Stock Code: 1295

SYNBIO TECH INC. AND SUBSIDIARIES

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors' Review Report

Address: No. 82, Beiling 6th Rd., Luzhu Dist., Kaohsiung City
Tel: (07) 695-5680

Table of Contents

Independent Auditors' Review Report

To the Board of Directors and Shareholders of SYNBIO TECH INC.,

Opinion

We have reviewed the accompanying consolidated balance sheets of SYNBIO TECH INC. and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards (IAS) 34 “Interim Financial Reporting” approved and issued by the Financial Supervisory Commission (FSC), the preparation of fair expression of the consolidated financial statements is the responsibility of management, our responsibility is to form a conclusion on the consolidated financial statements based on the review results.

Basis for Audit Opinion

We conducted our review in accordance with the Standards on Review Engagements of the Republic of China (TWSRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The procedures performed during the review of consolidated financial statements include inquiries (mainly to personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. A review is significantly less in scope than that of 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of SYNBIO TECH INC. and its subsidiaries as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission.

KPMG

CPAs: Kao Yu-Lun

Chen Yung-Hsiang

May 11, 2026

SYNBIO TECH INC. and Subsidiaries

Consolidated Balance Sheets

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

Unit: In Thousands of NTD

	Assets	2026.3.31 Amount	%	2025.12.31 Amount	%	2025.3.31 Amount	%
	Current assets:						
1100	Cash and cash equivalents (Note 6(1))	$ 392,441	12	269,936	9	413,108	16
1150	Notes receivable (Note 6(3)(19))	748	-	3,322	-	3,527	-
1170	Accounts receivable, net (Note 6(3)(19))	80,894	2	108,467	4	91,245	4
1180	Accounts receivable due from related parties (Notes 6(3)(19) and 7)	1,954	-	2,716	-	1,405	-
1200	Other receivables (Note 6(4))	1,240	-	801	-	833	-
130X	Inventories (Note 6(5))	261,230	8	237,470	8	192,555	8
1470	Other current assets (note 6(9))	40,749	1	41,074	1	27,674	1
1476	Other current financial assets (Notes 6(2) and 8)	181,560	6	106,289	3	-	-
	Total current assets	960,816	29	770,075	25	730,347	29
	Non-current assets:						
1600	Property, plant and equipment (Notes 6(6) and 8)	2,063,270	63	2,018,415	65	1,571,771	63
1755	Right-of-use assets (Notes 6(7))	160,717	5	152,218	5	155,201	6
1780	Intangible assets (Note 6(8))	20,155	1	21,074	1	22,825	1
1840	Deferred tax assets	17,590	-	17,209	1	10,399	-
1920	Refundable deposit paid	451	-	509	-	900	-
1980	Other non-current financial assets (Notes 6(2) and 8)	35,292	1	35,292	1	10,213	-
1990	Other non-current assets (Note 6(9))	34,760	1	70,461	2	12,102	1
	Total non-current assets	2,332,235	71	2,315,178	75	1,783,411	71
	Total assets	$ 3,293,051	100	3,085,253	100	2,513,758	100

	Liabilities and equity	2026.3.31 Amount	%	2025.12.31 Amount	%	2025.3.31 Amount	%
	Current liabilities:						
2100	Short-term borrowings (Note 6(10) and 8)	$ 338,000	10	90,000	3	-	-
2130	Current contract liabilities (Note 6(19))	14,481	-	8,705	-	19,317	1
2170	Accounts payable	28,217	1	26,169	1	44,767	2
2200	Other payables (Note 6 (14)(20))	244,913	8	240,329	8	322,496	13
2230	Income tax liabilities for the period	17,407	1	14,980	1	34,260	1
2280	Lease liabilities – current (Note 6(12))	2,446	-	2,290	-	2,281	-
2300	Other current liabilities (Note 6(13))	10,105	-	11,172	-	5,904	-
2322	Long-term loans payable – current portion (Notes 6(11) and 8)	265,627	8	246,124	8	153,082	6
	Total current liabilities	921,196	28	639,769	21	582,107	23
	Non-current liabilities:						
2540	Long-term borrowings (Notes 6(11) and 8)	911,330	28	914,480	30	709,409	28
2570	Deferred income tax liabilities	29,383	1	27,977	1	27,285	1
2580	Non-current lease liabilities (Note 6(12))	141,712	4	133,666	4	135,387	5
2630	Long-term deferred revenue (Note 6(13))	38,612	1	39,055	1	39,729	2
2645	Refundable deposit received	150	-	150	-	-	-
	Total non-current liabilities	1,121,187	34	1,115,328	36	911,810	36
	Total liabilities	2,042,383	62	1,755,097	57	1,493,917	59
	Equity attributable to owners of parent (Note 6(16)(17)):						
3100	Share capital	344,748	11	344,748	11	313,548	13
3200	Capital surplus	402,165	12	402,165	13	254,139	10
3300	Retained earnings:						
3310	Legal reserve	94,725	3	94,725	3	77,713	3
3320	Special reserve	-	-	-	-	10,701	-
3350	Unappropriated retained earnings	394,901	12	484,979	16	354,691	15
		489,626	15	579,704	19	443,105	18
3400	Other equity	14,129	-	3,539	-	9,049	-
	Total equity	1,250,668	38	1,330,156	43	1,019,841	41
	Total liabilities and equity	$ 3,293,051	100	3,085,253	100	2,513,758	100

(Please refer to the notes attached.)

Chairman: Yang, Lien-Chuan **Managerial Officer: Yang, San-Lien** **Accounting Supervisor: Chang, Hsiu-Ju**

SYNBIO TECH INC. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025

Unit: In Thousands of NTD

		Three months ended March 31, 2026		Three months ended March 31, 2025	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(19) and 7)**	$ 214,544	100	233,724	100
5000	**Operating costs (Note 6(5)(12)(14)(17)(20) and 12)**	112,762	53	107,997	46
5900	**Gross profit from operations**	101,782	47	125,727	54
6000	**Operating expenses (Notes 6(3)(12)(14)(17)(20) and 12):**				
6100	Selling expenses	30,543	14	24,259	11
6200	Administrative expenses	29,553	13	30,338	13
6300	Research and development expenses	27,048	13	28,562	12
6450	Expected credit losses	-	-	151	-
	Total operating expenses	87,144	40	83,310	36
6900	**Operating profit**	14,638	7	42,417	18
7000	**Non-operating income and expenses (Note 6(12)(13)(21)):**				
7100	Interest revenue	1,794	1	2,022	1
7010	Other income	3,403	1	3,725	2
7020	Other gains and (losses)	5,984	3	3,505	1
7050	Finance costs	(8,542)	(4)	(462)	-
	Total non-operating income and expenses	2,639	1	8,790	4
7900	**Net profit before tax**	17,277	8	51,207	22
7950	**Less: Income tax expense (Note 6(15))**	3,931	2	11,838	5
8200	**Net profit for the period**	13,346	6	39,369	17
8300	**Other comprehensive income (Note 6(16)):**				
8360	**Item that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	10,590	5	7,309	3
8399	Less: Income tax related to items that may be reclassified	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	10,590	5	7,309	3
8300	**Other comprehensive income (loss) for the period**	10,590	5	7,309	3
8500	**Total comprehensive income (loss) for the period**	**$ 23,936**	**11**	**46,678**	**20**
	Earnings per share (Note 6(18))				
9750	**Basic earnings per share (Unit: NTD)**	**$ 0.39**		**1.26**	
9850	**Diluted earnings per share (Unit: NTD)**	**$ 0.39**		**1.25**	

(Please refer to the notes attached.)

Chairman: Yang, Lien-Chuan **Managerial Officer: Yang, San-Lien** **Accounting Supervisor: Chang, Hsiu-Ju**

SYNBIO TECH INC. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Three Months Ended March 31, 2026 and 2025

Unit: In Thousands of NTD

	Equity attributable to owners of parent							
			Retained earnings				Other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity
Balance on January 1, 2025	**$ 313,548**	**250,659**	**77,713**	**10,701**	**425,064**	**513,478**	**1,740**	**1,079,425**
Net profit for the period	-	-	-	-	39,369	39,369	-	39,369
Other comprehensive income (loss) for the period	-	-	-	-	-	-	7,309	7,309
Total comprehensive income (loss) for the period	-	-	-	-	39,369	39,369	7,309	46,678
Appropriation and distribution of retained earnings:								
Cash dividends of ordinary share	-	-	-	-	(109,742)	(109,742)	-	(109,742)
Share-based payment transactions	-	3,480	-	-	-	-	-	3,480
Balance on March 31, 2025	**$ 313,548**	**254,139**	**77,713**	**10,701**	**354,691**	**443,105**	**9,049**	**1,019,841**
Balance on January 1, 2026	**$ 344,748**	**402,165**	**94,725**	**-**	**484,979**	**579,704**	**3,539**	**1,330,156**
Net profit for the period	-	-	-	-	13,346	13,346	-	13,346
Other comprehensive income (loss) for the period	-	-	-	-	-	-	10,590	10,590
Total comprehensive income (loss) for the period	-	-	-	-	13,346	13,346	10,590	23,936
Appropriation and distribution of retained earnings:								
Cash dividends of ordinary share	-	-	-	-	(103,424)	(103,424)	-	(103,424)
Balance on March 31, 2026	**$ 344,748**	**402,165**	**94,725**	**-**	**394,901**	**489,626**	**14,129**	**1,250,668**

(Please refer to the notes attached.)

Chairman: Yang, Lien-Chuan **Managerial Officer: Yang, San-Lien** **Accounting Supervisor: Chang, Hsiu-Ju**

SYNBIO TECH INC. and Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2026 and 2025
Unit: In Thousands of NTD

	Three months ended March 31, 2026	Three months ended March 31, 2025
Cash flows from operating activities:		
Net profit before tax	$ 17,277	51,207
Adjustments:		
Reconcile profit items		
Depreciation	33,700	16,208
Amortization	1,101	1,232
Expected credit losses	-	151
Interest expense	8,542	462
Interest revenue	(1,793)	(2,022)
Share-based payment compensation costs	-	3,480
Losses on disposals of property, plant and equipment	169	-
Unrealized foreign exchange gains (losses)	(6,017)	(7,482)
Total adjustments to reconcile profit (loss)	35,702	12,029
Changes in operating assets and liabilities:		
Decrease in notes receivable	2,574	1,918
Decrease in accounts receivable	28,436	13,953
Decrease in accounts receivable due from related parties	762	469
Increase in other receivables	(105)	(118)
Increase in inventories	(22,337)	(28,112)
Decrease (increase) in other current assets	455	(7,567)
Increase in contract liabilities	5,689	5,920
Increase in accounts payable	1,926	8,602
Decrease in other payable	(44,279)	(33,107)
Decrease in other current liabilities	(972)	(3,549)
Total adjustments	7,851	(29,562)
Cash inflow generated from operations	25,128	21,645
Interest received	1,459	2,106
Interest paid	(4,790)	(2,368)
Income taxes paid	(135)	(199)
Net cash flows from operating activities	21,662	21,184
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(84,908)	(122,608)
Proceeds from disposal of property, plant and equipment	47	-
Decrease in refundable deposit paid	69	242
Acquisition of intangible assets	-	(198)
Increase in other financial assets	(74,966)	(3,200)
Increase in prepayments for business facilities	(6,809)	(6,140)
Net cash flows used in investing activities	(166,567)	(131,904)
Cash flows from financing activities:		
Increase in short-term borrowings	248,000	-
Proceeds from long-term borrowings	79,519	85,338
Repayments of long-term borrowings	(67,151)	(38,909)
Payments of lease liabilities	(607)	(580)
Net cash flows from financing activities	259,761	45,849
Effect of exchange rate changes on cash and cash equivalents	7,649	8,592
Net increase (decrease) in cash and cash equivalents	122,505	(56,279)
Cash and cash equivalents at beginning of period	269,936	469,387
Cash and cash equivalents at end of period	**$ 392,441**	**413,108**

(Please refer to the notes attached.)

Chairman: Yang, Lien-Chuan Managerial Officer: Yang, San-Lien Accounting Supervisor: Chang, Hsiu-Ju

SYNBIO TECH INC. and Subsidiaries
Notes on the Consolidated Financial Statements
For the Three Months Ended March 31, 2026 and 2025
(Expressed in Thousands of NTD, Unless Otherwise Specified)

1. Company History

Synbio Tech Inc. (hereinafter referred to as "the Company") was incorporated on June 1, 2000, with the approval of the Ministry of Economic Affairs. The Company's registered address is No.82, Beiling 6th Rd., Luzhu Dist., Kaohsiung City. The Company has been listed on the Taipei Exchange since May 27, 2025. The Company and its subsidiaries (collectively referred to as "the Group") focus on functional research and manufacturing of probiotics for human health and economic animals. The main business activities of the Group include the production of lactic acid bacteria powder, fermented derivatives of lactic acid bacteria, probiotics for dietary supplements, probiotic products for pets and economic animals, and probiotic products for plant preservation.

2. The Authorization Procedure and Date for Financial Statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on May 11, 2026.

3. Application of New, Amended, and Revised Standards and Interpretations

(1) Effects of the adoption of new and amended standards and interpretations endorsed by the Financial Supervisory Commission (the "FSC").

The Group applied the following new amendments to International Financial Reporting Standards (IFRS) Accounting Standards from January 1, 2026, which did not have a significant impact on the consolidated financial statements.

· Amendments to IFRS 17, "Insurance Contracts" and IFRS 17

· Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"

· Annual improvements to IFRS Accounting Standards

· Amendment to IFRS 9 and IFRS 7, "Contract Referencing Nature–Dependent Electricity"

(2) New and amended standards and interpretations not yet endorsed by the FSC

The International Accounting Standards Board (IASB) has issued and amended standards and interpretations that have not yet been approved by the FSC, which may have an impact on the Group as follows:

New standards or interpretations	Amendments	Effective date by IASB
IFRS 18, "Presentation and Disclosure in Financial Statements"	The new standard introduces three types of revenue and expense losses, two income statement subtotals, and a single note on management performance measurement. These amendments and enhancements are referred to as guidance for segmenting information in financial statements, laying the foundation for providing better and more consistent information to users. This will affect all companies. • More structured income statement: Under the current standards, the Company uses different formats to present its operating results, making it difficult for investors to compare financial performance across companies. The new standard introduces a more structured income statement, defines a new "Net operating income" subtotal, and requires that all income and expenses shall be classified into three distinct categories based on the Company's main operating activities. • Management-defined Performance Measures (MPMs): The new standard defines management performance measures and requires companies to disclose, in a single note to the financial statements, an explanation for each measure regarding why it provides useful information, how it is calculated, and how it reconciles with amounts recognized under IFRS. • More detailed information: The new standard provides guidelines on how to enhance the groupings of information in financial statements. This includes guidelines on whether the information should be presented in the main financial statements or further detailed in the notes.	January 1, 2027 Note: The FSC announced in a press release on September 25, 2025, that Taiwan will adopt IFRS 18 in the 2028 accounting year. The Company may, if needed, elect early adoption upon approval by the FSC.

The Group is evaluating the impact of the aforementioned standards and interpretations on the financial status and operating results. The relevant impact will be disclosed upon completion of the evaluation.

The Group expects that the following newly issued but not yet adopted standards and amendments will not have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"
- Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and IFRS 19
- Amendments to IAS 21, "Translation into the Presentation Currency in Hyperinflation"

4. Summary of Significant Accounting Policies

(1) Compliance statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Preparation Regulations") and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The statements do not include all the information required to be disclosed in the full annual consolidated financial statements prepared in accordance with IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed and made effective by the FSC (hereinafter referred to as the "IFRS Accounting Standards approved by the FSC").

Except as described below, the significant accounting policies adopted by these consolidated financial statements are the same as those of the 2025 Consolidated Financial Statements. For related information, please refer to Note 4 of the 2025 Consolidated Financial Statements.

(2) Basis of consolidation

1) Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements are as follows:

			Ownership (%)			
Investor	**Subsidiary name**	**Business nature**	**2026.3.31**	**2025.12.31**	**2025.3.31**	**Description**
The Company	Synbio Tech Inc.	Investment activities	100%	100%	100%	
Synbio Tech Inc.	SYNBIOTECH BIOTECHNOLOGY(Yangzhou) Co., Ltd.	Manufacture and sale of concentrated fermentation solution, Lactobacillus Plantarum granule, and Lactobacillus Plantarum solid drinks	100%	100%	100%	
SYNBIO TECH BIOTECHNOLOGY(Yangzhou) Co., Ltd.	SYNLAC BIOTECHNOLOGY (Yangzhou) Co., Ltd.	Manufacture and sale of microbial feed additives	- %	- %	100%	Note 1

Note 1: The subsidiary completed its company deregistration procedures on December 29, 2025.

2) Subsidiaries not included in consolidated financial statements: None.

(3) Income tax

The Group measures and discloses the interim tax expense in accordance with paragraph B12 of the IAS 34 "Interim Financial Reporting".

Income tax expense is measured by applying the estimated annual effective tax rate, determined based on management's best estimate, to the profit before tax for the interim reporting period. Such tax expense is then allocated between current and deferred tax expense based on the estimated proportions for the full year.

Income tax expense recognized directly in equity or in other comprehensive income is measured at the tax rate expected to be applicable when the asset is realized, or the liability is settled, based on the temporary difference between the carrying amount of the related asset or liability for financial reporting purposes and its tax base.

5. Major Sources of Significant Accounting Judgments, Estimations, and Assumption Uncertainty

Management shall make judgments and estimates about the future (including climate-related risks and opportunities) when preparing the consolidated financial statements in accordance with the Preparation Regulations and the FSC-endorsed IAS 34 "Interim Financial Reporting", which will affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

When preparing consolidated financial statements, the major sources of significant judgments and estimation uncertainties made by management in applying the accounting policies of the Group are consistent with Note 5 of the 2025 Consolidated Financial Statements.

6. Details of Significant Accounts

Except as described below, the details of significant accounts in these consolidated financial statements have no significant differences from the 2025 Consolidated Financial Statements. For relevant information, please refer to Note 6 of the 2025 Consolidated Financial Statements.

(1) Cash and cash equivalents

	2026.3.31	2025.12.31	2025.3.31
Cash on hand	$ 1,119	908	1,017
Demand deposits	181,334	156,528	193,309
Time deposits	209,988	112,500	218,782
Cash and cash equivalents in the consolidated statements of cash flows	**$ 392,441**	**269,936**	**413,108**

Please refer to Note 6(22) for the exchange rate risk and sensitivity analysis of the Group's financial assets.

(2) Other financial assets

	2026.3.31	2025.12.31	2025.3.31
Restricted cash in banks	$ 193,707	141,581	10,213
Time deposits with original maturities of more than three months	23,145	-	-
Total	$ 216,852	141,581	10,213
Recognized in:			
Current	$ 181,560	106,289	-
Non-current	35,292	35,292	10,213
	$ 216,852	141,581	10,213

For the restricted cash in banks pledged as collateral by the Group, please refer to Note 8.

(3) Notes and accounts receivable

	2026.3.31	2025.12.31	2025.3.31
Notes receivable – operating	$ 748	3,322	3,527
Accounts receivable – measured at amortized cost	80,894	108,467	91,729
Accounts receivable due from related parties – measured at amortized cost	1,954	2,716	1,405
Less: Allowance for impairment loss	-	-	(484)
	$ 83,596	114,505	96,177

	2026.3.31	2025.12.31	2025.3.31
Recognized in:			
Notes receivable	$ 748	3,322	3,527
Accounts receivable, net	80,894	108,467	91,245
Accounts receivable due from related parties	1,954	2,716	1,405
	$ 83,596	114,505	96,177

The Group applies the simplified approach to estimate expected credit losses for all notes and accounts receivable, i.e., using lifetime ECLs measurement. For this measurement purpose, these notes and accounts receivable are grouped based on shared credit risk characteristics that represent the customers' ability to pay all amounts due under the terms of the contract, with forward-looking information incorporated, including macroeconomic and relevant industry information. The expected credit loss analysis for the Group’s notes and accounts receivable is as follows:

	2026.3.31		
	Carrying amount of notes and accounts receivable	Weighted average expected credit loss rate	Loss allowance for lifetime ECLs
Not past due	$ 80,385	-	-
Less than 60 days past due	3,211	-	-
61 to 120 days past due	-	-	-
121 to 180 days past due	-	-	-
181 days past due	-	100.00%	-
	$ 83,596		-

	2025.12.31		
	Carrying amount of notes and accounts receivable	Weighted average expected credit loss rate	Loss allowance for lifetime ECLs
Not past due	$ 114,245	-	-
Less than 60 days past due	260	-	-
61 to 120 days past due	-	-	-
121 to 180 days past due	-	-	-
181 days past due	-	100.00%	-
	$ 114,505		-

	2025.3.31		
	Carrying amount of notes and accounts receivable	Weighted average expected credit loss rate	Loss allowance for lifetime ECLs
Not past due	$ 96,131	-	-
Less than 60 days past due	46	-	-
61 to 120 days past due	-	-	-
121 to 180 days past due	-	-	-
181 days past due	484	100.00%	484
	$ 96,661		484

The movements in the loss allowance for notes and accounts receivable of the Group were as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Balance at beginning of period	$ -	331
Recognition of impairment loss	-	151
Effect of exchange rate changes	-	2
Balance at end of period	$ -	484

The Group does not hold any collateral over these balances.

(4) Other receivables

	2026.3.31	2025.12.31	2025.3.31
Other receivables – others	$ 1,240	801	833
Less: Allowance for impairment loss	-	-	-
	$ 1,240	801	833

For consolidated credit risk information, please refer to Note 6(22).

(5) Inventories

Inventory details are as follows:

	2026.3.31	2025.12.31	2025.3.31
Raw materials and supplies	$ 55,388	58,680	50,766
Work in progress	163,292	144,821	106,545
Finished goods	42,550	33,969	35,244
	$ 261,230	237,470	192,555

The details of cost of sales are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Transfer from sales to cost of sales	$ 103,415	106,275
Losses on inventory write-down	6,888	1,620
Loss on inventory write-off	124	203
Losses on inventory	-	4
Manufacturing expenses	2,413	-
Others	(78)	(105)
	$ 112,762	107,997

From January 1 to March 31, 2026, defective products have been reclassified as inventory pending disposal, leading to an increase in the allowance for inventory losses.

Inventories of the Group were not pledged as collateral.

(6) Property, plant and equipment

Details of costs and changes in the depreciation of property, plant and equipment of the Group are as follows:

	Land	Building & structures	Machinery equipment	Other equipment	Unfinished construction	Total
Cost or recognized cost:						
Balance on January 1, 2026	$ 11,600	1,885,849	526,352	107,769	13,099	2,544,669
Additions	-	8,326	56,700	6,863	64	71,953
Disposals	-	-	-	(759)	-	(759)
Reclassification	-	3,563	-	-	(3,563)	-
Effect of exchange rate changes	-	5,146	3,165	1,337	-	9,648
Balance on March 31, 2026	$ 11,600	1,902,884	586,217	115,210	9,600	2,625,511
Balance on January 1, 2025	$ 11,600	438,561	472,387	73,449	834,539	1,830,536
Additions	-	190	2,053	-	205,635	207,878
Disposals	-	-	-	(100)	-	(100)
Effect of exchange rate changes	-	3,676	2,159	955	-	6,790
Balance on March 31, 2025	$ 11,600	442,427	476,599	74,304	1,040,174	2,045,104
Depreciations:						
Balance on January 1, 2026	$ -	128,274	334,336	63,644	-	526,254
Depreciations for the period	-	18,033	12,103	2,642	-	32,778
Disposals	-	-	-	(543)	-	(543)
Effect of exchange rate changes	-	690	1,845	1,217	-	3,752
Balance on March 31, 2026	$ -	146,997	348,284	66,960	-	562,241
Balance on January 1, 2025	$ -	105,933	291,576	58,195	-	455,704
Depreciations for the period	-	3,565	10,718	1,037	-	15,320
Disposals	-	-	-	(100)	-	(100)
Effect of exchange rate changes	-	426	1,129	854	-	2,409
Balance on March 31, 2025	$ -	109,924	303,423	59,986	-	473,333
Book value:						
January 1, 2026	$ 11,600	1,757,575	192,016	44,125	13,099	2,018,415
March 31, 2026	$ 11,600	1,755,887	237,933	48,250	9,600	2,063,270
January 1, 2025	$ 11,600	332,628	180,811	15,254	834,539	1,374,832
March 31, 2025	$ 11,600	332,503	173,176	14,318	1,040,174	1,571,771

The property, plant and equipment of the Group have been detailed as collateral for long-term borrowings and financing facilities; please refer to Note 8 for details.

From January 1 to March 31, 2026 and 2025, capitalized borrowing costs related to the construction of new plants amounted to NT$65 thousand and NT$5,057 thousand, calculated using capitalization rates of 2.36% and 2.39%, respectively.

(7) Right-of-use assets

Details of the cost and depreciation changes of leased land, buildings, and office equipment of the Group are as follows:

	Land	Building and structures	Office equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2026	$ 172,702	-	-	172,702
Additions	8,809	-	-	8,809
Effect of exchange rate changes	720	-	-	720
Balance on March 31, 2026	**$ 182,231**	**-**	**-**	**182,231**
Balance on January 1, 2025	$ 172,605	393	144	173,142
Disposals	-	-	(144)	(144)
Effect of exchange rate changes	514	-	-	514
Balance on March 31, 2025	**$ 173,119**	**393**	**-**	**173,512**
Accumulated depreciations of right-of-use assets:				
Balance on January 1, 2026	$ 20,484	-	-	20,484
Provision for depreciation	922	-	-	922
Effect of exchange rate changes	108	-	-	108
Balance on March 31, 2026	**$ 21,514**	**-**	**-**	**21,514**
Balance on January 1, 2025	$ 16,995	365	140	17,500
Provision for depreciation	870	14	4	888
Disposals	-	-	(144)	(144)
Effect of exchange rate changes	67	-	-	67
Balance on March 31, 2025	**$ 17,932**	**379**	**-**	**18,311**
Book value:				
January 1, 2026	**$ 152,218**	**-**	**-**	**152,218**
March 31, 2026	**$ 160,717**	**-**	**-**	**160,717**
January 1, 2025	**$ 155,610**	**28**	**4**	**155,642**
March 31, 2025	**$ 155,187**	**14**	**-**	**155,201**

(8) Intangible assets

Details of the cost and amortization of intangible assets of the Group are as follows:

		Royalties	Computer software	Total
Original cost:				
Balance on January 1, 2026	$	20,292	21,690	41,982
Effect of exchange rate changes		200	95	295
Balance on March 31, 2026	$	20,492	21,785	42,277
Balance on January 1, 2025	$	19,307	28,037	47,344
Separate acquisition		198	-	198
Effect of exchange rate changes		126	68	194
Balance on March 31, 2025	$	19,631	28,105	47,736
Accumulated amortization:				
Balance on January 1, 2026	$	6,986	13,922	20,908
Amortization for the period		327	774	1,101
Effect of exchange rate changes		22	91	113
Balance on March 31, 2026	$	7,335	14,787	22,122
Balance on January 1, 2025	$	5,714	17,897	23,611
Amortization for the period		308	924	1,232
Effect of exchange rate changes		8	60	68
Balance on March 31, 2025	$	6,030	18,881	24,911
Book value:				
January 1, 2026	$	13,306	7,768	21,074
March 31, 2026	$	13,157	6,998	20,155
January 1, 2025	$	13,593	10,140	23,733
March 31, 2025	$	13,601	9,224	22,825

For details of the Group's amortization amount for the period, please refer to Note 12. The intangible assets of the Group have not been pledged as collateral.

(9) Other current assets and non-current assets

Details of other current assets and non-current assets are as follows:

	2026.3.31	2025.12.31	2025.3.31
Prepaid exhibition expenses	$ 2,776	4,233	4,626
Prepaid insurance premiums	1,582	696	800
Prepayments to suppliers	8,253	7,896	446
Prepayments for business facilities	34,760	70,461	12,102
Business tax refund receivable and input tax paid	17,309	20,334	10,433
Others	10,829	7,915	11,369
	$ 75,509	111,535	39,776
Recognized in:			
Current	$ 40,749	41,074	27,674
Non-current	34,760	70,461	12,102
	$ 75,509	111,535	39,776

The amount in others is mainly software maintenance fees and contracted research expenses, etc.

(10) Short-term borrowings

Details of short-term borrowings of the Group are as follows:

	2026.3.31	2025.12.31	2025.3.31
Secured bank loans	$ 338,000	90,000	-
Unused credit lines	$ 242,000	430,000	410,000
Interest rate range	1.87%-2.13%	1.89%-2.05%	-

For the assets pledged as collateral for bank loans by the Group, please refer to Note 8.

(11) Long-term borrowings

Details, conditions, and terms of long-term borrowings of the Group are as follows:

	2026.3.31			
	Currency	**Interest rate range**	**Maturity date**	**Amount**
Unsecured bank loans	TWD	2.425%	2028.11-2028.12	$ 140,591
Secured bank loans	TWD	2.376%-2.580%	2028.10-2031.10	1,036,366
Subtotal				1,176,957
Less: current portion				(265,627)
Total				**$ 911,330**
Unused credit lines				**$ 410,243**

	2025.12.31			
	Currency	**Interest rate range**	**Maturity date**	**Amount**
Unsecured bank loans	TWD	2.425%	2028.11-2028.12	$ 153,450
Secured bank loans	TWD	2.376%-2.580%	2028.10-2031.10	1,007,154
Subtotal				1,160,604
Less: current portion				(246,124)
Total				**$ 914,480**
Unused credit lines				**$ 491,467**

	2025.3.31			
	Currency	**Interest rate range**	**Maturity date**	**Amount**
Unsecured bank loans	TWD	2.376%-2.425%	2028.10-2031.10	$ 807,895
Secured bank loans	TWD	2.385%	120.09	54,596
Subtotal				862,491
Less: current portion				(153,082)
Total				**$ 709,409**
Unused credit lines				**$ 551,155**

1) Collateral for bank loans

For the assets pledged as collateral for bank loans by the Group, please refer to Note 8.

2) Government subsidized loans

The Group obtained a low-interest loan under the project for encouraging Taiwanese businesses to return to Taiwan by the Executive Yuan in 2022. The loan term is seven to ten years with a preferential interest rate of five years. As of March 31, 2026, December 31, 2025, and March 31, 2025, the loan amounts were NT$1,202,064 thousand, NT$1,161,034 thousand, and NT$958,478 thousand, respectively. The differences arising from discounting at the market interest rate are treated as government subsidies.

As of March 31, 2026, December 31, 2025, and March 31, 2025, the balances of such deferred grant benefits were NT$44,223 thousand, NT$44,761 thousand, and NT$43,506 thousand, respectively, which were recorded in the balance sheets as other current liabilities in the amounts of NT$5,611 thousand, NT$5,706 thousand, and NT$3,777 thousand, respectively; and as long-term deferred revenue in the amounts of NT$38,612 thousand, NT$39,055 thousand, and NT$39,729 thousand, respectively. Please refer to Note 6(13).

(12) Lease liabilities

The carrying amounts of lease liabilities are as follows:

	2026.3.31	2025.12.31	2025.3.31
Current	$ 2,446	2,290	2,281
Non-current	$ 141,712	133,666	135,387

For the maturity analysis, please refer to Note 6(22) Financial instruments.

The amounts recognized in profit or loss are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Interest expenses on lease liabilities	$ 482	461
Variable lease payments excluded from the measurement of lease liabilities	$ 15	340
Expenses on short-term leases	$ 305	522
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 173	52

The amounts of leases recognized in the statement of cash flows are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Total cash outflows for leases	$ 1,210	1,471

The Group leases land and buildings for its factory, offices, and parking lots, with lease terms of 20 years for the land and 2 years for the buildings.

(13) Deferred revenue

		2026.3.31	2025.12.31	2025.3.31
Deferred revenue - government grants				
Current (recognized in other current liabilities)	$	5,611	5,706	3,777
Non-current		38,612	39,055	39,729
	$	44,223	44,761	43,506

The Group received a government grant in 2022 under the Executive Yuan's project for encouraging Taiwanese businesses to return to Taiwan for investment. The grant was recognized as deferred revenue, and its related conditions are mainly divided into two items. The first is the construction of a factory, which started in March 2022 and was completed in July 2025. The aforementioned deferred income will be amortized over the useful life after the completion of the plant. Secondly, it is the operating revolving fund, which will be recognized as grant income according to the effective interest rate. The amounts recognized in other income due to the amortization of deferred revenue for the periods from January 1 to March 31, 2026 and 2025 are NT$1,705 thousand and NT$1,054 thousand, respectively. Please refer to Note 6(21).

(14) Employee benefits

1) Defined contribution plan

In accordance with the defined contribution plan under the Labor Pension Act, the Company contributes 6% of the monthly salary of the employees to their individual pension accounts at the Bureau of Labor Insurance. Under the plan, upon the allocation of a fixed amount to the Bureau of Labor Insurance by the Company, no further legal or constructive obligations of additional payment are incurred.

As of March 31, 2026, December 31, 2025, and March 31, 2025, Synbio Tech Inc. had no formal employees.

Under the defined contribution plan for pension payments, SYNBIO TECH BIOTECHNOLOGY(Yangzhou) Co., Ltd. and SYNLAC BIOTECHNOLOGY(Yangzhou) Co., Ltd. contribute insurance funds monthly to the individual pension insurance accounts at the Ministry of Human Resources and Social Security. The account is completely separated from these companies and will be transferred when an employee departs.

The pension expenses under the Group's Regulations on the Defined Contribution Plan are as follows:

		Three months ended March 31, 2026	Three months ended March 31, 2025
Operating costs	$	1,685	1,585
Selling expenses		566	472
Administrative expenses		767	751
Research and development expenses		708	679
	$	**3,726**	**3,487**

(Note) SYNLAC BIOTECHNOLOGY (Yangzhou) Co., Ltd. completed its company deregistration procedures on December 29, 2025.

2) Liabilities arising from short-term paid leave

As of March 31, 2026, December 31 and March 31, 2025, the accrued liabilities on paid leave recognized in other payables in the balance sheet were NT$2,382 thousand, NT$2,490 thousand, and NT$2,368 thousand, respectively.

(15) Income tax

Details of the Group's tax expenses are as follows:

		Three months ended March 31, 2026	Three months ended March 31, 2025
Current tax expense			
Arising during the period	$	1,021	8,356
Adjustments of tax for the prior period		1,541	2,712
		2,562	11,068
Deferred tax expense			
Occurrence and reversal of temporary differences		1,369	470
Change in unrecognized deductible temporary differences		-	300
		1,369	770
Income tax expense	$	**3,931**	**11,838**
Income tax related to comprehensive income	$	-	-
Income tax related to equity	$	-	-

The Company has had its business income tax return approved by the tax authority for the year 2024.

(16) Capital and other equity

Except as described below, there were no material changes in the Group's capital and other equity for the three months ended March 31, 2026 and 2025. For relevant information, please refer to Note 6(16) of the 2025 Consolidated Financial Statements.

1) Share capital

As of March 31, 2026, December 31 and March 31, 2025, the total authorized share capital of the Company is NT$500,000 thousand, with a par value of NT$10 per share. The number of issued ordinary shares was 34,475 thousand, 34,475 thousand, and 31,355 thousand, respectively. All issued shares have been fully paid upon issuance.

Reconciliation of outstanding shares is as follows:

(In thousands of shares)	Ordinary shares	
	Three months ended March 31, 2026	**Three months ended March 31, 2025**
Closing balance on March 31 (i.e., opening balance on January 1)	**34,475**	**31,355**

2) Issuance of ordinary shares

The Board of Directors resolved to conduct a cash capital increase on March 31, 2026 by issuing 3,125 thousand new shares at a par value of NT$10, totaling NT$31,250 thousand. The capital increase record date is to be determined.

The Board of Directors resolved to conduct a cash capital increase on March 12, 2025, by issuing 3,120 thousand new shares at a par value of NT$10, totaling NT$31,200 thousand, in preparation for the initial listing on TPEx. This issuance has been approved by the competent authority with the capital increase record date on May 23, 2025. The relevant statutory registration procedures have been completed.

3) Capital surplus

The capital surplus balances of the Company are as follows:

	2026.3.31	**2025.12.31**	**2025.3.31**
Share premium	$ 402,035	402,035	250,659
Employee stock options	-	-	3,480
Expired stock options	130	130	-
	$ 402,165	**402,165**	**254,139**

In accordance with the Company Act, the capital surplus shall be used to pay for losses. After offsetting losses, the realized capital surplus may be distributed as new shares or cash to shareholders in proportion to their existing shareholdings. The aforementioned realized capital surplus includes share premiums exceeding par value and donations received. In accordance with Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital surplus may be capitalized, and the amount of which may not exceed 10% of the paid-in capital each year.

4) Retained earnings

In accordance with the Articles of Incorporation, if there is a surplus in the annual final accounts, it shall first be used to pay taxes and offset losses in previous years, with 10% appropriated as legal reserve, unless the legal reserve has reached the total capital amount. Special reverses may be appropriated as needed. Any remaining surplus shall be distributed according to a proposal by the Board of Directors and approved by the shareholders' meeting. If the accumulated distributable surplus is less than 10% of the paid-in capital, no distribution is required.

The Company's dividend distribution policy considers the industry environment, growth potential, future capital requirements, and long-term financial planning, and aims to meet the shareholders’ expectations for cash inflows. The distribution ratio is determined based on the current earnings status, overall development, and financial planning, and may be distributed in the form of cash dividends and share dividends. The amount of dividends to be distributed to shareholders shall not be less than 10% of the current distributable earnings, while the proportion of cash dividends distribution shall not be less than 20% of the total annual dividend distribution for the year.

The Company may distribute dividends and bonuses, all or part of the capital surplus, and the legal reserve. If distributed in cash, the Board of Directors is authorized to do so with the presence of more than two-thirds of the directors and the approval of a majority of the attending directors, which is then reported to the shareholders' meeting.

(1) Legal reserve

Under the Company Act, when there is no accumulated deficit, the legal reserve may be used to issue new shares or distribute cash upon resolution of the shareholders’ meeting. However, the amount used shall not exceed 25% of the paid-in capital.

(2) Special reserve

According to the regulations of the FSC, when distributing distributable earnings, the Company shall appropriate a special reserve for the difference between the net amount of other equity deductions for the current period and the balance of the special reserve appropriated in the prior period. The appropriation shall be made from the undistributed earnings of the current period, including net profit after tax and items other than net profit after tax therein, and from the undistributed earnings of the prior period. If such deductions relate to prior periods, the special reserve appropriated from the undistributed earnings of the prior period shall not be distributable. If these deductions are later reversed, the reversed portion may be distributed as dividends. As of March 31, 2026, December 31, 2025, and March 31, 2025, the balance of special surplus reserve was NT$0 thousand, NT$0 thousand, and NT$10,701 thousand, respectively.

(3) Earnings distribution

The 2025 earnings appropriation proposals of the Company was resolved by the Board of Directors on March 11, 2026, and the proposal for the year 2024 was resolved by the Board of Directors on March 12, 2025. The dividends distributed to shareholders are as follows:

	2025		2024	
	Dividends per share (NTD)	**Amount**	**Dividends per share (NTD)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 3.00	103,424	3.50	109,742

5. Other equity interest (profit after tax)

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2026	$ 3,539
Exchange differences arising on translation of foreign operations, net assets	10,590
Balance on March 31, 2026	$ 14,129
Balance on January 1, 2025	$ 1,740
Exchange differences arising on translation of foreign operations, net assets	7,309
Balance on March 31, 2025	$ 9,049

(17) Share-based payments

On March 12, 2025, the Board of Directors resolved to issue new shares and reserved 468 thousand shares for employee subscription. As of March 31, 2025, the share-based payment transactions of the Company are as follows:

	Equity settlement
	Proceeds from issuing shares for employee subscription
Grant date	2025.3.25
Quantity given	348 thousand shares
Transaction counterparties	Employees of the Company
Vesting condition	Immediately obtained

For the three-month period ended March 31, 2025, compensation costs recognized for the aforementioned shares reserved for employee subscription amounted to NT$3,480 thousand.

The Company adopts the Black-Scholes option pricing model to estimate the fair value of share-based payments on the grant date, with the input values as follows:

	Proceeds from issuing shares for employee subscription
Fair value per share of stock options granted (NTD)	69.83
Subscription price (NTD)	60
Duration (year)	0.1014
Risk-free interest rate (%)	1.31
Price volatility (%)	30.46
Expected yield rate (%)	-
Fair value per share of employee stock options granted (NTD)	10

(18) Earnings per share

The calculation of basic earnings per share and diluted earnings per share of the Group is as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Basic earnings per share		
Net profit attributable to ordinary shareholders of the Company	$ 13,346	39,369
Weighted average number of ordinary shares (unit: thousand shares)	34,475	31,355
Basic earnings per share (unit: NTD)	$ 0.39	1.26
Diluted earnings per share		
Net profit attributable to ordinary shareholders of the Company	$ 13,346	39,369
Weighted average number of ordinary shares (unit: thousand shares)	34,475	31,355
Effect of employee stock options (unit: thousand shares)	-	23
Effect of employee stock bonus (unit: thousand shares)	88	113
Weighted-average number of ordinary shares (after adjustment for diluted potential ordinary shares) (unit: thousand shares)	34,563	31,491
Diluted earnings per share (unit: NTD)	$ 0.39	1.25

(19) Revenue from contracts with customers

1) Disaggregation of revenue

	Three months ended March 31, 2026		
	Taiwan business segment	Mainland China business segment	Total
Primary geographical markets:			
Taiwan	$ 94,141	-	94,141
China	-	70,689	70,689
Thailand	24,919	-	24,919
Other countries	24,795	-	24,795
	$ 143,855	70,689	214,544
Main products:			
Lactobacillus plantarum powder	$ 143,465	70,622	214,087
Others	390	67	457
	$ 143,855	70,689	214,544

	Three months ended March 31, 2025		
	Taiwan business segment	**Mainland China business segment**	**Total**
Primary geographical markets:			
Taiwan	$ 105,334	-	105,334
China	-	71,286	71,286
Thailand	23,793	-	23,793
Other countries	33,311	-	33,311
	$ 162,438	71,286	233,724
Main products:			
Lactobacillus plantarum powder	$ 162,162	70,695	232,857
Others	276	591	867
	$ 162,438	71,286	233,724

2) Contract balance

	2026.3.31	2025.12.31	2025.3.31
Notes receivable	$ 748	3,322	3,527
Accounts receivable	80,894	108,467	91,729
Accounts receivable due from related parties	1,954	2,716	1,405
Less: Allowance for impairment loss	-	-	(484)
	$ 83,596	114,505	96,177
Contractual liabilities - current	$ 14,481	8,705	19,317

The amounts of the opening balances of contract liabilities as of January 1, 2026 and 2025, recognized as revenue from January 1 to March 31, 2026 and 2025, were NT$7,216 thousand and NT$12,363 thousand, respectively.

(20) Remunerations to employees and directors

The Company resolved to amend the Articles of Incorporation at the shareholders' meeting on May 29, 2025. According to the amended Articles, if there is profit for the year, no less than 1% shall be allocated for employee remuneration (of which no less than 10% shall be allocated for grassroots employees) and no more than 5% for director remuneration. However, if the Company still has accumulated losses, an amount for offsetting such losses should be reserved. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain criteria. As stipulated in the Articles of Incorporation prior to amendment, if there is profit for the year, no less than 1% shall be allocated for employee remuneration, and no more than 5% for director remuneration. However, if the Company still had accumulated losses, an amount for offsetting such losses shall be reserved. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain criteria.

The estimated amounts of employee remunerations for the periods from January 1 to March 31, 2026 and 2025 were both NT$1,500 thousand, and the estimated amounts of director remunerations were both NT$630 thousand. These amounts were estimated based on the net income before tax for each period before deducting employee and director remunerations, multiplied by the distribution percentages for employee and director remunerations as stipulated in the Company's Articles of Incorporation, and were recognized as operating costs or operating expenses for the respective periods. If there is a difference between the actual distribution amount in the following year and the estimated amount, the change in accounting estimates shall be applied, and the difference will be recognized as profit or loss in the following year.

For the years ended December 31, 2025 and 2024, the Company accrued employee remunerations in the amounts of NT$6,000 thousand and NT$8,600 thousand, and director remunerations in the amounts of NT$2,520 thousand and NT$3,000 thousand, respectively. There is no difference between these amounts and the actual distribution determined by the Board of Directors' resolution. For relevant information, please refer to the Market Observation Post System.

(21) Non-operating income and expenses

1) Interest revenue

Details of the Group's interest revenue are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Interest on bank deposits	$ 1,793	2,021
Interest income from refundable deposits	1	1
	$ 1,794	**2,022**

2) Other income

Details of other income are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Sample income	$ 213	172
Subsidy income	3,034	2,870
Others	156	683
	$ 3,403	3,725

3) Other gains and losses

Details of other gains and losses are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Foreign exchange gains, net	$ 6,153	3,508
Losses on disposals of property, plant and equipment	(169)	-
Others	-	(3)
	$ 5,984	3,505

4) Finance costs

Details of the finance costs are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Interest expense		
Bank loan interest	$ (8,060)	-
Lease liabilities	(482)	(461)
Others	-	(1)
	$ (8,542)	(462)

(22) Financial instruments

Except as described below, there have been no significant changes in the fair value of the Group's financial instruments or exposure to credit risk, liquidity risk, and market risk due to financial instruments. For relevant information, please refer to Note 6(22) of the 2025 Consolidated Financial Statements.

1) Credit risk

(1) Maximum amount of exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(2) Concentration of credit risk

Since the Group has a broad customer base and does not significantly concentrate its transactions with any single customer or in specific geographic areas, there is no concentration of credit risk for receivables. To mitigate credit risk, the Group regularly assesses the financial status of customers, though the customers are not required to provide collateral.

(3) Credit risk of accounts receivable and debt instruments

For credit risk exposure of notes and accounts receivable, please refer to Note 6(3).

Other financial assets at amortized cost include other receivables, refundable deposits paid, and other financial assets. The aforementioned financial assets are considered to have low credit risk; therefore, the allowance for losses for the period is based on a 12-month expected loss (For details on how the Group determines low credit risk, please refer to Note 4(7) of the 2025 Consolidated Financial Statements). There were no changes in the allowance for losses for the periods from January 1 to March 31, 2026 and 2025.

2) Liquidity risk

The following presents the contractual maturities of financial liabilities, including estimated interest payments but excluding the effects of netting agreements.

	Carrying amount	Contract cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
March 31, 2026							
Non-derivative financial liabilities							
Short-term borrowings (floating rate)	$ 338,000	341,173	236,366	104,807	-	-	-
Accounts payable (interest free)	28,217	28,217	28,217	-	-	-	-
Other payables (interest free)	244,913	244,913	244,913	-	-	-	-
Lease liabilities (fixed rate)	144,158	190,309	2,178	2,178	4,356	13,067	168,530
Refundable deposits received (interest free)	150	150	-	-	-	150	-
Long-term borrowings (due within 1 year) (floating rate)	1,176,957	1,249,737	146,050	145,465	289,748	574,012	94,462
Total	**$ 1,932,395**	**2,054,499**	**657,724**	**252,450**	**294,104**	**587,229**	**262,992**

	Carrying amount	Contract cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings (floating rate)	$ 90,000	90,446	85,417	5,029	-	-	-
Accounts payable (interest free)	26,169	26,169	26,169	-	-	-	-
Other payables (interest free)	240,329	240,329	240,329	-	-	-	-
Lease liabilities (fixed rate)	135,956	179,750	2,045	2,045	4,091	12,272	159,297
Refundable deposits received (interest free)	150	150	-	-	-	150	-
Long-term borrowings (due within 1 year) (floating rate)	1,160,604	1,235,641	136,182	135,568	270,105	567,132	126,654
Total	$ 1,653,208	1,772,485	490,142	142,642	274,196	579,554	285,951
March 31, 2025							
Non-derivative financial liabilities							
Accounts payable (interest free)	$ 44,767	44,767	44,767	-	-	-	-
Other payables (interest free)	322,496	322,496	322,496	-	-	-	-
Lease liabilities (fixed rate)	137,668	182,832	2,059	2,045	4,091	12,272	162,365
Long-term borrowings (due within 1 year) (floating rate)	862,491	925,340	85,993	85,811	171,003	421,218	161,315
Total	$ 1,367,422	1,475,435	455,315	87,856	175,094	433,490	323,680

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3) Exchange rate risk

(1) Exposure to exchange rate risk

The financial assets and liabilities exposed to significant exchange rate risk are as follows:

	2026.3.31			2025.12.31			2025.3.31		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD	$ 6,433	31.995	205,834	6,461	31.430	203,056	6,032	33.205	200,278
RMB	6,097	4.629	28,224	6,562	4.496	29,501	4,752	4.573	21,732
Financial liabilities									
Monetary items									
USD	40	31.995	1,269	37	31.430	1,169	16	33.205	534
RMB	9	4.629	39	20	4.496	90	-	4.573	-

(2) Sensitivity analysis

The Group's exposure to foreign currency risk comes from cash and cash equivalents, accounts receivable (including related parties), other receivables, other financial assets, and other payables, that are denominated in foreign currency. As of March 31, 2026 and 2025, if the NTD had depreciated or appreciated by 1% against the USD and RMB with all other variables remaining unchanged, the net profit after tax from January 1 to March 31, 2026 and 2025 would have increased or decreased by NT$1,862 thousand and NT$1,772 thousand, respectively. The analysis was performed on the same basis for both periods.

(3) Exchange gains and losses on monetary items

Details for the amount and exchange rate of the (realized and unrealized) exchange gains and losses of monetary items that are converted into NTD, the functional currency of the Group, are as follows:

	Three months ended March 31, 2026		Three months ended March 31, 2025	
	Exchange gains (losses)	Average exchange rate	Exchange gains (losses)	Average exchange rate
TWD	$ 6,153	-	3,512	-
RMB	-	4.568	(4)	4.512
Total	$ 6,153		3,508	

4) Interest rate analysis

The Group's financial liabilities interest rate risk is explained in the liquidity risk management section of this note.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. For floating rate liabilities, the analysis assumes that the outstanding balance as of the reporting date remains outstanding for the entire year. The rate of change in the internal report of the Group to management represents a 1% increase or decrease in interest rates. This also reflects management’s assessment of the reasonably possible range of interest rate fluctuations.

If the interest rate increases or decreases by 1%, with all other variables remaining constant, the Group’s net profit after tax for the three months ended March 31, 2026 and 2025 would decrease or increase by NT$3,030 thousand and NT$1,725 thousand, respectively, mainly due to the variable-rate borrowings of the Group.

5) Fair value information

(1) Types and fair value of financial instruments

The carrying amounts and fair values of the various categories of financial assets and financial liabilities (including fair value hierarchy information, but excluding financial instruments not measured at fair value where the carrying amount is a reasonable approximation of fair value, as well as lease liabilities for which disclosure of fair value is not required) are as follows:

	2026.3.31				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	$ 392,441	-	-	-	-
Other financial assets	216,852	-	-	-	-
Notes receivable and accounts receivable (including related parties)	83,596	-	-	-	-
Other receivables	1,240	-	-	-	-
Refundable deposit paid	451	-	-	-	-
Total financial assets	**$ 694,580**				
Financial liabilities at amortized cost					
Bank loan	$ 1,514,957	-	-	-	-
Accounts payable	28,217	-	-	-	-
Other payables	244,913	-	-	-	-
Lease liabilities	144,158	-	-	-	-
Refundable deposit received	150	-	-	-	-
Total financial liabilities	**$ 1,932,395**				

	2025.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	$ 269,936	-	-	-	-
Other financial assets	141,581	-	-	-	-
Notes receivable and accounts receivable (including related parties)	114,505	-	-	-	-
Other receivables	801	-	-	-	-
Refundable deposit paid	509	-	-	-	-
Total financial assets	**$ 527,332**				
Financial liabilities at amortized cost					
Bank loan	$ 1,250,604	-	-	-	-
Accounts payable	26,169	-	-	-	-
Other payables	240,329	-	-	-	-
Lease liabilities	135,956	-	-	-	-
Refundable deposit received	150	-	-	-	-
Total financial liabilities	**$ 1,653,208**				

	2025.3.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	$ 413,108	-	-	-	-
Other financial assets	10,213	-	-	-	-
Notes receivable and accounts receivable (including related parties)	96,177	-	-	-	-
Other receivables	833	-	-	-	-
Refundable deposit paid	900	-	-	-	-
Total financial assets	**$ 521,231**				
Financial liabilities at amortized cost					
Bank loan	$ 862,491	-	-	-	-
Accounts payable	44,767	-	-	-	-
Other payables	322,496	-	-	-	-
Lease liabilities	137,668	-	-	-	-
Total financial liabilities	**$ 1,367,422**				

The Group measures assets and liabilities using observable market inputs whenever possible. The fair value hierarchy is categorized as follows based on the inputs used in the valuation techniques:

(A) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(B) Level 2: Inputs, other than quoted prices included Level 1, that are observable for the assets or liabilities, either directly (i.e., prices) or indirectly (i.e., derived from prices).

(C) Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

(2) Fair value measurement techniques for financial instruments not measured at fair value

For the financial instruments of the Group not measured at fair value, if they are close to the maturity date, or if the future payment amounts approximate their carrying amounts, fair value is estimated based on the carrying amounts as of the balance sheet date.

(23) Financial risk management

The Group's financial risk management objectives and policies have not significantly changed from those disclosed in Note 6(23) of the 2025 Consolidated Financial Statements.

(24) Capital management

The Group's capital management objectives, policies, and procedures are consistent with those disclosed in the 2025 Consolidated Financial Statements. Additionally, the aggregated quantitative data for capital management items have not significantly changed from those disclosed in the 2025 Consolidated Financial Statements. For relevant information, please refer to Note 6(24) of the 2025 Consolidated Financial Statements.

(25) Investing and financing activities of non-cash transactions

The adjustment of liabilities from the financing activities is as follows:

			Non-cash changes		
	2026.1.1	**Cash flows**	**Acquisition of right-of-use assets**	**Other changes (Note 1)**	**2026.3.31**
Short-term borrowings	$ 90,000	248,000	-	-	338,000
Long-term borrowings (due within 1 year)	1,160,604	12,368	-	3,985	1,176,957
Lease liabilities (including current and non-current)	135,956	(607)	8,809	-	144,158
Refundable deposit received	150	-	-	-	150
Total liabilities from financing activities	$ 1,386,710	259,761	8,809	3,985	1,659,265

Note 1: Recognized deferred grant benefits of NT$538 thousand and interest expense of NT$3,447 thousand.

			Non-cash changes		
	2025.1.1	**Cash flows**	**Acquisition of right-of-use assets**	**Other changes (Note 2)**	**2025.3.31**
Long-term borrowings (due within 1 year)	$ 815,561	46,429	-	501	862,491
Lease liabilities (including current and non-current)	138,248	(580)	-	-	137,668
Total liabilities from financing activities	$ 953,809	45,849	-	501	1,000,159

Note 2: Recognized deferred grant benefits of NT$(2,629) thousand and interest expense of NT$3,130 thousand.

7. Related Party Transactions

(1) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

(2) Names of related parties and the relationship

The related parties that had transactions with the Group during the reporting periods are as follows:

Name of related party	Relationship with the Group
JAROYO Corporation (hereinafter "JAROYO")	The chairman of the entity is the second degree relative of the Chairman of the Company (other related parties)
JHENG YAN Machinery Co., Ltd. (hereinafter "JHENG YAN")	The chairman of the entity is the director of the Company (other related parties)

(3) Significant transactions with related parties

1) Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Other related party – JAROYO	$ 3,375	1,377
Other related party – JHENG YAN	23	24
	$ 3,398	1,401

Sales of products to related parties have no significant difference from the terms and prices of regular products, except for customized products for which no comparable market price exists. The payment term is 30 to 60 days after month-end. No collateral was received for receivables from related parties, and no allowance for impairment loss was required after evaluation.

2) Receivables from related parties

Receivables from related parties are as follows:

Account item	Related party type	2026.3.31	2025.12.31	2025.3.31
Accounts receivable	Other related party – JAROYO	$ 1,954	2,716	1,405

(4) Transactions with key management personnel

Remunerations for key management personnel comprises:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Short-term employee benefits	$ 5,792	5,201
Post-employment benefits	108	108
	$ 5,900	5,309

8. Pledged Assets

The carrying amounts of the assets pledged as collateral are as follows:

Assets pledged as collateral	Purpose of pledge	2026.3.31	2025.12.31	2025.3.31
Property, plant and equipment	Bank loan	$ 1,654,542	1,634,345	211,904
Reserve account and time deposits (other financial assets)	Bank loan	186,957	134,831	5,113
Time deposits (other financial assets)	Natural gas guarantee	2,550	2,550	550
Time deposits (other financial assets)	Southern Taiwan Science Park Bureau land lease guarantee	4,200	4,200	4,550
		$ 1,848,249	1,775,926	222,117

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The Group's unrecognized contractual commitments for the acquisition of property, plant, and equipment are as follows:

2026.3.31	2025.12.31	2025.3.31
$ 86,291	88,164	314,930

10. Significant Disaster Loss: None.

11. Significant Events after the Balance Sheet Date: None.

12. Others

(1) Employee benefits, depreciations and amortization expenses are summarized as follows:

Function / Nature	Three months ended March 31, 2026			Three months ended March 31, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Wages and salaries	28,836	34,552	63,388	28,104	36,427	64,531
Labor and health insurance	2,667	3,905	6,572	2,392	2,874	5,266
Pension expense	1,685	2,041	3,726	1,585	1,902	3,487
Director remuneration	-	938	938	-	943	943
Other employee benefit expenses	1,391	1,910	3,301	1,392	1,858	3,250
Depreciation	26,345	7,355	33,700	13,726	2,482	16,208
Amortization	70	1,031	1,101	15	1,217	1,232

(2) Seasonal operations:

The operation of the Group is not affected by seasonal or cyclical factors.

13. Note Disclosures

(1) Information on significant transactions

For the three months ended March 31, 2026, the Group is required to further disclose the following significant transactions in accordance with the Preparation Regulations:

1) Loans to others: None.

2) Guarantees provided for other parties: None.

3) End-of-period holdings of significant marketable securities (excluding investment in subsidiaries, associates, and joint ventures): None.

4) Total purchases from or sales to related parties amounting to at least NT$100 million or

20% of paid-in capital: None.

5) Receivables from related parties amounting to at least NT$100 million or 20% of paid-in capital: None.

6) Business relationships and significant transaction details:

Number	Purchaser (seller)	Counterparty	Relationship with counterparty (Note 1)	Transaction details			
				Account name	Amount	Terms and conditions	Percentage of consolidated operating revenue or total assets
0	The Company	SYNBIO TECH BIOTECHNOLOGY (Yangzhou) Co., Ltd.	1	Sales revenue	4,046	As it is a customized product, there are no comparable market transactions.	1.89%
				Accounts receivable	8,631	The collection period is 90 days.	0.26%
0	The Company	SYNBIO TECH BIOTECHNOLOGY (Yangzhou) Co., Ltd.	1	Other income	1,009	As it is service fees for R&D and personnel training guidance, there are no comparable market transactions.	0.47%
				Other receivables	1,028		0.03%
0	The Company	SYNBIO TECH BIOTECHNOLOGY (Yangzhou) Co., Ltd.	1	Other income	231	As it is system usage fees, there are no comparable market transactions.	0.11%
				Other receivables	235		0.01%

(Note 1): Relationships with the transaction counterparties are numbered as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

(2) Information on investments:

Information on the investees of the Group from January 1 to March 31, 2026, is as follows:

Investor	Investee	Location	Main businesses	Initial investment amount		End-of-period holdings			Investee's profit (loss) for the period	Investment gain (loss) recognized for the period	Note
				End of period	End of last year	Shares	Percentage	Carrying amount			
The Company	Synbio Tech Inc.	Republic of Seychelles	Investment activities	193,461 (USD 6,252 thousand)	193,461 (USD 6,252 thousand)	6,250,000	100.00%	361,926	4,542	4,542	Subsidiaries (Note)

(Note): It was eliminated during the preparation of the consolidated financial statements.

(3) Information on investments in Mainland China:

1) Information on re-invested enterprise in Mainland China:

Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment outflow from Taiwan as of beginning of period	Investment flows		Accumulated investment outflow from Taiwan as of end of period	Investee's Profit (Loss) for the Period (Note 5)	Direct or indirect shareholding percentage	Investment income (loss) recognized for the period (Note 2 and 5)	Book value of investment at end of period (Note 5)	Investment income repatriated as of end of period (Note 6)
					Remittance	Repatriation						
SYNBIOTECH BIOTECHNOLOGY (Yangzhou) Co., Ltd.	Production and sale of concentrated fermentation solutions, Lactobacillus plantarum granules, and Lactobacillus plantarum solid beverages	193,415 (USD 6,250 thousand)	(Note 1)	193,415 (USD 6,250 thousand)	-	-	193,415 (USD 6,250 thousand)	4,542	100.00%	4,542	371,081	60,892 (CNY 13,656 thousand)

2) Limitation on investment in Mainland China:

Cumulative amount of investments remitted from Taiwan to Mainland China at end of period (Note 3)	Investment amount authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on investment in Mainland China stipulated by the Investment Commission, MOEA (Note 4)
199,969 (USD 6,250 thousand)	199,969 (USD 6,250 thousand)	750,401

Note 1: Indirect investment in Mainland China through Synbio Tech Inc. at a third region.

Note 2: Investment income and loss are recognized based on the financial statements audited by the CPA of the parent company in Taiwan.

Note 3: The amount in NTD is calculated based on the exchange rate on March 31, 2026.

Note 4: 60% of the Company's net worth.

Note 5: It was eliminated in the consolidated financial statements.

Note 6: After deducting the local withholding tax, the net remittance totaled NT$54,724 thousand.

3) Significant transactions:

For significant transactions directly or indirectly with investees in Mainland China by the Group from January 1 to March 31, 2026 (eliminated during the preparation of the consolidated financial statements), please refer to Note 13(1) for details on "Significant Transactions".

14. Segment Information

The Group's segment information and reconciliation are as follows:

Three months ended March 31, 2026	Taiwan business segment	Mainland China business segment	Reconciliation and elimination	Total
Revenue:				
Revenue from external customers	$ 143,855	70,689	-	214,544
Inter-segment revenue	4,046	-	(4,046)	-
Total revenue	**$ 147,901**	**70,689**	**(4,046)**	**214,544**
Reportable segment profit or loss	**$ 17,395**	**4,600**	**(4,718)**	**17,277**

Three months ended March 31, 2025	Taiwan business segment	Mainland China business segment	Reconciliation and elimination	Total
Revenue:				
Revenue from external customers	$ 162,438	71,286	-	233,724
Inter-segment revenue	13,344	-	(13,344)	-
Total revenue	**$ 175,782**	**71,286**	**(13,344)**	**233,724**
Reportable segment profit or loss	**$ 50,201**	**2,203**	**(1,197)**	**51,207**

	Taiwan business segment	Mainland China business segment	Reconciliation and elimination	Total
Reportable segment assets				
March 31, 2026	**$ 2,902,433**	**409,711**	**(19,093)**	**3,293,051**
December 31, 2025	**$ 2,710,236**	**409,179**	**(34,162)**	**3,085,253**
March 31, 2025	**$ 2,138,807**	**396,128**	**(21,177)**	**2,513,758**
Reportable segment liabilities				
March 31, 2026	**$ 2,013,647**	**38,630**	**(9,894)**	**2,042,383**
December 31, 2025	**$ 1,722,112**	**53,231**	**(20,246)**	**1,755,097**
March 31, 2025	**$ 1,465,645**	**43,408**	**(15,136)**	**1,493,917**