HEADWAY ADVANCED MATERIALS INC. AND SUBSIDIARIES

Consolidated Financial Statements for the Three Months Ended March 31, 2026, and 2025 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 March 31, 2026, and 2025, and the statements of consolidated comprehensive income, changes in consolidated equity, consolidated cash flows from January 1 to March 31, 2026, and 2025, 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 people 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 March 31, 2026 and 2025, combined total assets of these non-significant subsidiaries were NT$ 354,606 thousand and NT$ 474,783 thousand, respectively, representing 24% and 29%, respectively, of the consolidated total assets, and

combined total liabilities of these subsidiaries were NT$ 15,392 thousand and NT$ 21,475 thousand, respectively, representing 3% and 3%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2026 and 2025, the amounts of combined comprehensive income of these subsidiaries were NT$ 4,711 thousand and NT$ (1,023) thousand, representing 14% and (10)%, 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 March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three-month then ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC of the ROC.

Deloitte & Touche
Taipei, Taiwan Republic of China
May 12, 2026

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

Auditor Chih Yuan Wen
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No. 1130349292

Headway Advanced Materials Inc. and Subsidiaries

Consolidated Balance Sheets

March 31, 2026 & 2025

Units: In Thousands of New Taiwan Dollars

Code	Assets	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6)	$ 434,102	29	$ 465,543	32	$ 503,612	30
1110	Financial assets at fair value through profit or loss – current (Note 7)	38,149	3	36,964	3	-	-
1136	Financial assets at amortized cost - current (Note 9)	115,181	8	90,140	6	96,329	6
1150	Notes receivable, net (Note 11 & 28)	33,725	2	33,461	2	35,866	2
1170	Accounts receivable, net (Note 11 & 28)	200,475	14	199,471	14	251,254	15
1220	Current tax assets	375	-	374	-	116	-
130X	Inventories (Note 12)	227,560	15	203,294	14	275,049	17
1476	Other financial assets-current (Note 10 & 29)	-	-	-	-	30,000	2
1479	Other current Assets (Note 17)	10,435	1	6,877	-	9,719	1
11XX	Total Current Assets	1,060,002	72	1,036,124	71	1,201,945	73
	Non-current Assets						
1510	Financial assets at fair value through profit or loss, non-current (Note 7)	35,302	2	34,291	2	34,058	2
1517	Financial assets at fair value through other comprehensive income, non-current (Note 8)	922	-	1,022	-	1,312	-
1535	Non-current financial assets at amortized cost (Note 9)	6,943	1	12,559	1	16,006	1
1600	Property, plant, and equipment (Note 14 & 29)	272,271	19	277,317	19	299,373	18
1755	Right-of-use assets (Note 15)	50,216	3	51,309	4	58,690	4
1780	Intangible assets	5,940	-	6,363	-	1,022	-
1805	Goodwill (Note 16)	1,757	-	1,706	-	1,735	-
1840	Deferred tax assets	29,008	2	32,403	2	25,300	1
1980	Other financial assets – non-current (Note 10 & 29)	2,951	-	1,991	-	-	-
1990	Other non-current assets (Note 17 & 20)	9,849	1	11,175	1	15,194	1
15XX	Total Non-current Assets	415,159	28	430,136	29	452,690	27
1XXX	Total Assets	$ 1,475,161	100	$ 1,466,260	100	$ 1,654,635	100
Code	Liabilities & Equity						
	Current Liabilities						
2100	Short-term borrowings (Note 18 & 29)	$ 28,822	2	$ 108,416	8	$ 84,795	5
2130	Contract liabilities (Note 22)	1,267	-	1,220	-	1,053	-
2150	Notes payable (Note 28)	65,771	5	64,398	4	71,424	4
2170	Accounts payable (Note 28)	91,701	6	47,699	3	81,978	5
2220	Other payables (Note 19)	94,945	6	53,789	4	111,675	7
2230	Current tax liabilities	27,571	2	24,488	2	6,768	-
2280	Lease liabilities – current (Note 15)	18,123	1	17,086	1	11,512	1
2399	Other current liabilities	4,754	-	5,601	-	7,596	1
21XX	Total Current Liabilities	332,954	22	322,697	22	376,801	23
	Non-current Liabilities						
2540	Long-term borrowings (Note 18 & 29)	180,000	12	180,000	12	250,000	15
2570	Deferred tax liabilities	27,138	2	25,973	2	25,653	1
2580	Lease liabilities, non-current (Note 15)	11,011	1	11,951	1	17,181	1
25XX	Total Non-current Liabilities	218,149	15	217,924	15	292,834	17
2XXX	Total Liabilities	551,103	37	540,621	37	669,635	40
	Equity (Note 21)						
	Equity Attributable to Owners of The Company						
	Capital						
3110	Common stock capital	601,070	41	601,070	41	601,070	36
3200	Capital surplus	13,104	1	13,104	1	13,104	1
	Retained earnings						
3310	Legal reserve	195,052	13	225,105	15	220,378	13
3320	Special reserve	46,600	3	46,600	3	68,170	4
3350	Unappropriated retained earnings	65,182	5	49,862	4	23,288	2
3300	Total Retained Earnings	306,834	21	321,567	22	311,836	19
3400	Other equity	(58,777)	(4)	(70,060)	(5)	(42,305)	(2)
31XX	Total Equity Attributable to Owners of The Company	862,231	59	865,681	59	883,705	54
36XX	Non-controlling Interests	61,827	4	59,958	4	101,295	6
3XXX	Total Equity	924,058	63	925,639	63	985,000	60
	Total Liabilities & Equity	$ 1,475,161	100	$ 1,466,260	100	$ 1,654,635	100

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

(With Deloitte & Touche auditors' review report dated May 12, 2026)

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 Ended March 31, 2026 & 2025

Unit: In Thousands of NTD, EPS in NTD

Code		For the Three Months Ended March 31,2026		For the Three Months Ended March 31, 2025	
		Amount	%	Amount	%
4000	Net operating revenue (Note 22, 29 & 33)	$ 275,332	100	$ 277,262	100
5000	Operating costs (Note 12, 23 &28)	211,787	77	235,461	85
5900	Gross Profit	63,545	23	41,801	15
	Operating expenses (Note 23)				
6100	Selling expenses	10,997	4	12,443	4
6200	Administrative expenses	23,289	8	20,896	8
6300	Research and development expenses	4,786	2	5,165	2
6450	Expected credit loss (gain)	(2,557)	(1)	330	-
6000	Total operating expenses	36,515	13	38,834	14
6900	Profit on operations	27,030	10	2,967	1
	Non-operating income and Expenses (Note 23)				
7100	Interest income	2,107	1	3,934	1
7010	Other income	1,819	1	1,713	1
7020	Other gains and losses	419	-	1,445	1
7050	Financial costs	(1,290)	(1)	(1,847)	(1)
7000	Total non-operating income and expenses	3,055	1	5,245	2
7900	Pre-tax Profit (loss)	30,085	11	8,212	3
7950	Income tax (Note 24)	(7,189)	(2)	(2,194)	(1)
8200	Net Profit for the period	22,896	9	6,018	2

Code		For the Three Months Ended March 31,2026		For the Three Months Ended March 31, 2025	
		Amount	%	Amount	%
	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	($ 100)	-	$ 59	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statement of foreign operations (Note 21)	14,532	5	5,528	2
8399	Income tax related to items that may be reclassified (Note 21)	(2,845)	(1)	(1,059)	-
8300	Total other comprehensive income (After Tax)	11,587	4	4,528	2
8500	Total comprehensive income	$ 34,483	13	$ 10,546	4
	Profit (loss) attributable to:				
8610	The Company owners	$ 21,331	8	$ 8,641	3
8620	Non-controlling interests	1,565	-	(2,623)	(1)
8600		$ 22,896	8	$ 6,018	2
	Comprehensive income attributable to:				
8710	The Company owners	$ 32,614	12	$ 12,937	5
8720	Non-controlling interests	1,869	1	(2,391)	(1)
8700		$ 34,483	13	$ 10,546	4

Code		For the Three Months Ended March 31,2026 Amount	%	For the Three Months Ended March 31, 2025 Amount	%
	Earnings per share (Note 25)				
9750	Basic	$ 0.35		$ 0.14	
9850	Diluted	$ 0.35		$ 0.14	

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

(With Deloitte & Touche auditors' review report dated May 12, 2026)

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 March 31, 2026 & 2025

Unit: In Thousands of NTD, unless stated otherwise

Code		Equity Attributable to The Company Owners														
		Common stock capital			Retained earnings				Other Equity							
		Shares (Thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of the financial statement of foreign operations	Unrealized revaluation increments	Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	Total	Total	Non-controlling Interests	Total Equity
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:														
B5	Cash dividends	-	-	-	-	-	(48,086)	(48,086)	-	-	-	-	(48,086)	-	(48,086)
D1	Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	-	8,641	8,641	-	-	-	-	8,641	(2,623)	6,018
D3	Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	-	4,237	-	59	4,296	4,296	232	4,528
D5	Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	8,641	8,641	4,237	-	59	4,296	12,937	(2,391)	10,546
Z1	Balance as of March 31, 2025	60,107	$ 601,070	$ 13,104	$ 220,378	$ 68,170	$ 23,288	$ 311,836	($ 45,917)	$ 6,800	($ 3,188)	($ 42,305)	$ 883,705	$ 101,295	$ 985,000
A1	Balance as of January 1, 2026	60,107	$ 601,070	$ 13,104	$ 225,105	$ 46,600	$ 49,862	$ 321,567	($ 73,382)	$ 6,800	($ 3,478)	($ 70,060)	$ 865,681	$ 59,958	$ 925,639
	2025 Appropriation and distribution of retained earnings:														
B5	Cash dividends	-	-	-	-	-	(6,011)	(6,011)	-	-	-	-	(6,011)	-	(6,011)
B5	Cash Distribution from Legal Reserve	-	-	-	(30,053)	-	-	(30,053)	-	-	-	-	(30,053)	-	(30,053)
D1	Net profit (loss) for the three months ended March 31, 2026	-	-	-	-	-	21,331	21,331	-	-	-	-	21,331	1,565	22,896
D3	Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	-	11,383	-	(100)	11,283	11,283	304	11,587
D5	Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	21,331	21,331	11,383	-	(100)	11,283	32,614	1,869	34,483
Z1	Balance as of March 31, 2026	60,107	$ 601,070	$ 13,104	$ 195,052	$ 46,600	$ 65,182	$ 306,834	($ 61,999)	$ 6,800	($ 3,578)	($ 58,777)	$ 862,231	$ 61,827	$ 924,058

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

(With Deloitte & Touche auditors' review report dated May 12, 2026)

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 Three Months Ended March 31, 2026 & 2025

Unit: In Thousands of NTD

Code		For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
	Cash Flows from Operating Activities:		
A10000	Pre-tax Profit (loss)	$ 30,085	$ 8,212
A20000	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	11,663	12,300
A20200	Amortization expense	430	145
A20300	Expected credit loss (reversal of provision)	(2,557)	330
A20400	Net loss (gain) on financial liabilities at fair value through loss(profit)	167	(842)
A20900	Interest cost	1,290	1,847
A21200	Interest income	(2,107)	(3,934)
A23700	Loss (gain) for market price decline and obsolete and slow-moving inventories	(1,380)	8,435
A24100	Loss (gain) on foreign exchange, net	(17,065)	(891)
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	(264)	11,081
A31150	Accounts receivable	5,431	37,755
A31200	Inventories	(23,695)	(7,908)
A31240	Other current assets	(3,166)	1,472
A31990	Net defined benefit assets	(26)	(14)
A32130	Notes payable	1,373	(1,659)
A32150	Accounts payable	43,625	(9,127)
A32180	Other payable	4,197	(5,152)
A32125	Contract liabilities	47	(4,514)
A32230	Other current liabilities	(847)	(1,014)
A33000	Cash generated (used in) from operations	47,201	46,463
A33300	Interest paid	(1,215)	(1,683)
A33500	Income tax paid	(2,392)	(655)
AAAA	Net Cash Generated (Used In) from Operating Activities	43,594	44,125

Cash Flows from Investing Activities:

Code		For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
B00040	Payment for financial assets at amortized cost	($ 17,310)	($ 6,940)
B00050	Proceeds from disposal of financial assets at amortized cost	-	12,618
B00100	Acquisition of financial assets at fair value through profit or loss	(1,768)	(2,012)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	611	-
B02700	Payment for property, plant, and equipment	(2,238)	(2,549)
B03800	Decrease in guarantee deposits paid	1,317	-
B06500	Increase in other financial assets	(945)	-
B07100	Increase in prepayments for equipment	-	(246)
B07500	Interest received	1,860	4,137
BBBB	Net Cash Generated (Used In) from Investing Activities	(18,473)	5,008
	Cash Flows from Financing Activities:		
C00100	Increase (decrease) in Short-term borrowings	(79,607)	4,187
C01700	Payment for long-term borrowings	-	(25,000)
CCCC	Net Cash Generated (Used In) from Financing Activities	(79,607)	(20,813)
DDDD	Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies	23,045	5,311
EEEE	Net Increase in Cash and Cash Equivalents	(31,441)	33,631
E00100	Cash and Cash Equivalents at the Beginning of the Period	465,543	469,981
E00200	Cash and Cash Equivalents at the End of the Period	$ 434,102	$ 503,612

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

(With Deloitte & Touche auditors' review report dated May 12, 2026)

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

Headway Advanced Materials Inc. and Subsidiaries
Notes on Consolidated Financial Statements
For the Three Months Ended March 31, 2026 & 2025
(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 May 5, 2026.

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.

The Company has started applying the amended International Financial Reporting Standards (IFRSs) that were recognized and announced by the Financial Supervisory Commission (FSC), and it will not have a significant impact on the accounting policies of the Consolidated Company.

(2) 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 the 2025 amendments)	January 1, 2027
Amendments to IFRS 21 regarding the " Translation to a Hyperinflationary Presentation Currency”	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: On September 25, 2025, the Financial Supervisory Commission (FSC) announced that domestic companies shall apply IFRS 18 effective from January 1, 2028. Companies may also elect to early adopt the standard after it is endorsed by the FSC.

A) 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) The consolidated company shall assess whether it engages in specified main business activities of investing in specific types of assets and providing financing to customers, in order to classify income and expense items in the statement of profit or loss into the operating, investing, financing, income tax, and discontinued operations categories.

b) 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.

e) When preparing cash flows from operating activities using the indirect method, the consolidated company shall use operating profit or loss as the starting point for reconciliation.

f) Interest and dividends received by the consolidated company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the consolidated company assesses that it engages in specified main business activities, it must consider the categories in which dividend income, interest income, and interest expense are presented in the statement of profit or loss to determine the classification of dividends received,

interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows can only be classified into a single activity in the statement of cash flows.

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 4 and Table 5 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 2025 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 2025 fiscal year consolidated financial statements.

6. Cash and Cash Equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	$ 461	$ 371	$ 574
Bank checking deposit and demand deposit	399,278	418,970	309,685
Cash equivalents			
Bank term deposit	34,363	46,202	193,353
	$ 434,102	$ 465,543	$ 503,612

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets – current			
Measured at fair value through profit and loss mandatorily			
Hybrid financial assets —Structured products	$ 9,280	$ 8,999	$ -
Non-derivative financial assets —Wealth management products	28,869	27,965	-
	$ 38,149	$ 36,964	$ -
Financial assets – non-current			
Measured at fair value through profit and loss mandatorily			
Non-derivative financial assets			

	March 31, 2026	December 31, 2025	March 31, 2025
－Foreign Bonds	$ 28,932	$ 29,516	$ 29,211
－Domestic TWSE/TPEx listing stock	6,370	4,775	927
－Domestic Fund Beneficiary certificate	-	-	3,920
	$ 35,302	$ 34,291	$ 34,058

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

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Domestic investment			
Non-TWSE/TPEx listing stock	$ 922	$ 1,022	$ 1,312

The Consolidated Company has based on the mid-term and long-term strategic purpose to invest in non-TWSE/TPEx listing 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

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Term deposits with original maturity of more than 3 months	$ 115,181	$ 90,140	$ 96,329
Non-Current			
Term deposits with original maturity of more than 12 months	$ 6,943	$ 12,559	$ 16,006

10. Other Financial Assets

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Pledged bank deposit	$ -	$ -	$ 30,000

Non-current			
Pledged bank deposit	$ 2,951	$ 1,991	$ -

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

11. Notes Receivable and Accounts Receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
Measured at the amortized cost			
Total book amount	$ 33,725	$ 33,461	$ 35,963
Less: Allowance for loss	-	-	(97)
	$ 33,725	$ 33,461	$ 35,866
Accounts receivable			
Measured at the amortized cost			
Total book amount	$ 226,408	$ 227,187	$ 281,237
Less: Allowance for loss	(25,933)	(27,716)	(29,983)
	$ 200,475	$ 199,471	$ 251,254

Accounts receivable

The credit period granted to customers by the consolidated company is generally 30 to 120 days from the end of the month. Before accepting a new customer, the consolidated company uses a credit rating system to assess the potential customer's credit quality and establish a credit limit. Customer credit limits and ratings are reviewed annually.

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:

March 31, 2026

	Not Overdue	Overdue 1 ~ 90 days	Overdue 91~180 days	Overdue Over 180 days	Total
Total book amount	$ 221,273	$ 12,064	$ 1,378	$ 25,418	$ 260,133
Allowance for loss (expected credit loss in the duration)	(65)	(176)	(274)	(25,418)	(25,933)
Amortized cost	$ 221,208	$ 11,888	$ 1,104	$ -	$ 234,200

December 31, 2025

	Not Overdue	Overdue 1 ~ 90 days	Overdue 91~180 days	Overdue Over 180 days	Total
Total book amount	$ 217,775	$ 15,538	$ 1,463	$ 25,872	$ 260,648
Allowance for loss (expected credit loss in the duration)	(225)	(967)	(652)	(25,872)	(27,716)
Amortized cost	$ 217,550	$ 14,571	$ 811	$ -	$ 232,932

March 31, 2025

	Not Overdue	Overdue 1 ~ 90 days	Overdue 91~180 days	Overdue Over 180 days	Total
Total book amount	$ 242,898	$ 23,246	$ 6,500	$ 44,556	$ 317,200
Allowance for loss (expected credit loss in the duration)	(75)	(270)	(2,790)	(26,945)	(30,080)
Amortized cost	$ 242,823	$ 22,976	$ 3,710	$ 17,611	$ 287,120

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

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Beginning Balance	$ 27,716	$ 29,155
Add: Expected credit impairment loss (reversed) for the current year	-	330
Less: Actual write-off for the current year	(2,557)	-
Exchange differences on	774	595

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
translation		
Ending Balance	$ 25,933	$ 30,080

12. Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Commodities	$ 928	$ 872	$ 2,097
Finished goods	109,459	104,669	132,258
Work-in-process goods	11,118	7,338	10,334
Raw materials	106,055	90,415	130,360
	$ 227,560	$ 203,294	$ 275,049

The nature of the operating cost is as follows:

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Cost of inventory sold	$ 213,166	$ 227,175
Inventory impairment loss (reversed)	(1,380)	8,435
Physical inventory Gain (loss)	1	(149)
	$ 211,787	$ 235,461

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		
				March 31, 2026	December 31, 2025	March 31, 2025
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	Shanghai	74%	74%	74%

Name of Investing Company	Name of Subsidiary	Nature of Business	Location of establishment and operation	The ratio of ownership equity held by The Company		
				March 31, 2026	December 31, 2025	March 31, 2025
		projects, construction of anti-corrosion and waterproofing projects, construction of sports tracks, stadiums, artificial turf projects, and wholesale of sports field materials.				
	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 first quarter of 2026 and the first quarter of 2025, 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, TPU Company, through a resolution at its extraordinary general meeting of shareholders, approved a cash capital reduction of NT$80,000 thousand to return capital to its shareholders, involving the cancellation of 8,000 thousand ordinary shares.

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

Name of Subsidiary	The ratio of equity and voting rights held by non-controlling interests		
	March 31, 2026	December 31, 2025	March 31, 2025
TPU Company	50%	50%	50%

The information on the Company's main business premises and the country of registration is available in Table 5

Name of Subsidiary	Profit and loss distributed to non-controlling interest		Non-controlling interests		
	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025	March 31, 2026	December 31, 2025	March 31, 2025
TPU Company	$ 1,321	($ 1,026)	$ 51,407	$ 50,086	$ 90,986

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

	March 31, 2026	December 31, 2025	March 31, 2025
Current Assets	$ 121,188	$ 111,822	$ 189,706
Non-current Assets	34,275	36,725	42,487
Current Liabilities	(41,490)	(36,268)	32,692
Non-current Liabilities	(11,071)	(12,009)	17,185
Equity	$ 102,902	$ 100,270	$ 182,316
Equity			
Equity attributable to:			
The Company owners	$ 51,451	$ 50,135	$ 91,158
Non-controlling interests of TPU Company	51,451	50,135	91,158
	$ 102,902	$ 100,270	$ 182,316

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Operating Income	$ 38,456	$ 39,049
Net Profit (loss) for the period	$ 2,634	($ 2,052)
Other comprehensive income	-	-
Total comprehensive income	$ 2,634	($ 2,052)
Net Profit (loss) attributable to:		
The Company owners	$ 1,317	($ 1,026)
Non-controlling interests of TPU Company	1,317	(1,026)
	$ 2,634	($ 2,052)
Comprehensive income attributable to:		
The Company owners	$ 1,317	($ 1,026)
Non-controlling interests of TPU Company	1,317	(1,026)
	$ 2,634	($ 2,052)
Cash flow		
Operating activities	($ 1,624)	$ 8,531
Investing activities	141	375
Financing activities	974	(25,000)
Effect of exchange rate	487	244

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Net cash generated	($ 22)	($ 15,850)

14. Property, Plant and Equipment

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 109,145	$ 109,145	$ 109,145
House and Building	60,519	61,258	67,707
Machinery equipment	57,517	59,609	66,319
Transportation equipment	4,152	4,716	8,036
Miscellaneous equipment	2,602	2,872	2,677
Other equipment	37,416	38,797	39,044
Construction in progress	920	920	6,445
	$ 272,271	$ 277,317	$ 299,373

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 during the periods from January 1 to March 31, 2026 and 2025

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

Land improvements	25 Years
House and Building	5~47 Years
Machinery equipment	2~10 Years
Transportation equipment	4~10 Years
Miscellaneous equipment	3~05 Years
Other equipment	1~15 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

	March 31, 2026	December 31, 2025	March 31, 2025
Book amount of right-of-use assets:			
Right-of-use land	$ 25,703	$ 25,272	$ 26,927
Building	24,513	26,037	31,763
	$ 50,216	$ 51,309	$ 58,690

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Depreciation expense of right-of-use assets:		
Right-of-use land	$ 223	$ 227
Building	1,673	1,676
	$ 1,896	$ 1,903

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 March 31, 2026 and 2025 respectively.

(2) Lease liability

	March 31, 2026	December 31, 2025	March 31, 2025
Book amount of lease liability			
Current	$ 18,123	$ 17,086	$ 11,512
Non-current	$ 11,011	$ 11,951	$ 17,181

The discount rate ranges for lease liabilities are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
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 March 31,2026	For the Three Months Ended March 31,2025
Short-term lease expense	$ 348	$ 361
Low-value assets lease expense	$ 76	$ 16
Total lease cash (outflow)	$ 424	$ 377

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 Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Beginning Balance	$ 1,706	$ 1,700
Net exchange difference	51	35
Ending Balance	$ 1,757	$ 1,735

17. Other Assets

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Prepaid expenses	$ 5,207	$ 4,697	$ 4,595
Other receivable	2,304	1,019	2,037
Overpaid sales tax	-	-	2,174
Income tax refund receivable	525	452	432
Other	2,399	709	481
	$ 10,435	$ 6,877	$ 9,719

	March 31, 2026	December 31, 2025	March 31, 2025
Non-current			
Refundable deposit	$ 4,144	$ 5,459	$ 6,201
Net Defined Benefit Asset	4,426	4,400	2,248
Advance payments for equipment and construction	1,279	1,316	6,745
	$ 9,849	$ 11,175	$ 15,194

18. Borrowings

(1) Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged loans			
Bank loans	$ 25,974	$ 56,817	$ 83,108
Unsecured loans			
Credit line loans	2,848	51,599	1,687
	$ 28,822	$ 108,416	$ 84,795
Interest rates rank	1.91%	1.90%～1.93%	1.85%～1.86%

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.

(2) Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged loans			
Bank loan	$ 180,000	$ 180,000	$ 250,000
Interest rates rank	1.93%～1.95%	1.93%～1.95%	1.95%～2.22%
Period	2027.12.05～2027.12.30	2027.12.5～2027.12.30	2026.11.1～2029.5.17

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

	March 31, 2026	December 31, 2025	March 31, 2025
Payroll and bonus payable	$ 31,479	$ 32,710	$ 32,007

	March 31, 2026	December 31, 2025	March 31, 2025
Employee & director compensation payable	6,046	3,658	5,209
Payables on equipment	1,843	967	3,440
Dividend payable	36,064	-	48,086
Professional service payable	4,709	4,274	5,024
Other	14,804	12,180	17,909
	$ 94,945	$ 53,789	$ 111,675

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

For the three months ending March 31, 2026, and 2025, the pension expenses of defined benefit plans were NT$ (26) thousand and NT$ (14) thousand, respectively, and these were calculated based on the actuarially determined pension cost rate on December 31, 2025, and 2024, respectively.

21. Equity

(1) Common stock capital

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized stock shares (thousand shares)	80,000	80,000	80,000

	March 31, 2026	December 31, 2025	March 31, 2025
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

	March 31, 2026	December 31, 2025	March 31, 2025
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
Applicable for making up for losses, distributing cash, or capitalization	$ 13,104	$ 13,104	$ 13,104

Remark: The portion of capital surplus 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 2025 and 2024 earnings distribution proposals are as follows:

	2025	2024
Legal reserve	$ 1,837	$ 4,727
Special reserve	$ 30,259	($ 21,570)
Cash dividends	$ 6,011	$ 48,086
Cash dividend per share (NTD)	$ 0.1	$ 0.8

Additionally, the Company's board of directors resolved on March 11, 2026, to distribute cash of NT$30,053 thousand from the legal reserve.

The above cash dividends were resolved for distribution by the Board of Directors on March 11, 2026, and March 5, 2025, respectively. The appropriation of earnings for the year 2024 was approved at the shareholders' meeting held on May 27, 2025, while the appropriation for the year 2025 is pending approval at the shareholders' meeting scheduled for May 27, 2026.

(4) Other equity

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

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Beginning balance	($ 73,382)	($ 50,154)
Exchange differences on translation of the financial statement of foreign operations	14,228	5,296
Income tax effect	(2,845)	(1,059)
Ending balance	($ 61,999)	($ 45,917)

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

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Beginning balance	($ 3,478)	($ 3,247)
Incurred in the current year Unrealized profit and loss Equity instrument	(100)	59
Ending balance	($ 3,578)	($ 3,188)

22. Sales Revenue

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Revenue from contracts with customers:		
PU resin	$221,415	$213,324
Thermoplastic Polyurethane (TPU)	39,042	37,221
Others	14,875	26,717
	$275,332	$277,262

(1) Contract balance

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes receivable (Note 11)	$ 33,725	$ 33,461	$ 35,866	$ 46,934
Accounts receivable (Note 11)	$ 200,475	$ 199,471	$ 251,254	$ 286,589
Contract liabilities				
Contract liabilities-current	$ 1,267	$ 1,220	$ 1,053	$ 5,567

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 33 for details on subdivision of contract revenues.

23. Profit (loss) from Continuing Operations

(1) Interest income

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Bank deposits	$ 2,107	$ 3,934

(2) Other income

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Rental income	$ 1,646	$ 1,092
Miscellaneous income	173	621
	$ 1,819	$ 1,713

(3) Other gains and losses

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Net gain (loss) from foreign currency exchange	$ 1,349	$ 1,625
Profit (loss) from financial assets measured at fair value through profit and loss mandatorily	(167)	842
Miscellaneous losses	(763)	(1,022)
	$ 419	$ 1,445

(4) Financial costs

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Interest in bank borrowing	$ 1,194	$ 1,714
Interest in lease liabilities	96	133
	$ 1,290	$ 1,847

(5) Depreciation and Amortization

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Property, Plant and Equipment	$ 9,767	$ 10,397
Right-of-use assets	1,896	1,903
Intangible assets	430	145
	$ 12,093	$ 12,445
Depreciation expense summarized by functions		
Cost of sales	$ 10,212	$ 10,350
Operating expenses	1,417	1,916
Miscellaneous losses	34	34
	$ 11,663	$ 12,300
Amortization expense summarized by functions		
Cost of sales	$ 6	$ 6
Operating expenses	424	139
	$ 430	$ 145

(6) Employee benefit expense

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Short-term employee benefits	$ 34,714	$ 31,967
Post-employment benefits (Note 20)		
Defined contribution plan	1,092	1,185
Defined benefit plan	(26)	(14)
Other employee benefit	4,997	5,048
Total employee benefit expense	$ 40,777	$ 38,186
Summarized by functions		
Cost of sales	$ 19,443	$ 18,931
Operating expenses	21,334	19,255
	$ 40,777	$ 38,186

(7) Compensation to employees and directors

According to the Articles of Incorporation of the Company, if the Company sustains a profit in a fiscal year, 5% to 8% of the profit shall be allocated as employees' compensation and no more than 5% as directors' remuneration. However, if the Company has accumulated losses, a certain

amount shall be reserved to offset the losses. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company resolved at the shareholders' meeting on May 27, 2025, to amend its Articles of Incorporation, stipulating that 30% to 50% of the total employees' compensation allocated for the year shall be distributed to base-level employees. The employees' compensation (including base-level employees) and directors' remuneration for the years 2026 and 2025, respectively, were estimated as follows:

Estimation ratio

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Employee compensation	5%	5%
Director compensation	3%	3%

Amount

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Employee compensation	$ 1,431	$ 581
Director compensation	858	349

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 2025 and 2024, which were resolved by the Company’s board of directors on March 11, 2026, and March 5, 2025, respectively, are as follows:

	2025	2024
	Cash	Cash
Employee compensation	$ 2,286	$ 2,655
Director compensation	1,372	1,593

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 2025 and 2024.

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 March 31,2026	For the Three Months Ended March 31,2025
Current income tax		
Incurred in the current period	$ 5,474	$ 2,593
Deferred income tax		
Incurred in the current period	1,715	(399)
Income tax expense recognized in profit and loss	$ 7,189	$ 2,194

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 March 31,2026	For the Three Months Ended March 31,2025
Deferred income tax		
Incurred in the current period		
-Conversion through foreign operations	($ 2,845)	($ 1,059)
Income tax recognized in other comprehensive income	($ 2,845)	($ 1,059)

(3) Income tax audit

The corporate income tax returns of the Company and its subsidiaries have been examined and assessed by the tax authorities as follows:

Company	Year
The Company	2023
TPU Company	2024

25. Earnings per Share

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Basic earnings per share		
From continuing operations	$ 0.35	$ 0.14
Diluted earnings per share		
From continuing operations	$ 0.35	$ 0.14

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

Net profit for the period

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Net income for the calculation of basic and diluted earnings per share	$ 21,331	$ 8,641

Shares

Unit: Thousand shares

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Weighted average number of common stock shares for the calculation of basic earnings per share	60,107	60,107
The impact of potentially diluted common stock shares:		
Employee compensation	207	128
Weighted average number of common stock shares for the calculation of diluted earnings per share	60,314	60,235

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

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit and loss				
Foreign Bonds	$ 28,932	$ -	$ -	$ 28,932
Domestic TWSE/TPEx listing stock	6,370	-	-	6,370
Wealth management products	-	-	28,869	28,869
Structured products	-	9,280	-	9,280
Total	$ 35,302	$ 9,280	$ 28,869	$ 73,451
Financial assets measured at fair				

	Level 1	Level 2	Level 3	Total
value through other comprehensive income				
Equity instrument				
-Domestic non TWSE/TPEx listing stock	$ -	$ -	$ 922	$ 922

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit and loss				
Foreign Bonds	$ 29,516	$ -	$ -	$ 29,516
Domestic TWSE/TPEx listing stock	4,775	-	-	4,775
Wealth management products	-	-	27,965	27,965
Structured products	-	8,999	-	8,999
	$ 34,291	$ 8,999	$ 27,965	$ 71,255
Financial assets measured at fair value through other comprehensive income				
Equity instrument				
-Domestic non TWSE/TPEx listing stock	$ -	$ -	$ 1,022	$ 1,022

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets valued at fair value through profit and loss				
Foreign Bonds	$ 29,211	$ -	$ -	$ 29,211
Domestic Fund beneficiary certificate	3,920	-	-	3,920
Domestic TWSE/TPEx listing stock	927	-	-	927
	$ 34,058	$ -	$ -	$ 34,058
Financial assets measured at fair value through other comprehensive income				
Equity instrument investment				
-Domestic non-TWSE /TPEx listing stock	$	$ -	$ 1,312	$ 1,312

There was no transfer between Level 1 and Level 2 fair value measurements for the Three Months Ended March 31,2026 and March 31, 2025.

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

Financial Instrument	Evaluation Technology and the Input Value
Structured products	Estimated future cash flows based on observable interest rates at the balance sheet date,

discounted at the market interest rate.

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

Financial Instrument	Evaluation Technology and the Input Value
Wealth management products	Significant unobservable inputs are applied to determine the estimated income expected to be earned from holding this investment.
Domestic non TWSE/TPEx listing stock	Measured based on the net asset value as of the balance sheet date.

(3) Types of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets measured at fair value through other comprehensive income			
Equity instrument investments	$ 922	$ 1,022	$ 1,312
Financial assets measured at the amortized cost (Remark1)	799,825	809,643	941,305
Measured at fair value through profit and loss			
Financial assets measured at fair value through profit and loss mandatorily	$ 73,451	$ 71,255	$ 34,058
Financial liabilities			
Measured at the amortized cost (Remark2)	461,239	454,302	556,629

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, lease liabilities, 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) and the book value of derivative instruments with foreign exchange risk exposure of the Consolidated Company as of the balance sheet date.

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 Three Months Ended March 31,2026	For the Three Months Ended March 31,2025	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Profit & loss	$ 11,397	$ 14,091	$ 1,160	$ 2,338

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 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, in order 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:

	March 31, 2026	December 31, 2025	March 31, 2025
With fair value interest rate risk			
－Financial assets	$ 159,438	$ 150,892	$ 335,688
－Financial liabilities	132,956	212,453	63,488
With cash flow interest rate risk			
－Financial assets	399,278	418,970	309,685
－Financial liabilities	105,000	105,000	300,000

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 March 31, 2026, and March 31, 2025, will increase/decrease by NT$ 736 thousand and NT$ 24 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 March 31, 2026, December 31, 2025, and March 31, 2025, 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.

March 31, 2026

	Under 1 year	1~5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 252,417	$ -	$ -
Lease liabilities	18,410	11,332	-
Floating interest rate instrument	26,640	81,168	-
Fixed interest rate instrument	5,752	101,317	-
	$ 303,219	$ 193,817	$ -

December 31, 2025

	Under 1 year	1~5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 165,886	$ -	$ -
Lease liabilities	17,410	12,331	-
Floating interest rate instrument	26,634	81,552	-
Fixed interest rate	85,392	101,793	-

	Under 1 year	1~5 years	Over 5 years
instrument			
	$ 295,322	$ 195,676	$ -

March 31, 2025

	Under 1 year	1~5 years	Over 5 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 265,077	$ -	$ -
Lease liabilities	11,952	17,790	-
Floating interest rate instrument	55,108	255,437	-
Fixed interest rate instrument	34,894	-	-
	$ 367,031	$ 273,227	$ -

b) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank overdraft facility (reviewed annually)			
—Used amount	$ 7,143	$ 55,039	$ 1,687
—Unused amount	262,857	154,961	208,313
	$ 270,000	$ 210,000	$ 210,000
Secured bank borrowing facility (extendable by mutual agreement)			
—Used amount	$ 207,509	$ 236,817	$ 333,108
—Unused amount	474,362	441,747	459,627
	$ 681,871	$ 678,564	$ 792,735

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 March 31,2026	For the Three Months Ended March 31,2025
Sales revenue	Substantial related party	$ 2,385	$ 8,705

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 March 31,2026	For the Three Months Ended March 31,2025
Substantial related party	$ -	$ 261

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 of Related party	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	Substantial related party	$ 1,539	$ 905	$ 1,540
Accounts receivable	Substantial related party	$ 1,640	$ 2,973	$ 7,811

There is no guarantee for the outstanding receivables from related parties. As of March 31, 2026, December 31, 2025, and March 31, 2025, the provision for doubtful accounts related to receivables from

related parties was NT$ 0 thousand, NT$ 0 thousand and NT$ 10 thousand, respectively.

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

Account	Classification of Related party	March 31, 2026	December 31, 2025	March 31, 2025
Notes payable	Substantial related party	$ 213	$ 186	$ 205
Accounts payable	Substantial related party	$ -	$ 213	$ 274

The balance of payables to related parties outstanding is unsecured.

(6) Endorsements/guarantees

Guaranteed by

Classification of Related party	March 31, 2026	December 31, 2025	March 31, 2025
The amount guaranteed by key management personnel	$ 275,985	$ 274,290	$ 354,615
Actual amount drawn	$ 25,974	$ 55,000	$ 115,000

(7) Remunerations to the management

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

	For the Three Months Ended March 31,2026	For the Three Months Ended March 31,2025
Short-term employee benefits	$ 2,422	$ 2,488

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends. Additionally, the Consolidated Company provides company cars for official use by key management personnel. For the three-months ended March 31, 2026 and 2025, the related depreciation expenses were NT$0 thousand and NT$115 thousand, respectively.

29. Collateral Assets

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

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged bank deposit	$ 2,951	$ 1,991	$ 30,000
Property, plant, and equipment	113,453	113,770	120,059
	$ 116,404	$ 115,761	$ 150,059

30. Contractual Commitment with Material or Liabilities without Recognition

(1) As of March 31, 2026, the balance of letters of credit issued but unused was USD 182 thousand.

(2) As of March 31, 2026, the Consolidated Company had issued promissory notes totaling NTD 528,783 thousand as collateral for obtaining bank credit facilities.

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:

March 31, 2026

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 11,957	31.995	$ 382,564
CNY	5,053	4.629	23,390
			$ 405,954
Foreign currency liabilities			
Monetary item			
USD	4,833	31.995	$ 154,632
CNY	39	4.629	181
			$ 154,813

December 31, 2025

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 9,656	31.43	$ 303,488
CNY	13,634	4.496	61,298
			$ 364,786
Foreign currency liabilities			
Monetary item			
USD	4,538	31.43	$ 142,629
CNY	32	4.496	144
			$ 142,773

March 31, 2025

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary item			
USD	$ 11,183	33.205	$ 371,332
CNY	10,242	4.573	46,837
			$ 418,169
Foreign currency liabilities			
Monetary item			
USD	2,696	33.205	$ 89,521
CNY	15	4.573	69
			$ 89,590

The foreign exchange gains (losses) (realized and unrealized) of the Consolidated Company for the three months ended March 31, 2026, and March 31, 2025, were NT$ 1,349 thousand and NT$ 1,625 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): Table 2.

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 3.

(2) Investment-related information: Table 4.

(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 5.

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 6.

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 continuing operations of the Consolidated Company are analyzed by the reporting segments as follows.

	Taiwan	Mainland China	Vietnam	Intercompany transactions	Total
For the Three Months Ended March 31,2026					
Revenue from external customers	$ 195,749	$ 37,577	$ 42,006	$ -	$ 275,332
Inter-segment revenue	11,333	95	74	(11,502)	-
Segment revenue	$ 207,082	$ 37,672	$ 42,080	($ 11,502)	$ 275,332
Segment profit or loss	$ 19,026	$ 5,904	$ 2,100	$ -	$ 27,030
Non-operating income and expenses					3,055
Profit before tax					$ 30,085
For the Three Months Ended March 31,2025					
Revenue from external customers	$ 188,399	$ 39,425	$ 49,438	$ -	$ 277,262
Inter-segment revenue	11,578	2,111	-	(13,689)	-
Segment revenue	$ 199,977	$ 41,536	$ 49,438	($ 13,689)	$ 277,262
Segment profit or loss	$ 4,135	($ 2,696)	$ 1,528	$ -	$ 2,967
Non-operating income and expenses					5,245
Profit before tax					$ 8,212

Segment profit refers to the profits earned by each segment, excluding allocated operating expenses, non-operating income and gains, and

non-operating expenses and losses. This measurement amount is provided to the main operating decision-makers for allocating resources to segments and evaluating their performance.

(2) Segment assets

The Company did not provide the operating decision-makers with a measure of departmental assets, and therefore the measured amount of assets is zero.

Headway Advanced Materials Inc. and Subsidiaries

Financing Provided to Others

From January 1 to March 31, 2026

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 (Remark 1)	Lander's total financing limit	Note
													Item	Value			
1	URASIA	The Company	Other receivable	Y	$ 127,980	$ 127,980	$ 127,980	2.5%~3%	Remark 2	$ -	Working capital	$ -	-	$ -	$ 246,696	$ 246,696	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 Marketable Securities List

March 31, 2026

Table 2

Unit: In NTD Thousand, Unless Stated Otherwise

Holding company name	Type and name of marketable securities	Relationship with the holding company	Financial statement account	March 31, 2026				Note
				Shares (Thousand shares)	Carrying Amount	Percentage of ownership (%)	Fair value	
Shanghai Huiyu Company	Wealth management products BOC Wealth Management Accumulate Every Day - Daily Plan	—	Financial assets at fair value through profit or loss - current	-	$ 28,869	-	$ 28,869	—

Remark 1: The term "marketable securities" in this table refers to shares, bonds, beneficiary certificates, and derivative securities derived from the aforementioned items that fall within the scope of IFRS 9, "Financial Instruments

Remark 2: The marketable securities listed in this table are determined by the Company based on the principle of materiality.

Remark 3: For information regarding investments in subsidiaries, please refer to Tables 4 and 5.

Remark 4: This table only discloses marketable securities with a carrying amount of NT$10,000 thousand or more.

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 March 31, 2026

Table 3

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	Notes payable	$ 1,917	Remark 4	-
		Shanshui Lianmei Company	1	Sales revenue	4,213	Remark 4	2
				Accounts receivable	2,595	Remark 4	-
		Headway Vietnam Company	1	Sales revenue	6,147	Remark 4	2
				Accounts receivable	7,518	Remark 4	1
		URASIA	1	Short-term borrowing	127,980	By mutual agreement	9
				Other payable	1,717	By mutual agreement	-
1	Shanghai Huiyu Company	Anhui Huiyu Company	3	prepayment for purchases	6,481	By mutual agreement	-

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 transaction terms are similar to those with regular customers.

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 March 31, 2026

Table 4

Unit: In Thousands of NTD, Unless Stated Otherwise

Investor company	Investee company	Location	Main businesses and products	Original Investment Amount		Balance as of March 31, 2026			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2026	December 31, 2025	Shares (Thousand shares)	Ratio (%)	Carrying Amount			
The Company	URASIA	Panama	General investment business	$ 180,087	$ 180,087	83	100	$ 634,882	$ 9,083	$ 9,031	—
	TPU Company	Taiwan	Manufacturing and sales of TPU	28,084	28,084	2,808	50	51,407	2,634	1,321	—
URASIA	Headway Vietnam Company	Vietnam	PU resin products	USD5,000 thousand	USD5,000 thousand	-	100	USD5,659 thousand	USD 78 thousand	USD 78 thousand	—
	Cheng Yu Company	Hong Kong	General investment business	USD7,384 thousand	USD7,384 thousand	-	100	USD7,815 thousand	USD175 thousand	USD175 thousand	—

Remark: Please refer to Table 5 for the information on investment in Mainland China.

Headway Advanced Materials Inc. and Subsidiaries

Information on Investment in Mainland China

From January 1 to March 31, 2026

Table 5

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, 2026	Investment flows		Accumulated outward remittance for investments from Taiwan as of March 31, 2026	Percentage of ownership of direct or indirect investment	Investment gain (Loss)	Carrying amount as of March 31, 2026	Accumulated repatriation of investment income as of March 31, 2026 (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.	RMB10,600 thousand	Remark 1	USD 324 thousand	$ -	$ -	USD 324 thousand	74%	USD 23 thousand	USD 955 thousand	USD 5,958 thousand
Shanshui Lianmei Company	PU resin products	RMB45,178 thousand	Remark 2	-	-	-	-	100%	HKD 1,364 thousand	HKD61,269 thousand	-
Anhui Huiyu Company	Research, manufacturing, import and export of plastic materials for sports fields, and sports facility construction.	RMB 8,058 thousand	Remark 3	-	-	-	-	100%	(RMB 31 thousand)	(RMB 167 thousand)	-

Accumulated outward remittance for investments in Mainland China as of March 31, 2026	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 March 31, 2026, 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 March 31, 2026

Table 6

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	$ 4,213	2%	Remark	Remark	Remark	$ 2,595	2%	$ 1,400	—

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 March 31, 2026, the payment terms for subsidiaries are subject to their respective financial conditions.