

The financial information summary of TPU Company is compiled according to the amount before writing off the inter-company transactions:

	September 30, 2025	December 31, 2024	September 30, 2024
Current Assets	$ 185,313	$ 217,663	$ 240,516
Non-current Assets	38,399	44,175	42,676
Current Liabilities	(33,086)	(33,572)	(44,991)
Non-current Liabilities	(13,706)	(43,896)	(55,557)
Equity	$ 176,920	$ 184,370	$ 182,644
Equity attributable to:			
The Company owners	$ 88,460	$ 92,185	$ 91,322
Non-controlling interests of TPU Company	88,460	92,185	91,322
	$ 176,920	$ 184,370	$ 182,644

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Operating Income	$ 33,395	$ 49,225	$ 107,637	$ 134,476
Net Profit (loss) for the period	($ 462)	$ 372	($ 5,928)	$ 140
Other comprehensive income	-	-	-	-
Total comprehensive income	($ 462)	$ 372	($ 5,928)	$ 140
Net Profit (loss) attributable to:				
The Company owners	($ 231)	$ 186	($ 2,964)	$ 70
Non-controlling interests of TPU Company	(231)	186	(2,964)	70
	($ 462)	$ 372	($ 5,928)	$ 140

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Comprehensive income attributable to:				
The Company owners	($ 231)	$ 186	($ 2,964)	$ 70
Non-controlling interests of TPU Company	(231)	186	(2,964)	70
	($ 462)	$ 372	($ 5,928)	$ 140
Cash flow				
Operating activities			$ 37,683	$ 2,140
Investing activities			1,307	(394)
Financing activities			(26,521)	21,306
Effect of exchange rate			(1,677)	205
Net cash generated			$ 10,792	$ 23,257
Cash dividends for non-controlling interests				
TPU Company			$ 761	$ 40

14. Property, Plant and Equipment

	September 30, 2025	December 31, 2024	September 30, 2024
Land	$ 109,145	$ 109,145	$ 109,145
House and Building	60,502	69,776	72,654
Machinery equipment	62,471	67,847	86,021
Transportation equipment	5,258	9,040	7,883
Miscellaneous equipment	3,179	3,021	3,319
Other equipment	38,196	39,855	42,221
Construction in progress	6,445	6,445	3,892
	$ 285,196	$ 305,129	$ 325,135

Except for the recognition of depreciation expenses and acquisitions through business combinations, the Consolidated Company did not have any significant additions, disposals, or impairments of property, plant, and equipment for the nine months ended September 30,2025, and 2024.

Depreciation expenses are accrued on a straight-line basis according to the following years of useful life:

Land improvements	25 Years
House and Building	3~47 Years
Machinery equipment	1~14 Years
Transportation equipment	3~10 Years
Miscellaneous equipment	3~07 Years
Other equipment	1~18 Years

Please refer to Note 29 for the property, plant and equipment that are pledged as collateral for loans.

15. Lease Agreement

(1) Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Book amount of right-of-use assets:			
Right-of-use land	$ 24,365	$ 26,896	$ 27,439
Building	27,449	33,560	35,375
	$ 51,814	$ 60,456	$ 62,814

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Addition of right-of-use assets			$ -	$ -
Depreciation expense of right-of-use assets:				
Right-of-use land	$ 203	$ 227	$ 643	$ 673
Building	1,667	1,677	5,017	5,897
Transportation equipment	-	-	-	212
	$ 1,870	$ 1,904	$ 5,660	$ 6,782

Apart from the recognition of depreciation expenses, there was no significant subleasing or impairment of the right-of-use assets of the Consolidated Company during the period from January 1 to September 30, 2025, and 2024, respectively.

(2) Lease liability

	September 30, 2025	December 31, 2024	September 30, 2024
Book amount of lease liability			
Current	$ 15,228	$ 9,664	$ 7,860
Non-current	$ 13,705	$ 18,896	$ 20,557

The discount rate ranges for lease liabilities are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Building	2.1%~2.5%	2.1%~2.5%	2.1%~2.5%

(3) Key leasing activities and terms:

The Consolidated Company leases buildings for use such as factories, offices, and dormitories with lease terms of 3 to 50 years. At the end of the lease term, the Consolidated Company has no preferential purchase option for the leased buildings. Additionally, the Consolidated Company has land use rights in Mainland China and Vietnam with lease terms of 50 years and 48 years, respectively.

(4) Other lease information

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Short-term lease expense	$ 357	$ 970	$ 1,097	$ 2,570
Low-value assets lease expense	$ 17	$ 15	$ 49	$ 52
Total lease cash (outflow)			($ 1,146)	($ 7,859)

The Consolidated Company chose to apply the recognition Exemption for assets, such as employee dormitories, company vehicles, and office equipment, qualify for short-term leases and qualify for low-value asset leases, and did not recognize related right-of-use assets and lease liabilities for such leases.

16. Goodwill

	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Cost		
Beginning Balance	$ 1,700	$ 1,642
Net exchange difference	(79)	75
Ending Balance	$ 1,621	$ 1,717

17. Other Assets

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Prepaid expenses	$ 6,597	$ 4,395	$ 8,268
income tax refund receivable	769	1,586	1,415
Other receivable	1,341	4,762	1,169
Overpaid sales tax	822	-	604
Other	626	819	656
	$ 10,155	$ 11,562	$ 12,112
Non-current			
Refundable deposit	$ 5,462	$ 6,184	$ 6,201
Net Defined Benefit Asset	2,242	2,234	1,276
Advance payments for equipment and construction	6,124	7,573	7,325
	$ 13,828	$ 15,991	$ 14,802

18. Borrowings

(1) Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged loans			
Bank loans	$ 101,833	$ 50,000	$ 91,416
Unsecured loans			
Credit line loans	40,000	30,000	-
	$ 141,833	$ 80,000	$ 91,416
Interest rates rank	1.86%～2.10%	1.91%～1.96%	1.85%～3.45%

(2) Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged loans			
Bank loan	$ 215,000	$ 275,000	$ 290,000
Interest range	1.95%～2.02%	1.95%～2.22%	1.95%～2.22%
Period	115.11.1～115.12.30	115.11.1～118.5.17	114.10.11～118.5.17

Please refer to Note 29 for the assets as collateral for loans. Please refer to Note 28 for endorsements and guarantees provided by related parties for the bank loan facilities of the consolidated company.

19. Other payable

	September 30, 2025	December 31, 2024	September 30, 2024
Payroll and bonus payable	$ 28,135	$ 37,244	$ 32,901
Employee & director compensation payable	3,976	4,279	3,657
Professional service payable	3,562	5,290	4,079
Payables on equipment	7,280	2,500	3,281
Rent payable	67	60	60
Other	15,793	18,374	19,147
	$ 58,813	$ 67,747	$ 63,125

20. Retirement Benefit Plan

(1) Defined contribution plan

The retirement pension system of the Company and its domestic subsidiaries in the Consolidated Company, is a defined contribution plan under the "Labor Pension Act" regulated by the government. The Company contributes 6% of employees' monthly salaries to their personal accounts at the labor insurance bureau as retirement pension.

URASIA and Cheng Yu Company do not have an employee retirement policy, and there are no mandatory government regulations regarding employee retirement policy. Anhui Huiyu Company, Shanghai Huiyu Company, Sanshui Lianmei Company, and Headway Vietnam Company pay basic endowment insurance premiums to the government-managed retirement plan, which are recognized as current expenses when they are provided.

(2) Defined benefit plan

The pension expenses of defined benefit plans were NT$ 3 thousand, NT$ 10 thousand, NT$ (8) thousand and NT$ 15 thousand for the three months and nine months ended September 30, 2025, and 2024, respectively, and these were calculated based on the actuarially determined pension cost rate on December 31, 2024, and 2023, respectively.

21. Equity

(1) Common stock capital

	September 30, 2025	December 31, 2024	September 30, 2024
Authorized stock shares (thousand shares)	80,000	80,000	80,000
Authorized capital stock	$ 800,000	$ 800,000	$ 800,000
Stock shares issued and paid in full (thousand shares)	60,107	60,107	60,107
Outstanding capital stock	$ 601,070	$ 601,070	$ 601,070

The par value of the issued common shares is NT$ 10 per share, with each share entitled to one voting right and the right to receive dividends.

(2) Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
Applicable for making up for losses, distributing cash, or capitalization			
Additional paid-in capital	$ 10,716	$ 10,716	$ 10,716
Difference between consideration and book amount of subsidiary's stock shares acquired or disposed	1,497	1,497	1,497
From merger	891	891	891
	$ 13,104	$ 13,104	$ 13,104

The portion of capital surplus that exceeds the par value of stock issuance (including the issuance of ordinary shares above par) and the portion received as donations may be used to offset losses. When the Company has no losses, it may also be used to distribute cash dividends or allocate to common stock capital, subject to an annual limit based on a certain percentage of the paid-in capital.

(3) Retained earnings and dividend policy

According to the Articles of Incorporation, if there are profits in the annual financial statements, the Company shall first pay taxes, make up for losses from previous years, set aside 10% of the legal reserve, and adjust for special reserves according to laws or regulations. After adding the accumulated unappropriated retained earnings from previous years, the remaining amount shall be distributable earnings. The board of directors shall propose a shareholder dividend or profit distribution plan for approval at the shareholder meeting, with a distribution range of 50% to 100% of distributable earnings.

If the distribution of dividends or profits is made in cash, the board of directors may authorize it with the approval of two-thirds of the directors present and the majority of attending directors and report it to the shareholder meeting.

For the Company's employee and director compensation distribution policy, please refer to (7) of Note 24 on employee and director compensation.

According to the Company's Articles of Incorporation, the dividend policy will consider the overall development needs of the enterprise and make appropriate dividend distributions. The cash dividends shall not be less than 10% of the total amount of dividends.

The legal reserve should be set aside until its balance reaches the total amount of the Company's issued and paid-up capital. The legal reserve can be used to offset losses. If the legal reserve exceeds 25% of the total amount of the outstanding capital, the excess can be used for cash distribution in addition to capitalization.

The earnings distribution proposal for the year 2024 and 2023 are as follows:

	2024	2023
Legal reserve	$ 4,727	$ 2,662
Special reserve	($ 21,570)	$ 10,040
Cash dividends	$ 48,086	$ 30,053
Cash dividend per share（NTD）	$ 0.8	$ 0.5

The above cash dividends were resolved for distribution by the Board of Directors on March 5, 2025, and March 5, 2024, respectively. These appropriation of earnings were approved at the shareholders’ meeting held on May 27, 2025, and May 24, 2024, respectively.

(4) Other equity

A) Exchange differences in translation of the financial statement for foreign operations.

	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Beginning balance	($ 50,154)	($ 72,026)
Exchange differences on translation of the financial statement of foreign operations	(56,777)	24,780
Income tax effect	11,355	(4,956)
Ending balance	($ 95,576)	($ 52,202)

B) Unrealized profit and loss in valuation of financial assets measured at fair value through other comprehensive income.

	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Beginning balance	($ 3,247)	($ 2,945)
Incurred in the current year		
Unrealized profit and loss		
Equity instrument	(174)	(298)
Ending balance	($ 3,421)	($ 3,243)

22. Sales Revenue

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Revenue from contracts with customers:				
PU resin	$ 191,831	$ 251,643	$ 585,657	$ 700,636
Thermoplastic Polyurethane (TPU)	32,983	46,931	106,561	131,025
Others	24,075	18,830	76,456	59,332
	$ 248,889	$ 317,404	$ 768,674	$ 890,993

(1) Contract balance

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes receivable (Note 11)	$ 27,071	$ 46,934	$ 32,785	$ 40,797
Accounts receivable (Note 11)	$ 194,964	$ 286,589	$ 308,753	$ 316,935
Contract liabilities				
Contract liabilities-current	$ 755	$ 5,567	$ 6,284	$ 9,704

The changes in contract liabilities mainly arise from the timing difference between satisfying performance obligations and the timing of customer payments.

(2) Subdivision of contract revenues by customers

Please refer to Note 33for details on subdivision of contract revenues.

23. Profit (loss) from Continuing Operations

(1) Interest income

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Bank deposits	$ 2,500	$ 4,205	$ 9,887	$ 13,945
Financial assets at fair value through profit or loss	311	140	957	721
	$ 2,811	$ 4,345	$ 10,844	$ 14,666

(2) Other income

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Rental income	$ 1,318	$ 1,328	$ 3,874	$ 3,788
Miscellaneous income	193	592	1,364	1,560
	$ 1,511	$ 1,920	$ 5,238	$ 5,348

(3) Other gains and losses

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Net gain (loss) from foreign currency exchange	$ 1,725	$ 1,228	($ 3,418)	$ 4,232
Profit (loss) from financial assets (liabilities) measured at fair value through profit and loss mandatorily	2,893	1,175	1,442	2,085
Gain (loss) on disposal of property, plant, and equipment	33	33	33	97
Miscellaneous losses	(1,185)	(893)	(2,830)	(3,631)
	$ 3,466	$ 1,543	($ 4,773)	$ 2,783

(4) Financial costs

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Interest in bank borrowing	$ 1,595	$ 2,757	$ 4,799	$ 8,463
Interest in lease liabilities	115	152	373	484
	$ 1,710	$ 2,909	$ 5,172	$ 8,947

(5) Depreciation and Amortization

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Property, Plant and Equipment	$ 9,933	$ 11,233	$ 30,573	$ 38,112
Right-of-use assets	1,870	1,904	5,660	6,782
Intangible assets	136	134	422	307
	$ 11,939	$ 13,271	$ 36,655	$ 45,201
Depreciation expense summarized by functions:				
Operating costs	$ 10,083	$ 10,674	$ 30,651	$ 37,233
Operating expenses	1,689	2,430	5,485	7,562
Miscellaneous losses	31	33	97	99
	$ 11,803	$ 13,137	$ 36,233	$ 44,894
Amortization expense summarized by functions:				
Operating costs	$ 6	$ 5	$ 18	$ 13
Operating expenses	130	129	404	294
	$ 136	$ 134	$ 422	$ 307

(6) Employee benefit expense

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Short-term employee benefits	$ 27,583	$ 35,809	$ 87,219	$ 105,219
Post-employment benefits (Note 20):				
Defined contribution plan	1,090	1,410	3,394	4,271
Defined benefit plan	3	10	(8)	15
Other employee benefit	5,136	5,287	15,160	15,889
Total employee benefit expense	$ 33,812	$ 42,516	$ 105,765	$ 125,394
Summarized by functions:				
Operating costs	$ 18,145	$ 20,337	$ 55,186	$ 59,300
Operating expenses	15,667	22,179	50,579	66,094
	$ 33,812	$ 42,516	$ 105,765	$ 125,394

(7) Compensation to employees and directors

In accordance with the Article of Incorporation, if the Company is profitable for the year, 5% to 8% of the annual profit should be allocated as employee compensation, and up to 5% of the annual profit should be allocated as director compensation. However, if the company still has accumulated losses, it should first reserve an amount to cover those losses. In accordance with the amendment to the Securities and Exchange Act in August 2024, the 2025 shareholders' meeting held on May 27, 2025 approved to amend the Articles of Incorporation, specifying that 30% to 50% of the total employee remuneration allocated for the year shall be designated for non-executive employees. The estimated employee and director remuneration for the year 2025 and 2024 are as follows:

Estimation ratio

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Employee compensation	5%	5%
Director compensation	3%	3%

Amount

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Employee compensation	$ 693	$ 894	$ 825	$ 2,281
Director compensation	$ 415	$ 536	$ 495	$ 1,369

The changes in the amount of the consolidated financial report after the publication date shall be processed according to the change in accounting estimates and adjusted and recorded in the next year.

The appropriations of compensation of employees and directors for 2024 and 2023, which were resolved by the Company's board of directors on March 5, 2025, and March 5, 2024, respectively, are as follows:

	2024	2023
	Cash	Cash
Employee compensation	$ 2,655	$ 1,697
Director compensation	1,593	1,018

There is no difference between the actual amounts of compensation of employees and directors paid and the amounts recognized in the consolidated financial statements for the years 2024 and 2023.

Please refer to the Market Observation Post System of Taiwan Stock Exchange for information on the compensation to employees and directors resolved by the Company's board of directors.

24. Income Tax from Continuing Operations

(1) Income tax recognized in profit and loss

The main composition items of income tax expense are as follows:

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Current income tax				
Incurred in the current period	$ 13,482	$ 3,049	$ 16,456	$ 4,929
Adjustment of prior periods	734	407	732	407
	14,216	3,456	17,188	5,336
Deferred income tax				
Incurred in the current period	338	(319)	(1,604)	(500)
Income tax expense recognized in profit and loss	$ 14,554	$ 3,137	$ 15,584	$ 4,836

The tax rate applicable to the subsidiaries in Mainland China is 25%; the tax amounts generated in other territories are calculated based on the tax rates applicable to each respective territory.

(2) Income tax recognized in other comprehensive income.

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Deferred income tax				
Incurred in the current period				
-Conversion through foreign operations	($ 4,551)	($ 840)	$ 11,355	($ 4,956)
Income tax recognized in other comprehensive income	($ 4,551)	($ 840)	$ 11,355	($ 4,956)

(3) Income tax audit

The income tax returns for the Company have been approved by the tax authorities up to the year 2023. The income tax returns for TPU Company have been approved by the tax authorities up to the year 2023.

26. Earnings per Share

Unit: NTD/Share

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Basic earnings per share				
From continuing operations	$ 0.02	$ 0.23	$ 0.05	$ 0.65
Diluted earnings per share				
From continuing operations	$ 0.02	$ 0.23	$ 0.05	$ 0.64

The net income and weighted average number of outstanding common shares used to compute earnings per share are as follows:

Net profit (loss) for the period

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Net income for the calculation of basic and diluted earnings per share	$ 1,131	$ 13,972	$ 2,739	$ 38,830

Shares

Unit: Thousand shares

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Weighted average number of common stock shares for the calculation of basic earnings per share	60,107	60,107	60,107	60,107
The impact of potentially diluted common stock shares:				
Employee compensation	54	98	86	120
Weighted average number of common stock shares for the calculation of diluted earnings per share	60,161	60,205	60,193	60,227

If the Company may choose to pay remuneration to employees in the form of stocks or cash, when calculating the diluted earnings per share, it is assumed that the remuneration to employees is paid in the form of stocks, and the weighted average number of outstanding shares is included in the potential diluted common stock for the calculation of the diluted earnings per share. When calculating the diluted earnings per share before the distribution of remuneration in the form of stock resolved in the shareholders meeting of the following year, the dilution effect of this potential common stock will be considered continuously.

26. Capital Risk Management

The Consolidated Company conducts capital management to ensure that each enterprise within the group can maximize shareholder returns by optimizing debt and equity balances under the assumption of going concerning. The overall strategy of the Consolidated Company has not undergone significant changes.

The Consolidated Company's senior management regularly reviews its capital structure, considering the cost and associated risks of various types of capital. Based on the recommendations of senior management, The Consolidated Company balances its overall capital structure through methods such as paying dividends, issuing new stocks, and so on.

The Consolidated Company is not required to comply with any other external capital regulations.

27. Financial Instruments

(1) Fair value information - Financial instruments that are not measured at fair value.

The management of the Company believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair value.

(2) Fair value information - financial instruments measured at fair value on a repeatability basis

A) Fair value level

September 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit and loss				
Foreign Bonds	$ 28,073	$ -	$ -	$ 28,073
Domestic TWSE/TPEx listing stock	3,525	-	-	3,525
Total	$ 31,598	$ -	$ -	$ 31,598
Financial assets measured at fair value through other comprehensive income				
Domestic non-TWSE /TPEx listing stock	$ -	$ -	$ 1,079	$ 1,079

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit and loss				
Foreign Bonds	$ 28,266	$ -	$ -	$ 28,266
Domestic Fund beneficiary certificate	1,974	-	-	1,974
Domestic TWSE/TPEx listing stock	878	-	-	878
	$ 31,118	$ -	$ -	$ 31,118
Financial assets measured at fair value through other comprehensive income				
Domestic non-TWSE /TPEx listing stock	$ -	$ -	$ 1,253	$ 1,253
Financial liabilities measured at fair value through profit or loss				
Non-hedging derivatives -foreign exchange swap contracts	$ -	$ 50	$ -	$ 50

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit and loss				
Foreign Bonds	$ 29,407	$ -	$ -	$ 29,407
Domestic TWSE/TPEx listing stock	521	-	-	521
Total	$ 29,928	$ -	$ -	$ 29,928
Financial assets measured at fair value through other comprehensive income				
Domestic non-TWSE /TPEx listing stock	$ -	$ -	$ 1,257	$ 1,257

There was no transfer between Level 1 and Level 2 fair value measurements for the Three Months Ended September 30,2025 and September 30, 2024.

B) Evaluation technology and the input value of Level 2 fair value measurement

Foreign exchange swap contracts are measured using forward exchange rates and yield curves derived from quoted interest rates corresponding to the contract maturities.

C) Evaluation technology and the input value of Level 3 fair value measurement

The domestic unlisted equity investments are valued using the net asset value method, where the company measures the fair value of the investments based on its net assets on the balance sheet date.

(3) Types of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets			
Financial assets measured at fair value through other comprehensive income	$ 1,079	$ 1,253	$ 1,257
Financial assets measured at the amortized cost (Remark1)	883,512	963,089	937,741
Measured at fair value through profit and loss			
-Financial assets measured at fair value through profit and loss mandatorily	31,598	31,118	29,928
Financial liabilities			
Measured at the amortized cost (Remark2)	537,142	586,626	607,283
Measured at fair value through profit and loss			
-Held for trading	-	50	-

Remark 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts

receivable, other receivable, other financial assets, and Guarantee deposits.

Remark 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, notes payable, accounts payable, other payable and long-term borrowings.

(4) Financial risk management objectives

The main financial instruments of the Consolidated Company include notes and accounts receivable, accounts payable, long-term and short-term borrowings. The financial management department of the Consolidated Company provides services to all business units, plans and coordinates entering the domestic and international financial markets, analyzes internal risk exposure according to the degree and breadth of risk, and reports, supervises, and manages the financial risks related to the operations of the Consolidated Company. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

A) Market risk

The main financial risks from the operating activities of the Consolidated Company are the risk of changes in foreign currency exchange rates (see a) below) and the risk of changes in interest rates (see b) below).

a) Exchange rate risk

The Consolidated Company engages in sales and purchase transactions denominated in foreign currencies, which exposes the Consolidated Company to foreign exchange risk.

Please refer to Note 31 for the book value of monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items denominated in non-functional currencies that have been offset in the consolidated financial statements).

Sensitivity Analysis

The Consolidated Company is mainly exposed to fluctuations in the exchange rates of the U.S. dollar and Chinese yuan.

The sensitivity analysis below illustrates the impact on the Consolidated Company's earnings before tax when the functional currency of the relevant foreign currencies increases or decreases by 5% against the New Taiwan Dollar (the functional currency). The 5% sensitivity ratio is used by the Company's management to report foreign exchange risks to senior management and represents the reasonable possible range of exchange rate fluctuations assessed by management. The sensitivity analysis includes only the foreign currency-denominated monetary items outstanding and adjusts their year-end translation by 5% for exchange rate movements. A positive number in the table below indicates that a 5% depreciation of the New Taiwan Dollar against the relevant foreign currency will increase earnings before tax by the stated amount, while a 5% appreciation will reduce earnings before tax by the same amount.

	Effect of USD		Effect of Chinese yuan	
	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Profit & loss	$ 14,518	$ 12,401	$ 2,757	$ 2,887

I) The primary source of the impact is from the US dollar cash and US dollar-denominated accounts receivable and accounts payable by the Consolidated Company that were outstanding and not hedged against cash flow risks on the balance sheet date.

II) The primary source of the impact is from the Chinese yuan cash and Chinese yuan-denominated accounts receivable and accounts payable of the Consolidated Company that were outstanding and not hedged against cash flow risks on the balance sheet date.

The management believes that sensitivity analysis cannot fully represent the inherent risk of exchange rate fluctuations, as the exchange rate exposure to the balance sheet date may not reflect the exposure throughout the year.

b) Interest rate risk

The Consolidated Company is exposed to interest rate risk since individual entities within the Consolidated Company borrow funds at both fixed and floating rates. To manage this risk, the Consolidated Company maintains an appropriate mix of fixed and floating rate instruments and uses interest rate swap and forward rate contracts. The Consolidated Company regularly evaluates its hedging activities to ensure that they align with its interest rate outlook and established risk preferences, to adopt the most cost-effective hedging strategies.

The book amount of the financial assets and financial liabilities of the Consolidated Company with interest rate risk exposure on the balance sheet date are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
With fair value interest rate risk			
－Financial assets	$ 284,353	$ 331,940	$ 278,534
－Financial liabilities	132,390	55,483	138,523
With cash flow interest rate risk			
－Financial assets	369,953	286,195	309,735
－Financial liabilities	245,000	325,000	270,000

Sensitivity Analysis

The sensitivity analysis below is based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of liabilities that were in circulation on the balance sheet date was in circulation throughout the reporting period.

If the interest rate increases/decreases by 1% with all other variables held constant, the Consolidated Company's pre-tax profit for the three months ended September 30, 2025, and September 30, 2024, will increase/ increase by NT$ 937 thousand and NT$ 298 thousand, respectively, mainly due to the interest rate risk associated with the Consolidated Company's variable-rate borrowings.

B) Credit risk

Credit risk refers to the risk that the counter party of the transaction defaults on contractual obligations and causes financial losses to the Consolidated Company. As for the balance sheet date, the maximum credit risk exposure of the Consolidated Company that may cause financial losses due to the counterparty’s failure to perform its obligations and financial guarantees provided by the Consolidated Company are mainly derived from:

a) the book value of financial assets recognized in the consolidated balance sheet.

b) The maximum amount that may need to be paid by the Consolidated Company for providing financial guarantees, regardless of the likelihood of occurrence.

The Consolidated Company adopts a policy of conducting credit ratings on counterparties and obtaining adequate collateral in necessary situations to mitigate the risk of financial losses caused by default. The Consolidated Company continues to monitor credit risk and counterparties' credit ratings and diversifies the total transaction amount among qualified clients with different credit ratings. The credit risk is controlled by annual credit limit reviews by the credit control unit.

To mitigate credit risk, the Consolidated Company's management assigns dedicated units to decide on credit limits, credit approval, and other monitoring procedures to ensure that appropriate actions are taken to recover overdue receivables. In addition, the Consolidated Company conducts a review of the recoverable number of receivables on the balance sheet date to ensure that appropriate impairment losses are recognized for irrecoverable receivables. Therefore, the management of the Consolidated Company believes that the credit risk of the Company has been significantly reduced.

C) Liquidity risk

The Consolidated Company manages and maintains sufficient positions of cash and cash equivalents to support the group's operations and reduce the impact of cash flow volatility. The management of the Consolidated Company supervises the usage of bank financing facilities and ensures compliance with the terms of borrowing agreements.

Bank borrowings are an important source of liquidity for the Company. As of September 30, 2025, December 31, 2024, and September 30, 2024, the unused financing facilities of the Consolidated Company are explained in the following b) financing facilities.

a) Non-derivative financial liabilities liquidity and interest rate risk list

The remaining contract maturity analysis of non-derivative financial liabilities is prepared based on the earliest date when the Consolidated Company may be required to repay the liabilities, using the undiscounted cash flows of the financial liabilities. Therefore, the bank borrowings that the Consolidated Company may be required to repay immediately are listed in the earliest period in the table, without considering the probability of the bank immediately exercising such rights; other non-derivative financial liabilities are prepared based on the contractual repayment dates.

September 30, 2025

	Under 1 year	1~5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 180,309	$ -	$ -
Lease liabilities	15,591	14,151	-
Floating interest rate instrument	34,257	215,889	-
Fixed interest rate instrument	112,059	-	-
	$ 342,216	$ 230,040	$ -

December 31, 2024

	Under 1 year	1~5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 231,626	$ -	$ -
Lease liabilities	10,143	19,266	333
Floating interest rate instrument	55,669	283,463	-
Fixed interest rate instrument	30,093	-	-
	$ 327,531	$ 302,729	$ 333

September 30, 2024

	Under 1 year	1~5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 225,867	$ -	$ -
Lease liabilities	8,376	20,033	1,333
Floating interest rate instrument	5,540	278,188	-
Fixed interest rate instrument	92,306	20,012	-
	$ 332,089	$ 318,233	$ 1,333

b) Financing facilities

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank overdraft facility (reviewed annually)			
—Used amount	$ 42,404	$ 2,164	$ -
—Unused amount	167,596	207,836	210,000
	$ 210,000	$ 210,000	$ 210,000
Secured bank borrowing facility (extendable by mutual agreement)			
—Used amount	$ 316,833	$ 355,747	$ 381,416
—Unused amount	228,642	503,522	573,971
	$ 545,475	$ 859,269	$ 955,387

28. Related Party Transactions

The transactions, account balances, and income and expenses between the Company and its subsidiaries (related parties) are all eliminated at the time of consolidation; therefore, they are not disclosed in this note. In addition to the disclosure in other notes, the transactions between the Consolidated Company and other related parties are as follows.

(1) Name and relationship of related parties

Name of related praties	Relation with the Consolidated Company
Isotech Products Incorporated	Substantial related party
Chaei Hsin Enterprise Co., Ltd.	Substantial related party
Liou, Han -Yin	Key management personnel
Wang, Shui - Mu	Key management personnel

(2) Sale revenue

Account	Classification of Related party	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Sales revenue	Substantial related party	$ 1,793	$ 32,602	$ 11,746	$ 83,665

Transactions with related parties are carried out at the agreed prices between both parties, with a payment term of 90 days from the end of the month, in principle.

(3) Purchase

Classification of Related party	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Substantial related party	$ 208	$ 550	$ 745	$ 2,662

The price and transaction terms for purchases made by the Consolidated Company from related parties are determined by mutual agreement, with a payment period of 90 days from the end of each month.

(4) Receivables from related parties (excluding the loaning of funds to the related parties)

Account	Classification/Name of Related party	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	Substantial related party	$ 924	$ 1,224	$ 2,152
Accounts receivable	Substantial related party			
	Chaei Hsin Enterprise Co., Ltd.	$ 28	$ 19,714	$ 44,556
	Others	930	1,231	947
		$ 958	$ 20,945	$ 45,503

There is no guarantee for the outstanding receivables from related parties. As of September 30, 2025, December 31, 2024, and September 30, 2024, the provision for doubtful accounts related to receivables from related parties was NT$ 0 thousand, NT$ 133 thousand and NT$ 159 thousand, respectively.

(5) Payables to related parties (excluding the loaning of funds from the related parties)

Account	Classification of Related party	September 30, 2025	December 31, 2024	September 30, 2024
Notes payable	Substantial related party	$ 501	$ 323	$ 255
Accounts payable	Substantial related party	$ -	$ 205	$ 323

The balance of payables to related parties outstanding is unsecured.

(6) Endorsements/guarantees

Guaranteed by

Classification of Related party	September 30, 2025	December 31, 2024	September 30, 2024
The amount guaranteed by key management personnel	$ 291,335	$ 388,355	$ 519,950
Actual amount drawn	$ 100,000	$ 110,000	$ 150,000

(7) Remunerations to the management

The total remuneration of directors and other key management personnel is as follows:

	For the Three Months Ended September 30,2025	For the Three Months Ended September 30,2024	For the Nine Months Ended September 30,2025	For the Nine Months Ended September 30,2024
Short-term employee benefits	$ 1,549	$ 2,208	$ 8,376	$ 7,809

The remuneration of directors and other key management personnel is determined by the Remuneration Committee of the Company based on individual performance and market trends. In addition, the Consolidated Company provides official cars for business use by key management personnel, with a total acquisition cost of NT$ 2,290 thousand.

29. Collateral Assets

The following assets of the Consolidated Company have been pledged as collateral for short-term and long-term borrowings:

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged bank deposit	$ 30,000	$ 30,000	$ 30,000
Property, plant, and equipment	114,172	114,992	115,597
Right-of-use assets	5,088	5,475	5,578
	$ 149,260	$ 150,467	$ 151,175

30. Contractual Commitment with Material or Liabilities without Recognition

As of September 30, 2025, December 31, 2024, and September 30, 2024, the balance of letters of credit issued but unused was USD 79 thousand, USD 89 thousand, and USD 74 thousand, respectively.

31. Information on Significantly Influential Assets and Liabilities in Foreign Currency

The following information is summarized and expressed in foreign currencies other than the functional currencies of each business entity in the Consolidated Company. The disclosed exchange rates refer to the exchange rates for the conversion of the foreign currencies into functional currencies. The influential assets and liabilities in foreign currency are as follows:

September 30, 2025

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 13,268	30.445	$ 403,944
CNY	12,933	4.271	55,237
			$ 459,181
Foreign currency liabilities			
Monetary item			
USD	3,731	30.445	$ 113,590
CNY	25	4.271	107
			$ 113,697

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 11,201	32.785	$ 367,225
CNY	14,007	4.478	62,723
			$ 429,948
Foreign currency liabilities			
Monetary item			
USD	2,887	32.785	$ 94,650
CNY	12	4.478	54
			$ 94,704

September 30, 2024

	Foreign currency	Exchange rate	Carrying amount
Foreign currency liabilities			
Monetary item			
USD	$ 11,064	31.650	$ 350,176
CNY	12,767	4.523	57,745
ZAR	5,273	1.781	9,391
			$ 417,312
Foreign currency liabilities			
Monetary item			
USD	3,228	31.650	$ 102,166
CNY	3	4.523	14
			$ 102,180

The foreign exchange gains (losses) (realized and unrealized) of the Consolidated Company for the three months and nine months ended September 30, 2025, and 2024, respectively, were NT$ 1,725 thousand, NT$ 1,228 thousand, NT$ (3,418) thousand and NT$ 4,232 thousand, respectively. Due to the variety of foreign currency transactions and functional currencies of individual entities within the Consolidated Company, it is not possible to disclose the exchange gains or losses by significant foreign currency types.

32. Notes to Disclosure

(1) Information on major transactions:

A) Financing provided to others: Table 1.

B) Endorsements/guarantees provided: None.

C) The Marketable securities held (excluding investment in the equity of the subsidiaries and associates): None.

D) Total purchases from or sales to related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.

E) Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.

F) Others: The business relationship between the parent company and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions: Table 2.

(2) Investment-related information: Table 3.

(3) Information on investment in Mainland China:

A) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 4.

B) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, unrealized gains or losses and other information relevant to understanding the impact of Mainland China investment on the financial statements: Table 5.

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) The 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.

33. Segment Information

The operating decision-makers of the Consolidated Company focus on the financial information of each operating segment to allocate resources and evaluate segment performance, and the measurement basis of this financial information is the same as that of the financial statements. The reporting segments of the Consolidated Company are Taiwan, Mainland China, and Vietnam.

(1) Segment revenues and operating results

The revenue and operating results of the Consolidated Company are analyzed by the reporting segments as follows.

	Taiwan	Mainland China	Vietnam	intercompany elimination	Total
For the Nine Months Ended September 30, 2025					
Revenue from external customers	$ 531,480	$ 113,567	$ 123,627	$ -	$ 768,674
Inter-segment revenue	40,858	2,127	76	(43,061)	-
Segment revenue	$ 572,338	$ 115,694	$ 123,703	($ 43,061)	$ 768,674
Segment profit	$ 2,366	$ 939	$ 2,693	$ -	$ 5,998
Non-operating income and expenses					6,137
Pre-tax Profit					$ 12,135

	Taiwan	Mainland China	Vietnam	intercompany elimination	Total
For the Nine Months Ended September 30, 2024					
For the Nine Months Ended September 30, 2025	$ 599,706	$ 159,661	$ 131,626	$ -	$ 890,993
Revenue from external customers	48,577	49,267	226	(98,070)	-
Inter-segment revenue	$ 648,283	$ 208,928	$ 131,852	($ 98,070)	$ 890,993
Segment revenue	$ 12,755	$ 12,071	$ 3,767	$ -	$ 28,593
Segment profit					13,850
Non-operating income and expenses					$ 42,443

Segment profit refers to the profits earned by each segment, excluding allocated headquarters management costs and director remuneration, as well as non-operating income and expenses. This measurement amount is provided to the main operating decision-makers for allocating resources to segments and evaluating their performance.

(3) Segment assets and liabilities

The assets and liabilities of consolidated companies are not made available to the operating decision-makers; therefore, the measurement amounts of assets and liabilities are not disclosed.

Headway Advanced Materials Inc. and Subsidiaries

Financing Provided to Others

From January 1 to September 30, 2025

Table 1 Unit: In NTD Thousand, Unless Stated Otherwise

No.	Lender	Borrower	Account	Related party	Maximum balance for the period	Ending balance	Actual amount drawn	Interest rate range	Nature of financing	Transaction amount	Reason for financing	Allowance for bad debt	Collateral		Financing limits for each borrower	Lander’s total financing limit	Note
													Item	Value			
1	URASIA	Shanghai Huiyu Company	Other receivable	Y	$ 17,084	$ -	$ -	2.5%	Remark 2	$ -	Working capital	$ -	—	$ -	$ 295,129	$ 295,129	Remark 1
		The Company	Other receivable	Y	121,780	91,335	91,335	2.5~3%	Remark 2	-	Working capital	-	—	-	295,129	295,129	Remark 1

Remark 1: The short-term financing provided by URASIA INTERNATIONAL INC. to entities in need of working capital are subject to individual and aggregate limits, which shall not exceed 40% of the net worth of the Company either.

Remark 2: In need of short-term financing.

Headway Advanced Materials Inc. and Subsidiaries

The business relationship between the parent company
and the subsidiaries and between each subsidiary,
and the circumstances and amounts of any significant transactions:

From January 1 to September 30, 2025

Table 2 Unit: In NTD Thousand

Code (Remark 1)	Company Name	Counter Party	Relationship (Remark2)	Transactions			
				Account	Amount (Remark 5)	Trade terms	Ratio to consolidated income or assets (%) (Remark 3)
0	The Company	TPU Company	1	Cost of sales	$ 4,054	Remark 4	-
				Notes payable	1,521	Remark 4	-
		Headway Vietnam Company	1	Sales revenue	17,128	Remark 4	2
				Accounts receivable	10,982	Remark 4	1
		Shanshui Lianmei Company	1	Sales revenue	18,703	Remark 4	2
				Accounts receivable	13,520	Remark 4	1
		URASIA	1	Short-term borrowing	91,335	As mutually agreed	6
				Interest expense	2,161	As mutually agreed	-
1	Shanshui Lianmei Company	Shanghai Huiyu Company	3	Sales expense	1,367	Remark 4	-
2	Shanghai Huiyu Company	Anhui Huiyu Company	3	Cost of sales	2,020	Remark 4	-
				prepayment for purchases	8,115	Remark 4	1

Remark 1: Information regarding business transactions between the parent company and its subsidiaries should be indicated separately in the "Code" column. The method for filling in the code is as follows:

1.Enter "0" for the parent company.

2.Subsidiaries should be numbered sequentially starting from "1" using Arabic numerals, based on each individual company.

Remark 2: There are three types of relationships with the counter party. Please indicate the type only:

1.Parent company to subsidiary.

2.Subsidiary to parent company.

3.Subsidiary to subsidiary.

Remark 3: The calculation of the transaction amount as a percentage of total consolidated revenue or total consolidated assets is as follows:

1. For the balance sheet accounts, the percentage is calculated based on the ending balance relative to the total consolidated assets.

2. For the income statement accounts, the percentage is calculated based on the accumulated amount as of period-end relative to the total consolidated revenue.

Remark 4: The selling prices of products to subsidiaries by the Company are generally equivalent to those charged to third-party customers, with a payment term of 90 days after month-end. However, for certain products that assist subsidiaries in expanding local business, their selling prices are based on agreed prices between the Company and the subsidiaries. As of September 30, 2025, the payment terms for subsidiaries are subject to their respective financial conditions.

Remark 5: This column discloses only related party transactions amounting to NT$1,000 thousand or more.

Headway Advanced Materials Inc. and Subsidiaries

Information on investees

From January 1 to September 30, 2025

Table 3

Unit: In Thousands of NTD, Unless Stated Otherwise

Investor company	Investee company	Location	Main businesses and products	Original Investment Amount		Balance as of September 30, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2025	December 31, 2024	Shares (Thousand shares)	Ratio (%)	Carrying Amount			
The Company	URASIA	Panama	General investment business	$ 180,087	$ 180,087	83	100	$ 689,961	$ 15,842	$ 15,276	—
	TPU Company	Taiwan	Manufacturing and sales of TPU	68,084	68,084	6,808	50	88,417	(5,928)	(2,852)	—
URASIA	Headway Vietnam Company	Vietnam	PU resin products	USD 5,000 thousand	USD 5,000 thousand		100	USD5,488 thousand	USD149 thousand	USD149 thousand	—
	Cheng Yu Company	Hong Kong	General investment business	USD 7,384 thousand	USD 7,384 thousand		100	USD7,174 thousand	USD468 thousand	USD468 thousand	—

Remark: Please refer to Table 4 for the information on investment in Mainland China.

Headway Advanced Materials Inc. and Subsidiaries

Information on Investment in Mainland China

From January 1 to September 30, 2025

Table 4

Unit: In Thousands of NTD, Unless Stated Otherwise

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outward remittance for investments from Taiwan as of January 1, 2025	Investment flows		Accumulated outward remittance for investments from Taiwan as of September 30, 2025	Percentage of ownership of direct or indirect investment	Investment gain (Loss)	Carrying amount as of September 30, 2025	Accumulated repatriation of investment income as of September 30, 2025 (Remark 5)
					Outward	Inward					
Shanghai Huiyu Company	Construction of housing projects, construction of municipal public works projects, construction of mechanical and electrical installation projects, construction of building decoration projects, construction of anti-corrosion and waterproofing projects, construction of sports tracks, stadiums, artificial turf projects, and wholesale of sports field materials.	CNY 10,600 thousand	Remark 1	USD 324 thousand	$ -	$ -	USD 324 thousand	74%	(USD 285 thousand)	USD 758 thousand	USD 5,958 thousand
Shanshui Lianmei Company	PU resin products	CNY 45,178 thousand	Remark 2					100%	HKD 3,652 thousand	HKD 55,817 thousand	-
Anhui Huiyu Company	Research, manufacturing, import and export of plastic materials for sports fields, and sports facility construction.	CNY 8,058 thousand	Remark 3					100%	(CNY 536 thousand)	(CNY 190 thousand)	-

Accumulated outward remittance for investments in Mainland China as of September 30, 2025	Investment amount authorized by the Investment Commission, MOEA	Limits on the investment in Mainland China according to the Investment Commission, MOEA
USD 324 thousand	USD23,020 thousand and HKD 26,200 thousand	(Remark 4)

Remark 1: Invested through subsidiary URASIA.

Remark 2: Invested through subsidiary Cheng Yu Company.

Remark 3: Invested through Shanghai Huiyu Company.

Remark 4: According to the revised "Principles for Reviewing Investment or Technical Cooperation in the Mainland" on August 29, 2008, enterprises that have been issued a certificate of operation headquarters scope by the Industrial Development Bureau of the Ministry of Economic Affairs are not subject to this limit.

Remark 5: As of September 30, 2025, the accumulated investment income repatriated was USD 5,958 thousand for Shanghai Huiyu Company, which exceeded the cumulative investment amount remitted out, and the Investment Commission, MOEA has approved USD 5,958 thousand.

Headway Advanced Materials Inc. and Subsidiaries

Significant Transactions with Investee Companies in Mainland China, either Directly or Indirectly through a Third Party, and their Prices, Payment Terms, Unrealized Gains or Losses and Other Related Information

From January 1 to September 30, 2025

Table 5 Unit: In Thousands of NTD, Unless Stated Otherwise

Investee company	Transaction type	Purchase, sales		Price	Transaction terms		Notes receivable (payable), accounts receivable (payable)		unrealized gains/losses	Note
		Amount	Percentage		Payment term	Comparison with ordinary transactions	Amount	Percentage		
Shanshui Lianmei Company	Sales	$ 18,703	2%	Remark	Remark	Remark	$ 13,520	6%	$ 3,237	—

Remark: The selling prices of products to subsidiaries by the Company are generally equivalent to those charged to third-party customers, with a payment term of 90 days after the month-end. However, for certain products that assist subsidiaries in expanding local business, their selling prices are based on agreed prices between the Company and the subsidiaries. As of September 30, 2025, the payment terms for subsidiaries are subject to their respective financial conditions.