

Topkey Corporation and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Topkey Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Topkey Corporation and its subsidiaries (the "Group") as of March 31, 2026 and 2025 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related 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 of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements and the notes 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\$705,315 thousand and NT\$744,593 thousand, respectively, representing 5% and 4%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$147,923 thousand and NT\$333,828 thousand, respectively, representing 3% and 4%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2026 and 2025, the amount of combined total comprehensive income (loss) of these subsidiaries were NT\$18,779 thousand and NT\$16,317 thousand, respectively, representing 4% and 3%, respectively, of the consolidated total comprehensive income (loss).

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 present fairly, in all material respects the consolidated financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months 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 Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ting-Chien Su and Shao-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 12, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

TOPKEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,697,733	40	\$ 5,482,444	39	\$ 8,737,137	49
Financial assets at amortized cost - current (Notes 7 and 25)	17,000	-	20,047	-	20,308	-
Trade receivables (Note 8)	1,794,957	12	1,561,712	11	1,875,539	11
Other receivables	38,283	-	54,338	-	81,551	-
Current tax assets (Note 20)	9,584	-	21,711	-	54,731	-
Inventories (Note 9)	1,381,371	10	1,363,488	10	1,334,490	8
Other current assets	<u>229,245</u>	<u>2</u>	<u>224,786</u>	<u>2</u>	<u>301,730</u>	<u>2</u>
Total current assets	<u>9,168,173</u>	<u>64</u>	<u>8,728,526</u>	<u>62</u>	<u>12,405,486</u>	<u>70</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 10)	-	-	-	-	-	-
Property, plant and equipment (Note 12)	4,667,867	32	4,677,714	34	4,682,947	27
Right-of-use assets (Note 13)	480,027	3	466,045	3	500,206	3
Deferred tax assets (Note 20)	25,518	-	54,902	1	19,723	-
Refundable deposits	11,999	-	10,796	-	12,115	-
Other non-current assets	<u>61,320</u>	<u>1</u>	<u>48,538</u>	<u>-</u>	<u>48,072</u>	<u>-</u>
Total non-current assets	<u>5,246,731</u>	<u>36</u>	<u>5,257,995</u>	<u>38</u>	<u>5,263,063</u>	<u>30</u>
TOTAL	<u>\$ 14,414,904</u>	<u>100</u>	<u>\$ 13,986,521</u>	<u>100</u>	<u>\$ 17,668,549</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 14)	\$ 352,903	3	\$ 329,364	2	\$ 3,597,287	20
Notes payable and trade payables	548,209	4	522,063	4	505,998	3
Other payables (Note 15)	1,211,912	8	665,044	5	1,547,051	9
Current tax liabilities (Note 20)	117,342	1	62,788	-	328,927	2
Lease liabilities - current (Note 13)	20,304	-	17,025	-	17,058	-
Current portion of long-term borrowings (Note 14)	291,341	2	241,967	2	69,042	-
Other current liabilities	<u>735,326</u>	<u>5</u>	<u>729,890</u>	<u>5</u>	<u>747,631</u>	<u>4</u>
Total current liabilities	<u>3,277,337</u>	<u>23</u>	<u>2,568,141</u>	<u>18</u>	<u>6,812,994</u>	<u>38</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 14)	784,549	5	858,496	6	971,693	6
Deferred tax liabilities (Note 20)	417,305	3	386,082	3	455,129	3
Lease liabilities - non-current (Note 13)	212,029	1	205,362	1	219,864	1
Guarantee deposits	538	-	531	-	254	-
Other non-current liabilities	<u>90,812</u>	<u>1</u>	<u>104,794</u>	<u>1</u>	<u>47,849</u>	<u>-</u>
Total non-current liabilities	<u>1,505,233</u>	<u>10</u>	<u>1,555,265</u>	<u>11</u>	<u>1,694,789</u>	<u>10</u>
Total liabilities	<u>4,782,570</u>	<u>33</u>	<u>4,123,406</u>	<u>29</u>	<u>8,507,783</u>	<u>48</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Capital stock	908,200	6	908,200	7	908,200	5
Capital surplus	1,639,532	12	1,639,532	12	1,639,532	9
Retained earnings						
Legal reserve	1,342,259	9	1,342,259	10	1,170,978	6
Special reserve	140,145	1	140,145	1	372,946	2
Unappropriated earnings	5,274,091	37	5,672,702	40	4,720,450	27
Other equity	<u>(162,015)</u>	<u>(1)</u>	<u>(278,570)</u>	<u>(2)</u>	<u>(85,571)</u>	<u>-</u>
Total equity attributable to owners of the Company	9,142,212	64	9,424,268	68	8,726,535	49
NON-CONTROLLING INTERESTS	<u>490,122</u>	<u>3</u>	<u>438,847</u>	<u>3</u>	<u>434,231</u>	<u>3</u>
Total equity	<u>9,632,334</u>	<u>67</u>	<u>9,863,115</u>	<u>71</u>	<u>9,160,766</u>	<u>52</u>
TOTAL	<u>\$ 14,414,904</u>	<u>100</u>	<u>\$ 13,986,521</u>	<u>100</u>	<u>\$ 17,668,549</u>	<u>100</u>

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

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
NET REVENUE (Note 18)	\$ 2,316,961	100	\$ 2,401,677	100
COST OF GOODS SOLD (Notes 9 and 19)	<u>1,522,061</u>	<u>66</u>	<u>1,557,189</u>	<u>65</u>
GROSS PROFIT	<u>794,900</u>	<u>34</u>	<u>844,488</u>	<u>35</u>
OPERATING EXPENSES				
Selling and marketing expenses (Note 19)	54,049	2	53,608	2
General and administrative expenses (Note 19)	203,465	9	206,921	9
Research and development expenses (Note 19)	134,490	6	122,316	5
Expected credit loss (Note 8)	<u>6,478</u>	<u>-</u>	<u>874</u>	<u>-</u>
Total operating expenses	<u>398,482</u>	<u>17</u>	<u>383,719</u>	<u>16</u>
INCOME FROM OPERATIONS	<u>396,418</u>	<u>17</u>	<u>460,769</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 19)	(6,732)	-	(25,527)	(1)
Interest income	40,971	2	76,155	3
Other income (Note 19)	36,931	1	24,081	1
Net foreign exchange gain (Loss)	(18,748)	(1)	33,543	1
Other gain and losses (Note 19)	<u>107</u>	<u>-</u>	<u>(1,449)</u>	<u>-</u>
Total non-operating income and expenses	<u>52,529</u>	<u>2</u>	<u>106,803</u>	<u>4</u>
INCOME BEFORE INCOME TAX	448,947	19	567,572	23
INCOME TAX EXPENSE (Note 20)	<u>83,458</u>	<u>3</u>	<u>78,750</u>	<u>3</u>
NET INCOME	<u>365,489</u>	<u>16</u>	<u>488,822</u>	<u>20</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	159,429	7	74,102	3
Income tax relating to items that will be reclassified subsequently to profit or loss	<u>(29,139)</u>	<u>(2)</u>	<u>(13,643)</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>130,290</u>	<u>5</u>	<u>60,459</u>	<u>3</u>

(Continued)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 495,779	21	\$ 549,281	23
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 327,949	14	\$ 463,862	19
Non-controlling interests	37,540	2	24,960	1
	\$ 365,489	16	\$ 488,822	20
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 444,504	19	\$ 518,436	22
Non-controlling interests	51,275	2	30,845	1
	\$ 495,779	21	\$ 549,281	23
EARNINGS PER SHARE (Note 21)				
Basic	\$ 3.61		\$ 5.11	
Diluted	\$ 3.59		\$ 5.08	

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

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

(Concluded)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company									
	Common Shares (Note 17)	Capital Surplus (Note 17)	Retained Earnings (Note 17)			Other Equity		Total	Non-controlling Interests (Note 11)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income			
BALANCE ON JANUARY 1, 2025	\$ 908,200	\$ 1,639,532	\$ 1,170,978	\$ 372,946	\$ 5,255,608	\$ (130,145)	\$ (10,000)	\$ 9,207,119	\$ 403,386	\$ 9,610,505
Appropriation of 2024 earnings										
Cash dividends distributed by the Company	-	-	-	-	(999,020)	-	-	(999,020)	-	(999,020)
Net profit for the three months ended March 31, 2025	-	-	-	-	463,862	-	-	463,862	24,960	488,822
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	54,574	-	54,574	5,885	60,459
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	463,862	54,574	-	518,436	30,845	549,281
BALANCE ON MARCH 31, 2025	\$ 908,200	\$ 1,639,532	\$ 1,170,978	\$ 372,946	\$ 4,720,450	\$ (75,571)	\$ (10,000)	\$ 8,726,535	\$ 434,231	\$ 9,160,766
BALANCE ON JANUARY 1, 2026	\$ 908,200	\$ 1,639,532	\$ 1,342,259	\$ 140,145	\$ 5,672,702	\$ (268,570)	\$ (10,000)	\$ 9,424,268	\$ 438,847	\$ 9,863,115
Appropriation of 2025 earnings										
Cash dividends distributed by the Company	-	-	-	-	(726,560)	-	-	(726,560)	-	(726,560)
Net profit for the three months ended March 31, 2026	-	-	-	-	327,949	-	-	327,949	37,540	365,489
Other comprehensive income for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	116,555	-	116,555	13,735	130,290
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	327,949	116,555	-	444,504	51,275	495,779
BALANCE ON MARCH 31, 2026	\$ 908,200	\$ 1,639,532	\$ 1,342,259	\$ 140,145	\$ 5,274,091	\$ (152,015)	\$ (10,000)	\$ 9,142,212	\$ 490,122	\$ 9,632,334

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

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

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 448,947	\$ 567,572
Adjustments for:		
Depreciation expenses	116,030	107,269
Expected credit loss	6,478	874
Finance costs	6,732	25,527
Interest income	(40,971)	(76,155)
(Gain) loss on disposal of property, plant and equipment	(563)	472
Reversal of impairment property, plant and equipment	-	(864)
Reversal of inventories write-down	(2,367)	(40,105)
Net loss (gain) on unrealized foreign currency exchange	12,001	(2,457)
Amortization of prepayments	15,732	11,744
Changes in operating assets and liabilities:		
Trade receivables	(184,297)	218,866
Other receivables	21,614	6,354
Inventories	17,005	242,591
Other current assets	(15,897)	(89,542)
Notes payable	1,000	(1,000)
Trade payables	(10,229)	(96,249)
Other payables	(177,305)	(122,862)
Other current liabilities	4,813	(20,469)
Other non-current liabilities	(13,982)	(3,576)
Cash generated from operations	204,741	727,990
Interest received	36,699	74,986
Interest paid	(7,001)	(25,472)
Income tax (refunded) paid	14,742	(56,513)
Net cash generated from operating activities	<u>249,181</u>	<u>720,991</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(55,379)	(95,558)
Proceeds from disposal of property, plant and equipment	2,592	851
(Increase) decrease in refundable deposits	(1,081)	526
Increase in other non-current assets	(363)	(474)
Increase in prepayments for equipment	(21,666)	(9,524)
Net cash used in investing activities	<u>(75,897)</u>	<u>(104,179)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	25,591	1,361,668
Repayments of short-term borrowings	(11,485)	(347,711)
Proceeds from long-term borrowings	-	52,746
Repayments of long-term borrowings	(35,615)	(45,278)

(Continued)

TOPKEY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
Repayments of the principal portion of lease liabilities	\$ (6,034)	\$ (7,972)
Net cash (used in) generated from financing activities	(27,543)	\$ 1,013,453
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	69,548	88,450
NET INCREASE IN CASH AND CASH EQUIVALENTS	215,289	1,718,715
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5,482,444	7,018,422
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 5,697,733	\$ 8,737,137

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

(Concluded)

TOPKEY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL INFORMATION

TOPKEY CORPORATION (the “Company”) was incorporated in the Republic of China (ROC) in July 1980; and is mainly engaged in the production, processing, sale, international trading and agency services of sporting goods, carbon fiber products, glass fiber products, and composite materials.

The Company’s shares were listed and have been trading on the Taiwan Stock Exchange since October 2013.

The consolidated financial statements of the Company and its subsidiaries (referred to collectively as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 12, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission(FSC)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies:

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

- 1) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

- b) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. 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.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- 2) 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); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 11 and Table 5 and 6 for detailed information on subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

Income tax expense

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 by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Refer to statements of critical accounting judgements and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 1,055	\$ 1,160	\$ 1,306
Checking accounts and demand deposits	1,719,145	1,763,425	4,620,474
Cash equivalents			
Time deposits	<u>3,977,533</u>	<u>3,717,859</u>	<u>4,115,357</u>
	<u>\$ 5,697,733</u>	<u>\$ 5,482,444</u>	<u>\$ 8,737,137</u>

7. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
Restricted deposits	<u>\$ 17,000</u>	<u>\$ 20,047</u>	<u>\$ 20,308</u>

Refer to Note 25 for the pledged of restricted deposits.

8. TRADE RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>At amortized cost</u>			
Gross carrying amount	\$ 1,826,892	\$ 1,586,993	\$ 1,892,547
Less: Allowance for impairment loss	<u>(31,935)</u>	<u>(25,281)</u>	<u>(17,008)</u>
	<u>\$ 1,794,957</u>	<u>\$ 1,561,712</u>	<u>\$ 1,875,539</u>

The average credit period of sales of goods is 60 to 120 days. No interest was charged on trade receivables. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available, or if such information is not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does

not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The loss allowance of trade receivables of the Group was as follows:

	Not Past Due	Past Due 30-90 Days	Past Due 91-180 Days	Past Due 181-364 Days	Past Due More than 365 Days	Total
<u>March 31, 2026</u>						
Expected credit loss rate (%)	-	5	25	50	100	
Gross carrying amount	\$ 1,793,262	\$ 16	\$ 167	\$ 3,109	\$ 30,338	\$ 1,826,892
Loss allowance	-	(1)	(42)	(1,554)	(30,338)	(31,935)
Amortized cost	<u>\$ 1,793,262</u>	<u>\$ 15</u>	<u>\$ 125</u>	<u>\$ 1,555</u>	<u>\$ -</u>	<u>\$ 1,794,957</u>
<u>December 31, 2025</u>						
Expected credit loss rate (%)	-	5	25	50	100	
Gross carrying amount	\$ 1,553,160	\$ 498	\$ 176	\$ 15,894	\$ 17,265	\$ 1,586,993
Loss allowance	-	(25)	(44)	(7,947)	(17,265)	(25,281)
Amortized cost	<u>\$ 1,553,160</u>	<u>\$ 473</u>	<u>\$ 132</u>	<u>\$ 7,947</u>	<u>\$ -</u>	<u>\$ 1,561,712</u>
<u>March 31, 2025</u>						
Expected credit loss rate (%)	-	5	25	50	100	
Gross carrying amount	\$ 1,859,153	\$ 13,079	\$ 5,281	\$ -	\$ 15,034	\$ 1,892,547
Loss allowance	-	(654)	(1,320)	-	(15,034)	(17,008)
Amortized cost	<u>\$ 1,859,153</u>	<u>\$ 12,425</u>	<u>\$ 3,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,875,539</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31 2026	
	Trade Receivables	Other Receivables
Balance on January 1	\$ 25,281	\$ 76
Net remeasurement of loss allowance (reversal)	6,559	(81)
Foreign exchange gains and losses	<u>95</u>	<u>5</u>
Balance on March 31	<u>\$ 31,935</u>	<u>\$ -</u>

	For the Three Months Ended March 31	
	2025	
	Trade Receivables	Other Receivables
Balance on January 1	\$ 16,128	\$ -
Net remeasurement of loss allowance	874	-
Foreign exchange gains and losses	<u>6</u>	<u>-</u>
Balance on March 31	<u>\$ 17,008</u>	<u>\$ -</u>

9. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 492,809	\$ 483,061	\$ 469,580
Work in progress	445,612	329,938	373,002
Finished goods	333,798	437,002	357,453
Merchandise	<u>109,152</u>	<u>113,487</u>	<u>134,455</u>
	<u>\$ 1,381,371</u>	<u>\$ 1,363,488</u>	<u>\$ 1,334,490</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 was \$1,522,061 thousand and \$1,557,189 thousand, respectively.

The cost of goods sold included:

	For the Three Months Ended March 31	
	2026	2025
Inventory write-downs reversed	<u>\$ (2,367)</u>	<u>\$ (40,105)</u>

Inventory write-downs were reversed as a result of increased selling price in markets.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON - CURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Unlisted ordinary shares</u>			
Yue Pfong International Technology Corp. (Yue Pfong)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Proportion of Ownership (%)		
		March 31, 2026	December 31, 2025	March 31, 2025
The Company	New Score Holding Limited (NSH)	100	100	100
	Topkey (Vietnam) Corporation Company Limited (Topkey (VN) Corp)	100	100	100
	XPT Precision Company Limited (XPT Taiwan)	70	70	70
	EIC Holding Limited (EIC)	76	76	76
NSH	Musonic Corporation (Musonic)	100	100	100
	New Score Investment Limited (NSI)	100	100	100
	XPT Investment Co., Limited (XPT Investment)	70	70	70
	Xiamen Keentech Composite Technology Co., Ltd. (Keentech)	64	64	64
Musonic	Keentech	36	36	36
	Xiamen Valver Color Sticker Co., Ltd. (Valver)	100	100	100
NSI	Xiamen Yeu Chuan Composite Technology Co., Ltd. (Yeu Chuan)	100	100	100
	XPT Investment	100	100	100
EIC	Xiamen Xin Hong Zhou Precision Technology Co., Ltd. (Xin Hong Zhou)	100	100	100

Refer to Table 5 and 6 following the Notes to Consolidated Financial statements for information on the place of incorporation and principal places of business for each subsidiary.

Among the above subsidiaries, except for XPT Taiwan, EIC, Valver and Yeu Chuan for the three months ended March 31, 2026 and 2025. Which are non-significant subsidiaries, their financial reports have not been reviewed by auditors, and the financial reports of other subsidiaries have been reviewed by auditors.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)		
	March 31, 2026	December 31, 2025	March 31, 2025
EIC	24	24	24
XPT Investment	30	30	30

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Three Months Ended March 31		Accumulated Non-controlling Interests		
	2026	2025	March 31, 2026	December 31, 2025	March 31, 2025
EIC	\$ 2,010	\$ 3,918	\$ 98,551	\$ 93,424	\$ 108,892
XPT Investment	<u>30,386</u>	<u>21,079</u>	<u>370,557</u>	<u>329,553</u>	<u>316,501</u>
	<u>\$ 32,396</u>	<u>\$ 24,997</u>	<u>\$ 469,108</u>	<u>\$ 422,977</u>	<u>\$ 425,393</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

1) EIC and EIC's subsidiaries:

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 467,449	\$ 454,086	\$ 656,873
Non-current assets	87,635	93,143	114,315
Current liabilities	(133,224)	(143,840)	(290,193)
Non-current liabilities	<u>(3,560)</u>	<u>(6,851)</u>	<u>(18,804)</u>
Equity	<u>\$ 418,300</u>	<u>\$ 396,538</u>	<u>\$ 462,191</u>
Equity attributable to:			
Owners of EIC	\$ 319,749	\$ 303,114	\$ 353,299
Non-controlling interests of EIC	<u>98,551</u>	<u>93,424</u>	<u>108,892</u>
	<u>\$ 418,300</u>	<u>\$ 396,538</u>	<u>\$ 462,191</u>
	For the Three Months Ended March 31		
	2026	2025	
Revenue	<u>\$ 162,677</u>	<u>\$ 184,090</u>	
Profit for the period	\$ 8,532	\$ 16,630	
Other comprehensive income for the period	<u>13,231</u>	<u>6,379</u>	
Total comprehensive income for the period	<u>\$ 21,763</u>	<u>\$ 23,009</u>	
Profit attributable to:			
Owners of EIC	\$ 6,522	\$ 12,712	
Non-controlling interests of EIC	<u>2,010</u>	<u>3,918</u>	
	<u>\$ 8,532</u>	<u>\$ 16,630</u>	
Total comprehensive income attributable to:			
Owners of EIC	\$ 16,636	\$ 17,588	
Non-controlling interests of EIC	<u>5,127</u>	<u>5,421</u>	
	<u>\$ 21,763</u>	<u>\$ 23,009</u>	
Cash inflow/(outflow) from:			
Operating activities	\$ 19,635	\$ 58,702	
Investing activities	(2,701)	(4,967)	
Financing activities	<u>693</u>	<u>84,512</u>	
Net cash inflow	<u>\$ 17,627</u>	<u>\$ 138,247</u>	
Dividends paid to non-controlling interest of EIC	<u>\$ -</u>	<u>\$ -</u>	

2) XPT Investment and XPT Investment's subsidiaries:

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 1,180,939	\$ 1,099,687	\$ 1,062,220
Non-current assets	213,580	194,165	176,958
Current liabilities	<u>(145,844)</u>	<u>(183,348)</u>	<u>(172,656)</u>
Equity	<u>\$ 1,248,675</u>	<u>\$ 1,110,504</u>	<u>\$ 1,066,522</u>
Equity attributable to:			
Owners of XPT Investment	\$ 878,118	\$ 780,951	\$ 750,021
Non-controlling interests of XPT Investment	<u>370,557</u>	<u>329,553</u>	<u>316,501</u>
	<u>\$ 1,248,675</u>	<u>\$ 1,110,504</u>	<u>\$ 1,066,522</u>
	For the Three Months Ended March 31		
	2026	2025	
Revenue	<u>\$ 335,148</u>	<u>\$ 258,672</u>	
Profit for the period	\$ 102,392	\$ 71,032	
Other comprehensive income for the period	<u>35,779</u>	<u>14,765</u>	
Total comprehensive income for the period	<u>\$ 138,171</u>	<u>\$ 85,797</u>	
Profit attributable to:			
Owners of XPT Investment	\$ 72,006	\$ 49,953	
Non-controlling interests of XPT Investment	<u>30,386</u>	<u>21,079</u>	
	<u>\$ 102,392</u>	<u>\$ 71,032</u>	
Total comprehensive income attributable to:			
Owners of XPT Investment	\$ 97,167	\$ 60,336	
Non-controlling interests of XPT Investment	<u>41,004</u>	<u>25,461</u>	
	<u>\$ 138,171</u>	<u>\$ 85,797</u>	
Cash inflow/(outflow) from:			
Operating activities	\$ 68,833	\$ 51,910	
Investing activities	(29,364)	(7,871)	
Financing activities	<u>4,524</u>	<u>31,635</u>	
Net cash inflow	<u>\$ 43,993</u>	<u>\$ 75,674</u>	
Dividends paid to non-controlling interest of XPT Investment	<u>\$ -</u>	<u>\$ -</u>	

12. PROPERTY, PLANT AND EQUIPMENT

For the Three Months Ended March 31, 2026						
	Beginning Balance	Additions	Disposals	Reclassifications	Translation Adjustments	Ending Balance
<u>Cost</u>						
Land	\$ 52,939	\$ -	\$ -	\$ -	\$ -	\$ 52,939
Buildings	4,422,948	1,000	(991)	-	46,864	4,469,821
Machinery equipment	1,308,639	4,517	(43,846)	6,134	34,414	1,309,858
Transportation equipment	21,689	-	(5,511)	-	459	16,637
Other equipment	504,605	18,837	(22,808)	55,584	13,673	569,891
Construction in progress	83,970	18,315	-	(56,628)	1,962	47,619
	<u>6,394,790</u>	<u>\$ 42,669</u>	<u>\$ (73,156)</u>	<u>\$ 5,090</u>	<u>\$ 97,372</u>	<u>6,466,765</u>
<u>Accumulated depreciation</u>						
Buildings	831,220	\$ 39,995	\$ (990)	\$ -	\$ 21,319	891,544
Machinery equipment	576,384	35,455	(43,496)	-	15,089	583,432
Transportation equipment	13,572	997	(5,511)	-	271	9,329
Other equipment	250,979	31,909	(20,977)	-	6,846	268,757
	<u>1,672,155</u>	<u>\$ 108,356</u>	<u>\$ (70,974)</u>	<u>\$ -</u>	<u>\$ 43,525</u>	<u>1,753,062</u>
<u>Accumulated impairment</u>						
Machinery equipment	43,488	\$ -	\$ (153)	\$ -	\$ 1,020	44,355
Other equipment	1,433	-	-	-	48	1,481
	<u>44,921</u>	<u>\$ -</u>	<u>\$ (153)</u>	<u>\$ -</u>	<u>\$ 1,068</u>	<u>45,836</u>
	<u>\$ 4,677,714</u>					<u>\$ 4,667,867</u>
For the Three Months Ended March 31, 2025						
	Beginning Balance	Additions	Disposals	Reclassifications	Translation Adjustments	Ending Balance
<u>Cost</u>						
Land	\$ 52,939	\$ -	\$ -	\$ -	\$ -	\$ 52,939
Buildings	3,574,980	-	-	3,189	22,049	3,600,218
Machinery equipment	1,387,933	1,625	(44,284)	19,296	14,849	1,379,419
Transportation equipment	21,549	-	(1,304)	1,290	192	21,727
Other equipment	498,866	27,374	(37,613)	1,281	5,149	495,057
Construction in progress	786,973	80,928	-	(16,196)	1,233	852,938
	<u>6,323,240</u>	<u>\$ 109,927</u>	<u>\$ (83,201)</u>	<u>\$ 8,860</u>	<u>\$ 43,472</u>	<u>6,402,298</u>
<u>Accumulated depreciation</u>						
Buildings	718,164	\$ 29,491	\$ -	\$ -	\$ 8,625	756,280
Machinery equipment	623,091	33,181	(41,693)	-	6,415	620,994
Transportation equipment	11,192	973	(1,304)	-	80	10,941
Other equipment	270,524	29,981	(37,161)	(2)	2,935	266,277
	<u>1,622,971</u>	<u>\$ 93,626</u>	<u>\$ (80,158)</u>	<u>\$ (2)</u>	<u>\$ 18,055</u>	<u>1,654,492</u>
<u>Accumulated impairment</u>						
Machinery equipment	65,535	\$ -	\$ (2,584)	\$ -	\$ 427	63,378
Other equipment	1,461	-	-	-	20	1,481
	<u>66,996</u>	<u>\$ -</u>	<u>\$ (2,584)</u>	<u>\$ -</u>	<u>\$ 447</u>	<u>64,859</u>
	<u>\$ 4,633,273</u>					<u>\$ 4,682,947</u>

The Group assessed that some of the machinery equipment could be used for other purpose. Therefore, the reversal of impairment loss of \$864 thousand was recognized for the three months ended March 31, 2025, (the reversal of impairment loss has been included in operating revenue and expense in the consolidated statements of comprehensive income), and the decrease in accumulated impairment was mainly due to the disposal of machinery equipment that had been impaired.

Except for equipment which acquisition by project (which is recognized in other equipment), depreciation of property, plant and equipment is calculated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-55 years
Ancillary work	5-50 years
Power supplies	20 years
Machinery equipment	2-30 years
Transportation equipment	5-10 years
Other equipment	2-20 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amounts</u>			
Land	\$ 464,208	\$ 464,225	\$ 496,785
Buildings	<u>15,819</u>	<u>1,820</u>	<u>3,421</u>
	<u>\$ 480,027</u>	<u>\$ 466,045</u>	<u>\$ 500,206</u>
	For the Three Months Ended March 31		
		2026	2025
Addition		<u>\$ 15,241</u>	<u>\$ -</u>
Depreciation of right-of-use assets			
Land		\$ 6,100	\$ 6,157
Buildings		<u>1,460</u>	<u>7,373</u>
		<u>\$ 7,560</u>	<u>\$ 13,530</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant, sublease or impairment of right-of-use assets during the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amounts</u>			
Current	<u>\$ 20,304</u>	<u>\$ 17,025</u>	<u>\$ 17,058</u>
Non-current	<u>\$ 212,029</u>	<u>\$ 205,362</u>	<u>\$ 219,864</u>

Range of discount rates (%) for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1.35-4	1.35-4	1.35-4
Buildings	1.1-4.75	1.1-4.75	1.1-4.75

c. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term lease	\$ 1,652	\$ 444
Expenses relating to low value asset leases	\$ 9	\$ 9
Total cash outflow for leases	\$ (9,021)	\$ (9,485)

The Group leases certain equipment which qualify as short-term leases and which qualify as low-value asset leases. The Group has elected to apply the recognition exemption for these leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 352,903	\$ 329,364	\$ 3,597,287
<u>Annual interest rate range (%)</u>			
Line of credit borrowings	1.51-4.30	1.50-4.46	2.21-4.90

b. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,075,890	\$ 1,100,463	\$ 1,040,735
Less: Current portion	(291,341)	(241,967)	(69,042)
	\$ 784,549	\$ 858,496	\$ 971,693
 Annual interest rate range (%)	 1.225-3.60	 1.225-3.60	 1.225-6.70
Maturiry date	From April 2028 to May 2030.	From December 2027 to May 2030.	From June 2026 to May 2030.

15. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Dividends	\$ 726,560	\$ -	\$ 999,020
Salaries and bonuses	298,475	446,157	294,737
Others	<u>186,877</u>	<u>218,887</u>	<u>253,294</u>
	<u>\$ 1,211,912</u>	<u>\$ 665,044</u>	<u>\$ 1,547,051</u>

16. RETIREMENT BENEFIT PLANS

The Company and XPT Taiwan adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to national employees’ individual pension accounts at 6% of monthly salaries and wages.

NSH, Musonic, NSI, EIC and XPT Investment are an investment holding or trade company; therefore, there is no retirement policy. Keentech, Valver, Yeu Chuan, and Xin Hong Zhou pay endowment insurance in accordance with the regulations of mainland China. They are approved by local governments to contribute according to local regulations to local governments. Topkey (VN) Corp contributes retirement pension fund on a monthly basis under the regulations of local governments to local governments.

17. EQUITY

a. Capital stock

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (in thousands of shares)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Authorized capital	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Issued and paid shares (in thousands of shares)	<u>90,820</u>	<u>90,820</u>	<u>90,820</u>
Issued capital	<u>\$ 908,200</u>	<u>\$ 908,200</u>	<u>\$ 908,200</u>

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Additional paid-in capital	\$ 1,549,452	\$ 1,549,452	\$ 1,549,452
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	52,190	52,190	52,190
<u>May only be used to offset a deficit (2)</u>			
Gain on disposal of assets	35,824	35,824	35,824
Disgorgement exercise	204	204	204
<u>May not be used for any purpose</u>			
Employee share options	<u>1,862</u>	<u>1,862</u>	<u>1,862</u>
	<u>\$ 1,639,532</u>	<u>\$ 1,639,532</u>	<u>\$ 1,639,532</u>

1) The capital surplus generated from the excess of the issuance price over the par value of capital stock, the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, limited to a certain percentage of the Company's capital surplus.

2) Such capital surplus may be used to offset a deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation (the "Articles"), after closing of accounts, if there is profit, the Company shall first pay the income tax according to the law, make up the losses for the preceding years, then set aside a legal reserve of 10% of the net profit, and appropriate or reverse special surplus reserve pursuant to the regulations of the competent authority; the remaining profit shall be distributed to pay the dividend. When the Board of Directors prepares the proposal of distribution in the form of new shares to be issued by the company, in case of any earnings, along with the undistributed earnings at the beginning of the period, such a distribution shall be made after a resolution is adopted by the shareholders' meeting.

In accordance with Paragraph 5, Article 240 of the Company Act, the Company shall authorize the Board of Directors by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company, to pay in the form of cash the distributable dividends and bonuses, or legal reserve and capital reserve in whole or in part, as stipulated in Paragraph 1, Article 241 of the Company Act; a report thereof shall be submitted to the shareholders' meeting.

The earnings distribution or loss make-up of the Company shall be made at the end of each six months of fiscal year. The earnings distribution in cash shall be made by a resolution of the Board of Directors meeting with a report submitted to the shareholders' meeting, pursuant to Article 228-1, and Paragraph 5 of Article 240, the Company Act; it is not necessary to be submitted to the shareholders' meeting for acceptance.

The proposal of surplus earning distribution or loss off setting for the first half of fiscal year should be forwarded with the business report and financial statements to supervisors for their auditing, and afterwards be submitted to the Board of Directors for approval. The Company distributing surplus earning in the form of new shares to be issued by the Company in accordance with the aforementioned provision shall follow the provisions of the Article 240 of the Company Act, if such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the Board of Directors.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under the dividends policy as set forth in the Articles before the amendments, the proposal for profit distribution or offsetting of losses may be made at the end of each six months of the fiscal year. When allocating profit, the company shall first estimate and reserve the taxes to be paid, offset its losses, set legal capital of the remaining earnings, until the legal reserve equals the Company's paid-in capital. The Board of Directors shall formulate a profit distribution or loss compensation proposal and submit it along with the business report and financial statements to the Audit Committee for review and later to the Board of Directors for resolution. If the distribution is done in the form of new share issuance, the proposal shall be complied with the Company Act in Article 240; and if the distribution is done in the form of cash, the proposal shall be resolved by the Board of Directors.

Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then set aside or reverse special capital reserve in accordance with relevant laws or regulations; if here are profit left except dividends, along with accumulated unappropriated earnings, submit it to the shareholders' meeting for resolution.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2025 and 2024 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2025	2024
Legal reserve	\$ 135,459	\$ 171,281
(Reversal of) special reserve	138,425	(232,801)
Cash dividends	726,560	999,020
Cash dividends per share (NT\$)	8	11

The above cash dividends were resolved by the Company's board of directors on March 2026, and February 2025, respectively. The remaining earning appropriation items for the year 2024 were resolved at the shareholders in their meeting on May 2025. The other proposed appropriations for 2025 will be resolved by the shareholders in their meeting to be held on June 2026.

d. Special reserve

On the initial adoption of IFRS Accounting Standards, the retained earnings was not enough, the Company appropriated a special reserve at \$126,886 thousand that was the same as the net increase in retained earnings.

18. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 2,316,961</u>	<u>\$ 2,401,677</u>

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Trade receivables (Note 8)	<u>\$ 1,794,957</u>	<u>\$ 1,561,712</u>	<u>\$ 1,875,539</u>	<u>\$ 2,059,331</u>

b. Disaggregation of revenue

Refer to Note 29 for the information about the disaggregation of revenue.

19. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	\$ 5,406	\$ 26,583
Interest on lease liabilities	1,326	1,060
Less: capitalized interest	<u>-</u>	<u>(2,116)</u>
	<u>\$ 6,732</u>	<u>\$ 25,527</u>

Information on capitalized interest is as follows:

	For the Three Months Ended March 31	
	2026	2025
Capitalized interest amount	\$ -	\$ 2,116
Capitalization rate (%)	-	1.225

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Grants provided by governments	\$ 3,623	\$ 14,349
Others	<u>33,308</u>	<u>9,732</u>
	<u>\$ 36,931</u>	<u>\$ 24,081</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Gain (loss) on disposal of property, plant and equipment	\$ 563	\$ (472)
Others	<u>(456)</u>	<u>(977)</u>
	<u>\$ 107</u>	<u>\$ (1,449)</u>

d. Employee benefits expense and depreciation

	Operating Costs	Operating Expenses	Total
<u>For the Three Months Ended March 31, 2026</u>			
Employee benefit expense			
Salary expenses	\$ 414,680	\$ 207,900	\$ 622,580
Retirement pension	43,204	16,562	59,766
Other employee benefits	47,284	30,650	77,934
Depreciation expenses	68,702	47,328	116,030
<u>For the Three Months Ended March 31, 2025</u>			
Employee benefit expense			
Salary expenses	397,063	213,024	610,087
Retirement pension	43,964	14,970	58,934
Other employee benefits	39,316	24,443	63,759
Depreciation expenses	67,358	39,911	107,269

e. Compensation of employees and remuneration of directors

According to the Articles, the Company accrued compensation of employees and remuneration of directors at rates of 3%-10% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 30% of the compensation of employees as compensation distributions for non-executive employees. The compensation of employees (including non-executive employees) and the remuneration of directors for the three months ended March 31, 2026 and 2025, are as follows:

	For the Three Months Ended March 31			
	2026		2025	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	5%	\$ 20,415	6%	\$ 33,156
Remuneration of directors	2%	8,166	2%	11,052

If there is a change in the amounts after the annual consolidated financial statements were authorized for issuance, the differences will be recorded as a change in the accounting estimate in the following year.

The appropriations of compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024 that were resolved by the board of directors on March 2026 and February 2025, respectively, are as shown below:

	For the Year Ended December 31	
	2025	2024
Compensation of employees	\$ 82,208	\$ 92,786
Remuneration of directors	30,886	34,864

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

20. INCOME TAXES

- a. Major components of income tax expense recognized in profit or loss

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current period	\$ 77,093	\$ 97,049
Adjustments for prior period	(25,103)	(57,189)
	51,990	39,860
Deferred tax		
In respect of the current period	31,468	38,890
Income tax expense recognized in profit or loss	<u>\$ 83,458</u>	<u>\$ 78,750</u>

- b. Income tax assessments

The tax returns through 2024 of the Company have been assessed by the tax authorities.

21. EARNINGS PER SHARE

	Net Profit Attributable to Owners of the Company	Number of Shares (In Thousands)	Earnings Per Share (NT\$)
<u>For the Three Months Ended March 31, 2026</u>			
Basic earnings per share			
Net income for the period attributable to owners of the Company	\$ 327,949	90,820	<u>\$3.61</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	<u>-</u>	<u>533</u>	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 327,949</u>	<u>91,353</u>	<u>\$3.59</u>
<u>For the Three Months Ended March 31, 2025</u>			
Basic earnings per share			
Net income for the period attributable to owners of the Company	\$ 463,862	90,820	<u>\$5.11</u>
Effect of potentially dilutive ordinary shares:			
Employees' compensation	<u>-</u>	<u>445</u>	
Diluted earnings per share			
Net income for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	<u>\$ 463,862</u>	<u>91,265</u>	<u>\$5.08</u>

If the Group offered to settle the compensation of employees in cash or shares, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. CAPITAL MANAGEMENT

The goal, policy and procedure of the capital risk management of the Group and the capital structure of the Group are the same with the consolidated financial statements for the year ended December 31, 2025.

23. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management of the Group consider the carrying amounts of the Group's financial instruments that are not measured at fair value as close to their fair values or their fair values could not be reasonably measured.

b. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Amortized cost	\$ 7,559,972	\$ 7,129,337	\$ 10,726,650
<u>Financial liabilities</u>			
Amortized cost	3,189,452	2,617,465	6,691,325

The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables, other receivables, and refundable deposits.

The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable and trade payables, other payables, long-term borrowings (including those due within one year), and guarantee deposits.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, lease liabilities, and borrowings. The Group's financial department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There is no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group enters into foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the NTD against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The following table shows the amount by which pre-tax profit will change when the NTD increases or decreases by 1% against the relevant currency.

	For the Three Months Ended March 31	
	2026	2025
Profit or loss	\$ 45,824	\$ 88,553

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	\$ 3,994,533	\$ 3,737,906	\$ 4,135,665
Financial liabilities	904,179	895,267	4,153,568
Cash flow interest rate risk			
Financial assets	1,718,145	1,763,425	4,620,474
Financial liabilities	756,947	756,947	721,376

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 1% basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For the Group's financial assets and liabilities with floating interest rates, if the interest rate were to increase or decrease by 1%, and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2026 and 2025 would have decreased/increased by \$2,403 thousand and \$9,748 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group continuously monitors its exposure to credit risk and the credit ratings of its counterparties, and allocates the total transaction amount among the creditworthy customers. The Group's management also controls credit risk by reviewing the credit limits of its counterparties on an annual basis.

The Group also continuously evaluates the financial status of the customers of the accounts receivable, and purchases credit guarantee insurance contracts when necessary.

The Group's concentration of credit risk of 44%, 33% and 37% of total trade receivables as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively, was attributable to the Group's five largest customers in the property construction business segment.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had available unutilized bank loan facilities set out as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Unutilized bank loan limits	<u>\$ 12,201,485</u>	<u>\$ 11,987,086</u>	<u>\$ 9,853,963</u>

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Less than 1 Year	More than 1 Years
<u>March 31, 2026</u>		
Non-interest bearing liabilities	\$ 1,760,121	\$ 538
Lease liabilities	24,584	247,866
Floating interest rate liabilities	157,697	599,250
Fix interest rate liabilities	<u>486,547</u>	<u>185,299</u>
	<u>\$ 2,428,949</u>	<u>\$ 1,032,953</u>

December 31, 2025

Non-interest bearing liabilities	\$ 1,187,107	\$ 531
Lease liabilities	20,753	240,987
Floating interest rate liabilities	110,388	646,559
Fix interest rate liabilities	<u>460,943</u>	<u>211,937</u>
	<u>\$ 1,779,191</u>	<u>\$ 1,100,014</u>

March 31, 2025

Non-interest bearing liabilities	\$ 2,053,049	\$ 254
Lease liabilities	21,092	259,539
Floating interest rate liabilities	-	721,376
Fix interest rate liabilities	<u>3,666,329</u>	<u>250,317</u>
	<u>\$ 5,740,470</u>	<u>\$ 1,231,486</u>

Further information on maturity analysis of the above financial liabilities was as follow:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
<u>March 31, 2026</u>						
Non-interest bearing liabilities	\$ 1,760,121	\$ 538	\$ -	\$ -	\$ -	\$ -
Lease liabilities	24,584	86,174	94,352	38,670	8,688	19,982
Floating interest rate liabilities	157,697	599,250	-	-	-	-
Fix interest rate liabilities	<u>486,547</u>	<u>185,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,428,949</u>	<u>\$ 871,261</u>	<u>\$ 94,352</u>	<u>\$ 38,670</u>	<u>\$ 8,688</u>	<u>\$ 19,982</u>
<u>December 31, 2025</u>						
Non-interest bearing liabilities	\$ 1,187,107	\$ 531	\$ -	\$ -	\$ -	\$ -
Lease liabilities	20,753	75,364	94,205	42,807	8,541	20,070
Floating interest rate liabilities	110,388	646,559	-	-	-	-
Fix interest rate liabilities	<u>460,943</u>	<u>211,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,779,191</u>	<u>\$ 934,391</u>	<u>\$ 94,205</u>	<u>\$ 42,807</u>	<u>\$ 8,541</u>	<u>\$ 20,070</u>

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
<u>March 31, 2025</u>						
Non-interest bearing liabilities	\$ 2,053,049	\$ 254	\$ -	\$ -	\$ -	\$ -
Lease liabilities	21,092	77,180	94,679	56,130	9,014	22,536
Floating interest rate liabilities	-	691,318	30,058	-	-	-
Fix interest rate liabilities	<u>3,666,329</u>	<u>250,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,740,470</u>	<u>\$ 1,019,069</u>	<u>\$ 124,737</u>	<u>\$ 56,130</u>	<u>\$ 9,014</u>	<u>\$ 22,536</u>

24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Compensation of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 18,453	\$ 21,341
Post-employment benefits	<u>202</u>	<u>151</u>
	<u>\$ 18,655</u>	<u>\$ 21,492</u>

The remuneration of directors and key management personnel was determined by the remuneration committee based on the performance of individuals and market trends.

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the deposits for electricity company and performance bond:

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at amortized cost	<u>\$ 17,000</u>	<u>\$ 20,047</u>	<u>\$ 20,308</u>

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. The Company insures liability insurance for products sold all regions of the world. The renewal period for bicycle products is from December 1, 2025 to December 1, 2026. The maximum compensation amount for a single event is US\$ 6,000 thousand, and the cumulative compensation amount is US\$ 8,000 thousand. The renewal period for helmet products is from April 1, 2025 to April 1, 2026. The maximum compensation amount for a single event is US\$ 5,000 thousand, and the cumulative compensation amount is US\$ 6,000 thousand. The renewal period for aviation products is from August 1, 2025 to August 1, 2026. The maximum compensation amount for a single event is US\$ 1,000 thousand, and the cumulative compensation amount is US\$ 2,000 thousand.

b. Unrecognized commitments were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant and equipment	\$ 55,513	\$ 92,703	\$ 190,298

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the Group entities and the exchange rates between the foreign currencies and respective functional currencies were disclosed. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currency (In USD)	Exchange Rate	Carrying Amount (In NTD)
<u>March 31, 2026</u>			
Financial assets			
Monetary items	\$ 192,715	31.980	\$ 6,163,012
Financial liabilities			
Monetary items	49,423	31.980	1,580,562
<u>December 31, 2025</u>			
Financial assets			
Monetary items	171,361	31.438	5,387,240
Financial liabilities			
Monetary items	46,268	31.438	1,454,587
<u>March 31, 2025</u>			
Financial assets			
Monetary items	311,989	33.182	10,352,439
Financial liabilities			
Monetary items	45,120	33.182	1,497,172

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains
NTD	1 (USD:NTD)	\$ 30,677	1 (USD:NTD)	\$ 36,921
USD	31.63 (USD:NTD)	44	32.89 (USD:NTD)	(30)
RMB	4.57 (RMB:NTD)	(49,469)	4.52 (RMB:NTD)	(3,348)

28. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions
 - 1) Financing provided to others (None).
 - 2) Endorsements/guarantees provided (Table 1).
 - 3) Significant marketable securities held (excluding investments 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 the paid-in capital (Table 2).
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3).
 - 6) Intercompany relationships and significant intercompany transactions (Table 4).
- b. Information on investees (Table 5).
- c. Information on investments in mainland China
 - 1) 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 income 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 6).
 - 2) 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, and unrealized gains or losses (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 ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

29. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as sporting products, aviation and medical products, and others.

Segment revenue and operating results

	For the Three Months Ended March 31			
	Segment Revenue		Segment Profit or Loss	
	2026	2025	2026	2025
Sporting products	\$ 1,718,819	\$ 1,948,115	\$ 259,619	\$ 367,565
Aviation and medical products	179,881	149,712	55,813	43,296
Others	<u>418,261</u>	<u>303,850</u>	<u>80,986</u>	<u>49,908</u>
Generated from continuing operating segment	<u>\$ 2,316,961</u>	<u>\$ 2,401,677</u>	396,418	460,769
Finance costs			(6,732)	(25,527)
Interest income			40,971	76,155
Other income			36,931	24,081
Net foreign exchange gain (loss)			(18,748)	33,543
Other gain and losses			<u>107</u>	<u>(1,449)</u>
Income before income tax			<u>\$ 448,947</u>	<u>\$ 567,572</u>

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the three months ended March 31, 2026 and 2025.

Segment profit represents the gains and losses earned by each segment excluding finance costs, interest income, other income, foreign exchange gains (loss), other gains and losses and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

TOPKEY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Amount Borrowed (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	NSI	Indirectly owned subsidiary	\$ 4,571,106 (Note 1)	\$ 127,920	\$ 127,920	\$ -	\$ -	1	\$ 4,571,106 (Note 1)	Y	-	-
		Topkey (VN) Corp	Directly owned subsidiary	4,571,106 (Note 1)	1,439,100	1,439,100	112,570	-	16	4,571,106 (Note 1)	Y	-	-
		Xin Hong Zhou	Indirectly owned subsidiary	2,742,664 (Note 1)	1,599,000	1,599,000	-	-	17	4,571,106 (Note 1)	Y	-	Y

Note 1: 30% of the net equity of the company in their latest financial statement. If the company hold 100% voting rights directly or indirectly, no more than 50% of the net equity of the company in their latest financial statement.

Note 2: Highest balance for the period and ending balance are the quota approved by board of directors as reporting amount and exchange by foreign amount in reporting month multiply by New Taiwan dollar exchange rate in reporting month.

Note 3: Actual amount borrowed is actual foreign amount borrowed multiply New Taiwan dollar exchange rate in reporting month.

TABLE 2

TOPKEY CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Keentech	Indirectly owned subsidiary	Purchase	\$ 1,160,280	75	T/T 90 days	-	-	\$ (1,174,720)	(85)	
Xin Hong Zhou	XPT Taiwan	Subsidiary of the ultimate parent company	Sales	(106,431)	33	T/T 90 days	-	-	119,418	39	

Note: Transactions have been eliminated.

TABLE 3

TOPKEY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Keentech	The Company	The ultimate parent of Keentech	\$ 1,174,720	2.19	\$ -	-	\$ 480,564	\$ -
Xin Hong Zhou	XPT Taiwan	Subsidiary of the ultimate parent company	119,417	1.81	-	-	-	-

Note: Transactions have been eliminated.

TABLE 4

TOPKEY CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(Amounts in Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
0	The Company	Keentech	1	Purchases	\$ 1,160,280	T/T 90 days	50
			1	Trade payables	1,174,720	T/T 90 days	8
1	Xin Hong Zhou	XPT Taiwan	2	Sales	106,431	T/T 90 days	5
			2	Trade receivables	119,418	T/T 90 days	1

Note 1: 1) From parent company to subsidiary.

2) From subsidiary to subsidiary.

Note 2: Transactions have been eliminated.

TABLE 5

TOPKEY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
The Company	NSH	British Virgin Islands	International investment	\$ 2,603,652	\$ 2,559,525	80,137	100	\$ 4,495,628	\$ 109,680	\$ 109,753	Subsidiary
	Topkey (VN) Corp	Vietnam	Manufacture and sale of carbon fiber products, glass fiber products and composite components	1,503,060	1,100,330	-	100	787,386	(16,468)	(16,468)	Subsidiary
NSH	XPT Taiwan	Taiwan	International trade	21,096	21,096	2,110	70	49,788	17,332	12,188	Subsidiary
	EIC	Seychelles	International investment	185,004	181,869	3,822	76	319,749	8,532	(Note 1)	Indirectly owned subsidiary
	NSI	Hong Kong	International investment and trade	400,965	394,170	12,498	100	1,568,174	2,547	(Note 1)	Indirectly owned subsidiary
	Musonic	British Virgin Islands	International investment	1,206,701	1,186,250	22,228	100	1,722,608	28,461	(Note 1)	Indirectly owned subsidiary
	XPT Investment	Hong Kong	International investment and trade	394,872	388,180	11,388	70	878,118	102,932	(Note 1)	Indirectly owned subsidiary

Note 1: Exempted according to regulations.

Note 2: Transactions have been eliminated.

Note 3: Refer to Table 6 for information on subsidiary investment in mainland China.

Note 4: Foreign amount in the Table is exchanged to New Taiwan dollars by rate on balance sheet date.

TABLE 6

TOPKEY CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)**

Investee Company (Note 5)	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2026 (Note 2)	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward	Inward						
Keentech	Manufacture and sale of carbon fiber products, glass fiber products and composite components	\$ 1,471,080	(Note 1)	\$ 1,110,793	\$ -	\$ -	\$ 1,110,793	\$ 44,352	100	\$ 44,352	\$ 2,677,170	\$ 5,589,398
Yeu Chuan	Manufacture of various helmets, glasses, and components of vehicles	159,900	(Note 1)	87,945	-	-	87,945	8,558	76	6,542	315,959	703,546
Xin Hong Zhou	Development, design and manufacture of various precision molds, processing of various plastic and rubber products	491,693	(Note 1)	269,432	-	-	269,432	100,238	70	70,487	770,377	495,453
Valver	Manufacture of water gage and HRNT	39,975	(Note 1)	48,386	-	-	48,386	2,646	100	2,646	52,078	54,739

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2026	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 1,516,556 (USD 47,422)	\$ 2,125,583 (USD 66,466)	(Note 3)

Note 1: The investment was made through a company established in a third country, which in turn invested in company located in mainland China.

Note 2: Except for Keentech and Xin Hong Zhou, which are calculated based on financial statements, reviewed by the Company’s independent auditors, the rest are calculated based on the unreviewed financial statements for the same reporting period.

Note 3: The Company had obtained the certification documents issued by the Industrial Bureau of the Ministry of Economic Affairs to meet the operating scope of operational headquarters with “Regulation Governing the Examination of Investment or Technical Cooperation in Mainland China” noticed by the Ministry of Economic Affairs on August 29, 2008.

Note 4: Foreign amount in the Table is exchanged to New Taiwan dollar by rate on balance sheet date.

Note 5: Transactions have been eliminated.