# M. J. International Co., Ltd. and Subsidiaries

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

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# INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
M. J. International Co., Ltd.

## Introduction

We have reviewed the accompanying consolidated balance sheets of M. J. International Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). 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

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 Auditors 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.

## Conclusion

Based on our reviews, 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 of 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and enforced by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Sheng Tai Liang and Chao Mei Chen.

Sheng-Tai Liang Chao-Mei, Chen

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May 7, 2026

<u>*Notice to Readers*</u>

*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 accepted and 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.*

## M. J. INTERNATIONAL CO., LTD. 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) | $ 1,742,461 | 28 | $ 1,628,790 | 25 | $ 1,763,155 | 25 |
| Financial assets at fair value through profit or loss (FVTPL) - current (Note 7) | 47,593 | 1 | 45,315 | 1 | 136,212 | 2 |
| Financial assets at fair value through other comprehensive income (FVTOCI) - current (Notes 8 and 10) | 64,500 | 1 | 94,087 | 1 | 131,431 | 2 |
| Financial assets at amortized cost - current (Notes 9, 10 and 33) | 1,000 | - | 49,092 | 1 | 1,001 | - |
| Notes receivable (Notes 11 and 24) | 882 | - | 1,292 | - | 3,643 | - |
| Notes receivable from related parties (Notes 24 and 32) | 135 | - | 6 | - | 202 | - |
| Trade receivables (Notes 11 and 24) | 779,833 | 12 | 804,936 | 13 | 900,124 | 13 |
| Trade receivables from related parties (Notes 24 and 32) | 16,307 | - | 22,725 | - | 23,111 | - |
| Other receivables (Note 11) | 30,112 | 1 | 38,157 | 1 | 38,995 | 1 |
| Current tax assets | 6,818 | - | 2,976 | - | 176 | - |
| Inventories (Note 12) | 330,011 | 5 | 402,244 | 6 | 450,916 | 6 |
| Other current assets (Note 18) | 59,234 | 1 | 70,198 | 1 | 66,462 | 1 |
| Total current assets | 3,078,886 | 49 | 3,159,818 | 49 | 3,515,428 | 50 |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8 and 10) | 12,640 | - | 12,483 | - | 14,425 | - |
| Property, plant and equipment (Notes 14 and 33) | 2,781,584 | 44 | 2,823,045 | 44 | 3,071,576 | 44 |
| Right-of-use assets (Note 15) | 120,345 | 2 | 117,388 | 2 | 124,566 | 2 |
| Investment properties (Note 16) | 301,743 | 5 | 294,648 | 5 | 313,644 | 4 |
| Other intangible assets (Note 17) | 1,506 | - | 1,749 | - | 1,921 | - |
| Deferred tax assets | 10,547 | - | 10,527 | - | 8,440 | - |
| Other non-current assets (Note 18) | 2,806 | - | 2,758 | - | 3,116 | - |
| Total non-current assets | 3,231,171 | 51 | 3,262,598 | 51 | 3,537,688 | 50 |
| TOTAL | $ 6,310,057 | 100 | $ 6,422,416 | 100 | $ 7,053,116 | 100 |
| **LIABILITIES AND EQUITY** | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Note 19) | $ 450,000 | 7 | $ 420,706 | 7 | $ 240,000 | 3 |
| Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7) | - | - | - | - | 2,531 | - |
| Contract liabilities - current (Note 24) | 9,477 | - | 6,723 | - | 15,158 | - |
| Trade payables | 198,807 | 3 | 290,192 | 4 | 295,709 | 4 |
| Other payables (Notes 21 and 30) | 184,984 | 3 | 252,641 | 4 | 273,477 | 4 |
| Current tax liabilities | 27,072 | - | 13,022 | - | 70,788 | 1 |
| Provisions - current (Note 22) | 32,328 | 1 | 33,616 | 1 | 31,707 | 1 |
| Current portion of long-term borrowings and bonds payable (Notes 19, 20, 29 and 33) | 110,525 | 2 | 290,367 | 5 | 338,665 | 5 |
| Other current liabilities | 3,209 | - | 2,819 | - | 3,028 | - |
| Total current liabilities | 1,016,402 | 16 | 1,310,086 | 21 | 1,271,063 | 18 |
| NON-CURRENT LIABILITIES | | | | | | |
| Long-term borrowings (Notes 19, 29 and 33) | 2,038,830 | 33 | 1,878,912 | 29 | 2,221,107 | 31 |
| Deferred tax liabilities | 7,969 | - | 7,700 | - | 7,985 | - |
| Deferred revenue - non-current (Notes 21 and 29) | 207,797 | 3 | 191,375 | 3 | 200,255 | 3 |
| Guarantee deposit received | 935 | - | 908 | - | 916 | - |
| Total non-current liabilities | 2,255,531 | 36 | 2,078,895 | 32 | 2,430,263 | 34 |
| Total liabilities | 3,271,933 | 52 | 3,388,981 | 53 | 3,701,326 | 52 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | |
| Share capital | | | | | | |
| Ordinary shares | 798,256 | 13 | 798,256 | 12 | 798,256 | 11 |
| Capital surplus | 1,596,642 | 25 | 1,596,642 | 25 | 1,691,977 | 24 |
| Retained earnings | | | | | | |
| Legal reserve | 240,365 | 4 | 240,365 | 4 | 226,847 | 3 |
| Special reserve | - | - | - | - | 120,099 | 2 |
| Unappropriated earnings | 408,140 | 6 | 478,976 | 7 | 481,409 | 7 |
| Total retained earnings | 648,505 | 10 | 719,341 | 11 | 828,355 | 12 |
| Other equity | 16,171 | - | (59,354) | (1) | 54,652 | 1 |
| Treasury shares | (21,450) | - | (21,450) | - | (21,450) | - |
| Total equity attributable to owners of the Company | 3,038,124 | 48 | 3,033,435 | 47 | 3,351,790 | 48 |
| TOTAL | $ 6,310,057 | 100 | $ 6,422,416 | 100 | $ 7,053,116 | 100 |

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

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 24 and 32) | | | | |
| Sales | $ 646,708 | 100 | $ 906,958 | 100 |
| OPERATING COSTS (Notes 12 and 25) | | | | |
| Cost of goods sold | (593,372) | (92) | (754,961) | (84) |
| GROSS PROFIT | 53,336 | 8 | 151,997 | 16 |
| OPERATING EXPENSES (Note 25) | | | | |
| Selling and marketing expenses | (34,389) | (5) | (43,724) | (5) |
| General and administrative expenses | (50,247) | (8) | (54,932) | (6) |
| Research and development expenses | (16,734) | (2) | (12,360) | (1) |
| Expected credit gain (Notes 10 and 11) | 25 | - | 11 | - |
| Total operating expenses | (101,345) | (15) | (111,005) | (12) |
| (LOSS)/PROFIT FROM OPERATIONS | (48,009) | (7) | 40,992 | 4 |
| NON-OPERATING INCOME AND EXPENSES (Note 25) | | | | |
| Interest income | 9,816 | 1 | 8,389 | 1 |
| Other income | 3,828 | 1 | 3,869 | 1 |
| Other gains and losses | (10,155) | (2) | 25,454 | 3 |
| Finance costs | (15,486) | (2) | (14,576) | (2) |
| Total non-operating income | (11,997) | (2) | 23,136 | 3 |
| (LOSS)/PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS | (60,006) | (9) | 64,128 | 7 |
| INCOME TAX EXPENSE (Notes 4 and 26) | (10,830) | (2) | (17,439) | (2) |
| NET (LOSS) PROFIT FOR THE PERIOD | (70,836) | (11) | 46,689 | 5 |

(Continued)

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Amount | % | Amount | % |
| OTHER COMPREHENSIVE INCOME (Note 23) | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of the financial statements of foreign operations | $ 72,758 | 11 | $ 35,113 | 4 |
| Unrealized gain on investments in debt instruments at fair value through other comprehensive income | 2,767 | 1 | 1,288 | - |
| Other comprehensive income for the period, net of income tax | 75,525 | 12 | 36,401 | 4 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | $ 4,689 | 1 | $ 83,090 | 9 |
| (LOSS)/EARNINGS PER SHARE (NT$; Note 27) | | | | |
| Basic | $ (0.89) | | $ 0.66 | |
| Diluted | $ (0.89) | | $ 0.64 | |

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

## M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

| | | | Retained Earnings | | | Other Equity | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share Capital | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Treasury Shares | Total Equity |
| BALANCE AT JANUARY 1, 2025 | $ 698,256 | $ 1,404,401 | $ 226,847 | $ 120,099 | $ 434,720 | $ 23,735 | $ (5,484) | $ (21,450) | $ 2,881,124 |
| Issuance of ordinary shares for cash (Note 23) | 100,000 | 287,000 | - | - | - | - | - | - | 387,000 |
| Share-based payment (Note 28) | - | 576 | - | - | - | - | - | - | 576 |
| Net profit for the three months ended March 31, 2025 | - | - | - | - | 46,689 | - | - | - | 46,689 |
| Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax (Note 23) | - | - | - | - | - | 35,113 | 1,288 | - | 36,401 |
| Total comprehensive income (loss) for the three months ended March 31, 2025 | - | - | - | - | 46,689 | 35,113 | 1,288 | - | 83,090 |
| BALANCE AT MARCH 31, 2025 | $ 798,256 | $ 1,691,977 | $ 226,847 | $ 120,099 | $ 481,409 | $ 58,848 | $ (4,196) | $ (21,450) | $ 3,351,790 |
| BALANCE AT JANUARY 1, 2026 | $ 798,256 | $ 1,596,642 | $ 240,365 | $ - | $ 478,976 | $ (59,332) | $ (22) | $ (21,450) | $ 3,033,435 |
| Net loss for the three months ended March 31, 2026 | - | - | - | - | (70,836) | - | - | - | (70,836) |
| Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax (Note 23) | - | - | - | - | - | 72,758 | 2,767 | - | 75,525 |
| Total comprehensive income (loss) for the three months ended March 31, 2026 | - | - | - | - | (70,836) | 72,758 | 2,767 | - | 4,689 |
| BALANCE AT MARCH 31, 2026 | $ 798,256 | $ 1,596,642 | $ 240,365 | $ - | $ 408,140 | $ 13,426 | $ 2,745 | $ (21,450) | $ 3,038,124 |

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

# M. J. INTERNATIONAL CO., LTD. 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 | | |
| (Loss) income before income tax | $ (60,006) | $ 64,128 |
| Adjustments for: | | |
| Depreciation expense | 57,651 | 64,564 |
| Amortization expense | 257 | 421 |
| Expected credit loss reversed on trade receivables | (25) | (11) |
| Net gain on fair value changes of financial assets and liabilities at FVTPL | (132) | (75) |
| Finance costs | 15,486 | 14,576 |
| Interest income | (9,816) | (8,389) |
| Share-based payments | - | 576 |
| Loss on disposal of property, plant and equipment | - | 103 |
| Gain on disposal of non-current assets classified as held for sale | - | (13,366) |
| Loss on disposal of financial assets | 3,444 | - |
| Write-down of inventories | 10,364 | 8,093 |
| Net gain on foreign currency exchange | (34,301) | (14,444) |
| Deferred revenue recognized as other income | (2,055) | (2,060) |
| Changes in operating assets and liabilities | | |
| Notes receivable | 410 | (3,062) |
| Notes receivable to related parties | (129) | 73 |
| Trade receivables | 36,476 | 303,820 |
| Trade receivables to related parties | 6,563 | (2,956) |
| Other receivables | 7,700 | 11,945 |
| Inventories | 61,042 | 39,247 |
| Other current assets | 12,265 | 3,062 |
| Contract liabilities | 2,754 | 6,507 |
| Trade payables | (92,081) | (85,898) |
| Other payables | (67,276) | (25,350) |
| Provision for liabilities | (1,866) | 2,479 |
| Other current liabilities | 389 | 1,171 |
| Cash (used in) generated from operations | (52,886) | 365,154 |
| Interest received | 8,657 | 7,138 |
| Interest paid | (15,211) | (12,930) |
| Income tax paid | (585) | (3,876) |
| Net cash (used in) generated from operating activities | (60,025) | 355,486 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | (32,817) | - |
| Proceeds from sale of financial assets at fair value through other comprehensive income | 63,110 | - |
| Proceeds from sale of financial assets at amortized cost | 48,284 | 12,156 |

(Continued)

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Purchase of financial assets at fair value through profit or loss | $ (592) | $ - |
| Disposal of non-current assets held for sale | - | 26,388 |
| Payments for property, plant and equipment | (6,096) | (23,035) |
| Proceeds from disposal of property, plant and equipment | 1,374 | 20 |
| Increase in refundable deposits | (1) | - |
| Decrease in refundable deposits | - | 94 |
| Increase in prepayments for equipment | - | (199) |
| Interest received | 1,999 | 1,267 |
| Net cash generated from investing activities | 75,261 | 16,691 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term loans | 450,000 | 330,000 |
| Decrease in short-term loans | (420,706) | (250,000) |
| Repayments of long-term borrowings | (10,311) | (9,524) |
| Increase in guarantee deposits received | - | 3 |
| Issuance of ordinary shares for cash | - | 387,000 |
| Net cash generated from financing activities | 18,983 | 457,479 |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | 79,452 | 28,873 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 113,671 | 858,529 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1,628,790 | 904,626 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | $ 1,742,461 | $ 1,763,155 |

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

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

## 1. GENERAL INFORMATION

M. J. International Co., Ltd. (the "Company") was incorporated in the British Cayman Islands on October 8, 2010. The Company and its subsidiaries (collectively referred to as the "Group") have reorganized in order to list the Company's shares on the Taiwan Stock Exchange. After the organization restructuring, the Company has become the holding company of all consolidated entities. The Company's shares have been listed on the Taiwan Stock Exchange since November 2016. The major operating activities of the Group are the development and sale of plastic flooring tiles.

The consolidated financial statements are presented in the New Taiwan dollar, the Company's functional currency.

## 2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 6, 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)

   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.

b. The IFRS Accounting Standards issued but not yet endorsed and enforced by the FSC

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB (Note 1) |
|---|---|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB |
| 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 Disclosures 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 discounted 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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other 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 POLICIES

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 enforced by the Financial Supervisory Commission. 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 unadjusted quoted prices 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 an 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).

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

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 13 and Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Other material accounting policies, in addition to those disclosed in the consolidated financial statements for the year ended December 31, 2025, are as follows:

1) Derecognition of financial liabilities

Financial liabilities are derecognized on the settlement date, which is the date on which the liability is extinguished because the Group’s obligations are discharged, cancelled or have expired, or the liability is substantially modified or exchanged for a debt instrument with substantially different terms. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2) 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 of climate change and related government policies, regulations as well as US reciprocal tariffs and conflicts in the Middle East and related geopolitical developments on the economic environment on cash flow projections, growth rates, discount rates, profitability, and relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

## 6. CASH AND CASH EQUIVALENTS

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Cash on hand | $ 1,836 | $ 1,002 | $ 1,661 |
| Checking accounts and demand deposits | 759,359 | 770,696 | 921,425 |
| Cash equivalents (investments with original maturities of 3 months or less) | | | |
| Time deposits | 981,266 | 857,092 | 840,069 |
| | $ 1,742,461 | $ 1,628,790 | $ 1,763,155 |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Financial assets - current | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Hybrid financial assets | | | |
| Structured deposits | $ 47,593 | $ 45,315 | $ 136,212 |
| Financial liabilities - current | | | |
| Financial liabilities held for trading | | | |
| Derivative financial liabilities (not under hedge accounting) | | | |
| Options of convertible bonds (Note 22) | $ - | $ - | $ 2,531 |

Upon entering into a structured time deposit contract with a bank, the Company identified that the contract contains an embedded derivative that is not closely related to the host contract. As the host contract qualifies as a financial asset within the scope of IFRS 9 - Financial Instruments, the entire hybrid contract is required to be classified and measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### Investments in Debt Instruments at FVTOCI

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | | | |
| Foreign investment | | | |
| Foreign bonds investments | $ 64,500 | $ 94,087 | $ 131,431 |
| Non-current | | | |
| Foreign investment | | | |
| Foreign bonds investments | 12,640 | 12,483 | 14,425 |
| | $ 77,140 | $ 106,570 | $ 145,856 |

For information on credit risk management and impairment of investments in financial assets at fair value through other comprehensive income (FVOCI), refer to Note 10.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | | | |
| Domestic investment | | | |
| Restricted assets - time deposits | $ 1,000 | $ 1,001 | $ 1,001 |
| Time deposits with original maturities of more than 3 months | - | 48,091 | - |
| | $ 1,000 | $ 49,092 | $ 1,001 |

a. For information on credit risk management and impairment of investments in financial assets at amortized cost, refer to Note 10.

b. For information on pledged debt financial assets measured at amortized cost, refer to Note 33.

## 10. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

March 31, 2026

| | At FVTOCI | At Amortized Cost |
|---|---|---|
| Gross carrying amount | $ 91,761 | $ 1,000 |
| Less: Allowance for impairment loss | (13,841) | - |
| Amortized cost | 77,920 | $ 1,000 |
| Adjustment to fair value | 2,745 | |
| Exchange differences | (3,525) | |
| | $ 77,140 | |

December 31, 2025

| | At FVTOCI | At Amortized Cost |
|---|---|---|
| Gross carrying amount | $ 126,762 | $ 49,092 |
| Less: Allowance for impairment loss | (16,676) | - |
| Amortized cost | 110,086 | $ 49,092 |
| Adjustment to fair value | (22) | |
| Exchange differences | (3,494) | |
| | $ 106,570 | |

March 31, 2025

| | At FVTOCI | At Amortized Cost |
|---|---|---|
| Gross carrying amount | $ 167,322 | $ 1,001 |
| Less: Allowance for impairment loss | (13,233) | - |
| Amortized cost | 154,089 | $ 1,001 |
| Adjustment to fair value | (4,196) | |
| Exchange differences | (4,037) | |
| | $ 145,856 | |

The Group’s policy is to invest primarily in debt instruments that are rated investment grade or above and are considered to have low credit risk. The credit rating information is supplied by independent rating agencies. The Group’s exposure and the external credit ratings are continually monitored. The Group reviews changes in bond yields and other publicly available information and assesses whether there has been a significant increase in credit risk since initial recognition.

In determining the expected credit losses on debt instrument investments, the Group considers the historical loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries in order to measure the 12-month or lifetime expected credit losses on debt instrument investments. The Group's current credit risk rating mechanism, the total carrying amount of debt instrument investments by credit rating, and the applicable expected credit loss rates are as follows:

| Category | Description | Expected Credit Losses (ECLs)/Action Taken |
|---|---|---|
| Performing | The counterparty has a low risk of default and a strong capacity to meet contractual cash flows. | 12-month ECLs |
| Doubtful | There has been a significant increase in credit risk since initial recognition, or the debtor is assessed to have higher credit risk but still has a strong capacity to meet contractual cash flows. | Lifetime ECLs - not credit impaired |
| In default | There is evidence of the asset being credit impaired. | Lifetime ECLs - credit impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. | Amount is written off |

March 31, 2026

| | | Gross Carrying Amount | |
|---|---|---|---|
| Category | Expected Loss Rate | At FVTOCI | At Amortized Cost |
| Performing | 0% | $ 71,948 | $ 1,000 |
| Doubtful | 0.41%-39.43% | 6,679 | - |
| In default | 39.43%-100% | 13,134 | - |
| Write-off | 100% | - | - |
| | | $ 91,761 | $ 1,000 |

December 31, 2025

| | | Gross Carrying Amount | |
|---|---|---|---|
| Category | Expected Loss Rate | At FVTOCI | At Amortized Cost |
| Performing | 0% | $ 101,002 | $ 49,092 |
| Doubtful | 0.4%-37.3% | 6,561 | - |
| In default | 37.3%-100% | 19,199 | - |
| Write-off | 100% | - | - |
| | | $ 126,762 | $ 49,092 |

March 31, 2025

| Category | Expected Loss Rate | Gross Carrying Amount At FVTOCI | Gross Carrying Amount At Amortized Cost |
|---|---|---|---|
| Performing | 0% | $ 140,106 | $ 1,001 |
| Doubtful | 0.43%-37.27% | 13,922 | - |
| In default | 37.27%-100% | 13,294 | - |
| Write-off | 100% | - | - |
| | | $ 167,322 | $ 1,001 |

The movements of the allowance for impairment loss at FVTOCI were as follows:

| | Credit Rating | | |
|---|---|---|---|
| | Performing (12-month ECLs) | Doubtful (Lifetime ECLs - Not Credit Impaired) | In Default (Lifetime ECLs - Credit Impaired) |
| Balance on January 1, 2026 | $ - | $ 720 | $ 15,956 |
| Derecognition (Note 2) | - | - | (3,074) |
| Change in risk parameters (Note 1) | - | (25) | (11) |
| Exchange rates | - | 12 | 252 |
| Balance on March 31, 2026 | $ - | $ 707 | $ 13,134 |
| Balance on January 1, 2025 | $ - | $ 3,334 | $ 9,743 |
| Change in risk parameters (Note 1) | - | (11) | - |
| Exchange rates | - | 42 | 125 |
| Balance on March 31, 2025 | $ - | $ 3,365 | $ 9,868 |

a. Changes in credit ratings as provided by third-party agencies.

b. Investments in foreign bonds at FVTOCI with credit ratings in default were sold during the three months ended March 31, 2026, with a consequential reduction in the loss allowance for investments rated as performing of $3,074 thousand.

## 11. NOTES RECEIVABLE, TRADE RECEIVABLES, AND OTHER RECEIVABLES

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Notes receivable | | | |
| At amortized cost | | | |
| Gross carrying amount - operating | $ 882 | $ 1,292 | $ 3,643 |
| Less: Allowance for impairment loss | - | - | - |
| | $ 882 | $ 1,292 | $ 3,643 |

(Continued)

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Trade receivables | | | |
| At amortized cost | | | |
| Gross carrying amount | $ 601,467 | $ 609,623 | $ 725,190 |
| Less: Allowance for impairment loss | (1,392) | (1,346) | (1,804) |
| | 600,075 | 608,277 | 723,386 |
| At FVTOCI | 179,758 | 196,659 | 176,738 |
| | $ 779,833 | $ 804,936 | $ 900,124 |
| Other receivables | | | |
| Tax refund receivable | $ 16,176 | $ 25,134 | $ 28,741 |
| Interest receivable | 10,004 | 10,800 | 9,546 |
| Others | 5,925 | 4,151 | 2,702 |
| Less: Allowance for impairment loss | (1,993) | (1,928) | (1,994) |
| | $ 30,112 | $ 38,157 | $ 38,995 |

(Concluded)

a. Notes receivable and trade receivables

1) Notes and accounts receivable measured at amortized cost

The Group's average collection period for notes receivable ranges from 30 to 60 days, while the average credit period for merchandise sales ranges from 30 to 150 days. To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits and credit approvals and for implementing 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 trade debt at the end of the reporting period to ensure that adequate allowances are made for possible irrecoverable amounts. Through these measures, the management of the Company believes the Group's credit risk is significantly reduced.

The Group measures the loss allowance for notes and trade receivables at an amount equal to lifetime expected credit losses (ECLs). The ECLs on notes and trade receivables are estimated using a provision matrix approach based on historical experience, current market conditions, and forward-looking information. As the Group's historical credit loss experience does not show significantly varying 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 bases.

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

The following table shows the loss allowance for notes receivable based on the Group's provision matrix.

March 31, 2026

| | Not Past Due |
|---|---|
| Expected credit loss rate | 0% |
| Gross carrying amount | $ 882 |
| Loss allowance (Lifetime ECL) | - |
| Amortized cost | $ 882 |

December 31, 2025

| | Not Past Due |
|---|---|
| Expected credit loss (ECL) rate | 0% |
| Gross carrying amount | $ 1,292 |
| Loss allowance (lifetime ECL) | - |
| Amortized cost | $ 1,292 |

March 31, 2025

| | Not Past Due |
|---|---|
| Expected credit loss rate | 0% |
| Gross carrying amount | $ 3,643 |
| Loss allowance (Lifetime ECL) | - |
| Amortized cost | $ 3,643 |

The following table details the loss allowance for trade receivables based on the Group's provision matrix.

March 31, 2026

| | Not Past Due | Past Due Within 60 Days | 61 to 90 Days Past Due | 91 to 120 Days Past Due | Over 120 Days Past Due | Total |
|---|---|---|---|---|---|---|
| Expected credit loss (ECL) rate | - | - | - | - | 100% | |
| Gross carrying amount | $ 513,938 | $ 86,137 | $ - | $ - | $ 1,392 | $ 601,467 |
| Loss allowance (lifetime ECL) | - | - | - | - | (1,392) | (1,392) |
| Amortized cost | $ 513,938 | $ 86,137 | $ - | $ - | $ - | $ 600,075 |

December 31, 2025

| | Not Past Due | Past Due Within 60 Days | 61 to 90 Days Past Due | 91 to 120 Days Past Due | Over 120 Days Past Due | Total |
|---|---|---|---|---|---|---|
| Expected credit loss (ECL) rate | - | - | - | - | 100% | |
| Gross carrying amount | $ 605,481 | $ 2,796 | $ - | $ - | $ 1,346 | $ 609,623 |
| Loss allowance (lifetime ECL) | - | - | - | - | (1,346) | (1,346) |
| Amortized cost | $ 605,481 | $ 2,796 | $ - | $ - | $ - | $ 608,277 |

March 31, 2025

| | Not Past Due | Past Due Within 60 Days | 61 to 90 Days Past Due | 91 to 120 Days Past Due | Over 120 Days Past Due | Total |
|---|---|---|---|---|---|---|
| Expected credit loss (ECL) rate | - | - | - | - | 100% | |
| Gross carrying amount | $ 651,965 | $ 71,421 | $ - | $ - | $ 1,804 | $ 725,190 |
| Loss allowance (lifetime ECL) | - | - | - | - | (1,804) | (1,804) |
| Amortized cost | $ 651,965 | $ 71,421 | $ - | $ - | $ - | $ 723,386 |

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ 1,346 | $ 1,779 |
| Foreign exchange gains and losses | 46 | 25 |
| Balance on March 31 | $ 1,392 | $ 1,804 |

2) At FVTOCI

For trade receivables from a specific customer, the Group will decide the selling without recourse of a portion of these trade receivables to banks based on its level of working capital.

The following table shows the loss allowance for trade receivables at FVTOCI based on the Group's provision matrix.

March 31, 2026

| | Not Past Due | Past Due Within 60 Days | 61 to 90 Days Past Due | 91 to 120 Days Past Due | Over 120 Days Past Due | Total |
|---|---|---|---|---|---|---|
| Expected credit loss (ECL) rate | - | - | - | - | 100% | |
| Gross carrying amount | $ 175,089 | $ 4,669 | $ - | $ - | $ - | $ 179,758 |
| Loss allowance (lifetime ECL) | - | - | - | - | - | - |
| Amortized cost | $ 175,089 | $ 4,669 | $ - | $ - | $ - | $ 179,758 |

December 31, 2025

| | Not Past Due | Past Due Within 60 Days | 61 to 90 Days Past Due | 91 to 120 Days Past Due | Over 120 Days Past Due | Total |
|---|---|---|---|---|---|---|
| Expected credit loss (ECL) rate | - | - | - | - | 100% | |
| Gross carrying amount | $ 196,659 | $ - | $ - | $ - | $ - | $ 196,659 |
| Loss allowance (lifetime ECL) | - | - | - | - | - | - |
| Amortized cost | $ 196,659 | $ - | $ - | $ - | $ - | $ 196,659 |

March 31, 2025

| | Not Past Due | Past Due Within 60 Days | 61 to 90 Days Past Due | 91 to 120 Days Past Due | Over 120 Days Past Due | Total |
|---|---|---|---|---|---|---|
| Expected credit loss (ECL) rate | - | - | - | - | 100% | |
| Gross carrying amount | $ 176,738 | $ - | $ - | $ - | $ - | $ 176,738 |
| Loss allowance (lifetime ECL) | - | - | - | - | - | - |
| Amortized cost | $ 176,738 | $ - | $ - | $ - | $ - | $ 176,738 |

b. Other receivables

Other receivables primarily comprise tax refund receivables and interest receivables. The Group's policy is to transact only with counterparties that have good credit standing. The Group continually monitors these receivables and assesses whether there has been a significant increase in credit risk since initial recognition by considering the counterparties' default history and current financial condition.

The following table shows the loss allowance for other receivables based on the Group's provision matrix.

March 31, 2026

| | Group A | Group B | Total |
|---|---|---|---|
| Expected credit loss (ECL) rate | - | 100% | |
| Gross carrying amount | $ 30,112 | $ 1,993 | $ 32,105 |
| Loss allowance (lifetime ECL) | - | (1,993) | (1,993) |
| Amortized cost | $ 30,112 | $ - | $ 30,112 |

December 31, 2025

| | Group A | Group B | Total |
|---|---|---|---|
| Expected credit loss (ECL) rate | - | 100% | |
| Gross carrying amount | $ 38,157 | $ 1,928 | $ 40,085 |
| Loss allowance (lifetime ECL) | - | (1,928) | (1,928) |
| Amortized cost | $ 38,157 | $ - | $ 38,157 |

March 31, 2025

| | Group A | Group B | Total |
|---|---|---|---|
| Expected credit loss (ECL) rate | - | 100% | |
| Gross carrying amount | $ 38,995 | $ 1,994 | $ 40,989 |
| Loss allowance (lifetime ECL) | - | (1,994) | (1,994) |
| Amortized cost | $ 38,995 | $ - | $ 38,995 |

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

| | March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ 1,928 | $ 1,966 |
| Foreign exchange translation gains and losses | 65 | 28 |
| Balance on March 31 | $ 1,993 | $ 1,994 |

## 12. INVENTORIES

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Merchandise | $ 10,389 | $ 12,680 | $ 12,368 |
| Finished goods | 128,923 | 97,974 | 160,828 |
| Work in progress | 54,032 | 81,463 | 89,578 |
| Raw materials | 108,068 | 85,449 | 139,308 |
| Inventory in transit | 28,599 | 124,678 | 48,834 |
| | $ 330,011 | $ 402,244 | $ 450,916 |

The nature of the cost of goods sold is as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Cost of inventories sold | $ 535,943 | $ 742,670 |
| Inventory write-downs and obsolescence loss | 10,364 | 8,093 |
| Unallocated production overhead | 47,065 | 4,198 |
| | $ 593,372 | $ 754,961 |

## 13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

| | | | Proportion of Ownership (%) | | |
|---|---|---|---|---|---|
| Investor | Investee | Nature of Activity | March 31, 2026 | December 31, 2025 | March 31, 2025 |
| M. J. International Co., Ltd. | Prolong International Co., Limited | Investment holding. | 100 | 100 a. | 100 |
| | M.J. International Flooring And Interior Products Inc. | Manufacture and sale of plastic floor tiles, decorative and renovation materials, and other building materials. | 100 | 100 b. | 100 |
| | Opulent International Group Limited | International trade. | 100 | 100 | 100 |
| | MJ Group US INC | Trade in Decorative and Renovation Materials. | 100 | 100 c. | 100 |
| | M.J. TECHNOLOGIES (THAILAND) CO., LTD. | Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service. | 99 d. | 99 d. | 99 d. |
| M.J. International Flooring And Interior Products Inc. | M.J. TECHNOLOGIES (THAILAND) CO., LTD. | Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service. | 1 d. | 1 d. | 1 d. |
| Prolong International Co., Limited | Dongguan MeiJer Plastic Products Co., Ltd. | Manufacture and sale of plastic floor tiles, decorative renovation materials, and other building materials, as well as investment and holding activities. | 100 | 100 e. | 100 |
| | Dongguan Prolong Plastic Products Co., Ltd. | Manufacture and sale of plastic floor tiles, decorative renovation materials, and other building materials, as well as investment and holding activities. | 100 | 100 f. | 100 |
| Dongguan MeiJer Plastic Products Co., Ltd. | Chongqing M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | 100 | 100 | 100 |
| | Beijing M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | - | - g.- | 62 |
| | Shanghai M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | 36 | 36 | 36 |
| | Wuhan M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | 100 | 100 | 100 |

(Continued)

| | | | Proportion of Ownership (%) | | |
|---|---|---|---|---|---|
| Investor | Investee | Nature of Activity | March 31, 2026 | December 31, 2025 | March 31, 2025 |
| Dongguan Prolong Plastic Products Co., Ltd. | Shanghai M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | 64 | 64 | 64 |
| | Xian M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | 100 | 100 | 100 |
| | Shenyang M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | 100 | 100 | 100 |
| | Beijing M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials, and other building materials. | - | - g. | 38 |

(Concluded)

a. Prolong International Co., Limited resolved on July 10, 2025, to reduce its capital and return capital in the amount of US$8,000 thousand, and the change in registration was completed on August 15, 2025.

b. The Group's board of directors resolved on May 7, 2025 and November 20, 2025, to approve cash capital increases in M.J. International Flooring And Interior Products Inc. of NT$100,000 thousand and NT$300,000 thousand, respectively. To improve the financial structure, the Group's board of directors resolved on November 20, 2025 to reduce capital with the aim to cover losses of NT$800,000 thousand, and the change in registration was completed on January 19, 2026.

c. To provide future working capital for MJ Group US INC., the Group's Board of Directors resolved on November 6, 2025 to approve a cash capital increase of US$250 thousand.

d. On March 12, 2025, the Company resolved to increase the capital of M.J. TECHNOLOGIES (THAILAND) CO., LTD. by THB337,500 thousand in cash. On March 21, 2025, the Company and M.J. International Flooring And Interior Products Inc., the actual capital increase was THB37,500 thousand. Due to a temporary suspension of operations in Thailand and to optimize the Group's use of funds, the Board of Directors resolved on November 6, 2025 to reduce capital by THB37,500 thousand. The shareholders of M.J. TECHNOLOGIES (THAILAND) CO., LTD. approved the capital reduction at their meeting on November 17, 2025, and the change was registered on January 6, 2026. As of March 31, 2026, with paid-in capital of THB12,500 thousand.

e. Dongguan MeiJer Plastic Products Co., Ltd. resolved on January 24, 2025, to reduce its capital and return capital in the amount of US$6,900 thousand, and the change in registration was completed on June 4, 2025.

f. Dongguan Prolong Plastic Products Co., Ltd. resolved on January 24, 2025, to reduce its capital and return capital in the amount of HK$32,000 thousand, and the change in registration was completed on May 23, 2025.

g. The Group's board of directors resolved on May 7, 2025, to approve the liquidation of Beijing M.J. Architecture & Decoration Materials Co., Ltd. The cancellation of registration was completed on November 13, 2025.

## 14. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

| | Freehold Land | Buildings | Machinery and Equipment | Tooling Equipment | Transportation Equipment | Office Equipment | Other Equipment | Property under Construction | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | |
| Balance on January 1, 2026 | $ 456,595 | $ 1,848,705 | $ 1,918,883 | $ 31,833 | $ 34,446 | $ 17,769 | $ 185,291 | $ 1,025 | $ 4,494,547 |
| Additions | - | 556 | 2,344 | 151 | 239 | 352 | 90 | 641 | 4,373 |
| Disposals | - | - | (20,173) | (2,315) | (2,171) | (3,121) | (3,557) | - | (31,337) |
| Reclassification* | - | - | 98 | - | - | - | - | (98) | - |
| Effects of foreign currency exchange differences | - | 13,361 | 29,313 | 1,049 | 749 | 292 | 3,789 | - | 48,553 |
| Balance on March 31, 2026 | $ 456,595 | $ 1,862,622 | $ 1,930,465 | $ 30,718 | $ 33,263 | $ 15,292 | $ 185,613 | $ 1,568 | $ 4,516,136 |
| Accumulated depreciation | | | | | | | | | |
| Balance on January 1, 2026 | $ - | $ 398,115 | $ 1,080,367 | $ 28,690 | $ 27,565 | $ 15,069 | $ 121,696 | $ - | $ 1,671,502 |
| Disposals | - | - | (19,356) | (2,118) | (1,932) | (3,121) | (3,436) | - | (29,963) |
| Depreciation | - | 14,705 | 35,309 | 210 | 447 | 336 | 2,721 | - | 53,728 |
| Effects of foreign currency exchange differences | - | 9,513 | 24,255 | 947 | 715 | 285 | 3,570 | - | 39,285 |
| Balance on March 31, 2026 | $ - | $ 422,333 | $ 1,120,575 | $ 27,729 | $ 26,795 | $ 12,569 | $ 124,551 | $ - | $ 1,734,552 |
| Carrying amount on March 31, 2026 | $ 456,595 | $ 1,440,289 | $ 809,890 | $ 2,989 | $ 6,468 | $ 2,723 | $ 61,062 | $ 1,568 | $ 2,781,584 |
| Carrying amount at December 31, 2025 and January 1, 2026 | $ 456,595 | $ 1,450,590 | $ 838,516 | $ 3,143 | $ 6,881 | $ 2,700 | $ 63,595 | $ 1,025 | $ 2,823,045 |
| Cost | | | | | | | | | |
| Balance on January 1, 2025 | $ 456,595 | $ 1,861,740 | $ 1,897,054 | $ 39,857 | $ 37,193 | $ 19,315 | $ 214,158 | $ 55,670 | $ 4,581,582 |
| Additions | - | 1,239 | 3,938 | 243 | 130 | 80 | 819 | 1,159 | 7,608 |
| Disposals | - | - | - | (1,279) | (464) | (26) | (9,859) | - | (11,628) |
| Reclassification* | - | 270 | 13,425 | - | - | - | - | (13,695) | - |
| Effects of foreign currency exchange differences | - | 5,810 | 12,628 | 558 | 324 | 170 | 1,958 | - | 21,448 |
| Balance on March 31, 2025 | $ 456,595 | $ 1,869,059 | $ 1,927,045 | $ 39,379 | $ 37,183 | $ 19,539 | $ 207,076 | $ 43,134 | $ 4,599,010 |
| Accumulated depreciation | | | | | | | | | |
| Balance on January 1, 2025 | $ - | $ 353,725 | $ 884,892 | $ 36,751 | $ 29,286 | $ 15,454 | $ 141,422 | $ - | $ 1,461,530 |
| Disposals | - | - | - | (1,279) | (341) | (26) | (9,859) | - | (11,505) |
| Depreciation | - | 15,632 | 38,910 | 267 | 474 | 439 | 4,890 | - | 60,612 |
| Effects of foreign currency exchange differences | - | 3,895 | 10,107 | 514 | 316 | 159 | 1,806 | - | 16,797 |
| Balance on March 31, 2025 | $ - | $ 373,252 | $ 933,909 | $ 36,253 | $ 29,735 | $ 16,026 | $ 138,259 | $ - | $ 1,527,434 |
| Carrying amount on March 31, 2025 | $ 456,595 | $ 1,495,807 | $ 993,136 | $ 3,126 | $ 7,448 | $ 3,513 | $ 68,817 | $ 43,134 | $ 3,071,576 |

* Transferred from construction in progress, equipment pending inspection, to the appropriate categories under property, plant and equipment.

An impairment assessment showed there was no impairment loss for the three months ended March 31, 2026 and 2025.

The above items of property, plant and equipment were depreciated on a straight-line basis over their estimated useful lives, as follows:

| | |
|---|---|
| Buildings | |
| Main buildings | 15-55 years |
| Others | 3-15 years |
| Machinery and equipment | 2-20 years |
| Tooling equipment | 5-8 years |
| Transportation equipment | 2.5-10 years |
| Office equipment | 3-10 years |
| Other equipment | 2-20 years |

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 33.

## 15. LEASE ARRANGEMENTS

a. Right-of-use assets

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Carrying amounts | | | |
| Land* | $ 120,345 | $ 117,388 | $ 124,566 |

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Depreciation charge for right-of-use assets | | |
| Land | $ 1,026 | $ 1,034 |

* As for the land use rights in China, the group has already obtained the State-owned Land Use Certificate.

Except for the aforementioned 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. Material lease-in activities and terms

The Group recognized right-of-use assets related to land use rights in China. These land use rights typically have lease terms ranging from 30 to 50 years, and the Group has obtained the corresponding State-owned Land Use Certificates issued by the Chinese government.

c. Other lease information

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Expenses for short-term leases | $ 1,647 | $ 1,898 |
| Expenses for low-value asset leases | $ 176 | $ 146 |
| Total cash outflow for leases | $ (1,823) | $ (2,044) |

## 16. INVESTMENT PROPERTIES

| | Buildings |
|---|---|
| Cost | |
| Balance on January 1, 2026 | $ 414,157 |
| Effects of foreign currency exchange differences | 14,110 |
| Balance on March 31, 2026 | $ 428,267 |

(Continued)

| | Buildings |
|---|---|
| Accumulated depreciation | |
| Balance on January 1, 2026 | $ 119,509 |
| Depreciation expense | 2,897 |
| Effects of foreign currency exchange differences | 4,118 |
| Balance on March 31, 2026 | $ 126,524 |
| Carrying amount on March 31, 2026 | $ 301,743 |
| Carrying amount on December 31, 2025 and January 1, 2026 | $ 294,648 |
| Cost | |
| Balance on January 1, 2025 | $ 422,420 |
| Effects of foreign currency exchange differences | 6,019 |
| Balance on March 31, 2025 | $ 428,439 |
| Accumulated depreciation | |
| Balance on January 1, 2025 | $ 110,278 |
| Depreciation expense | 2,918 |
| Effects of foreign currency exchange differences | 1,599 |
| Balance on March 31, 2025 | $ 114,795 |
| Carrying amount on March 31, 2025 | $ 313,644 |

(Concluded)

a. The lease term for investment properties ranges 2 to 6 years. The Group does not have purchase options to acquire the investment properties at the end of the lease terms.

b. The maturity analysis of lease payments receivable under the operating lease of investment property was as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Year 1 | $ 4,856 | $ 4,012 | $ 4,967 |
| Year 2 | 3,618 | 3,359 | 3,819 |
| Year 3 | 294 | 282 | 2,200 |
| Year 4 | 294 | 282 | - |
| Year 5 | 294 | 282 | - |
| More than 5 years | 318 | 446 | - |
| | $ 9,674 | $ 8,663 | $ 10,986 |

c. The above items of investment properties leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

| | |
|---|---|
| Buildings | 20-35 years |

d. The fair value of the self-owned investment properties was not appraised by independent valuers but has been measured by the management of the merged company using valuation models commonly adopted by market participants, based on Level 3 inputs. The valuation was derived with reference to market evidence, including transaction prices of comparable properties. The resulting fair values were as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Fair value | $ 329,785 | $ 328,634 | $ 386,328 |

e. No significant impairment was identified during the three months ended March 31, 2026 and 2025.

## 17. OTHER INTANGIBLE ASSETS

| | Computer Software |
|---|---|
| Cost | |
| Balance on January 1, 2026 | $ 3,678 |
| Effects of foreign currency exchange differences | 31 |
| Balance on March 31, 2026 | $ 3,709 |
| Accumulated amortization | |
| Balance on January 1, 2026 | $ 1,929 |
| Amortization expenses | 257 |
| Effects of foreign currency exchange differences | 17 |
| Balance on March 31, 2026 | $ 2,203 |
| Carrying amounts on March 31, 2026 | $ 1,506 |
| Carrying amounts on December 31, 2025 and January 1, 2026 | $ 1,749 |
| Cost | |
| Balance on January 1, 2025 | $ 5,473 |
| Effects of foreign currency exchange differences | 22 |
| Balance on March 31, 2025 | $ 5,495 |
| Accumulated amortization | |
| Balance on January 1, 2025 | $ 3,148 |
| Amortization expenses | 421 |
| Effects of foreign currency exchange differences | 5 |
| Balance on March 31, 2025 | $ 3,574 |
| Carrying amounts on March 31, 2025 | $ 1,921 |

The Group did not have significant impairment of other intangible assets during the three months ended March 31, 2026 and 2025.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|---|---|
| Computer software | 3-5 years |

Amortization expenses summarized by function

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Operating costs | $ 29 | $ 21 |
| Selling and marketing expenses | 11 | 12 |
| General and administrative expenses | 217 | 388 |
| Research and development expenses | - | - |
| | $ 257 | $ 421 |

## 18. OTHER ASSETS

| | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|
| Current | | | |
| Offsetting against business tax payables | $ 24,098 | $ 37,169 | $ 42,455 |
| Prepayments | 10,792 | 1,402 | 696 |
| Others | 24,344 | 31,627 | 23,311 |
| | $ 59,234 | $ 70,198 | $ 66,462 |
| Non-current | | | |
| Prepayments for equipment | $ - | $ - | $ 201 |
| Refundable deposits | 2,806 | 2,758 | 2,915 |
| | $ 2,806 | $ 2,758 | $ 3,116 |

## 19. BORROWINGS

a. Short-term borrowings

| | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** |
|---|---|---|---|
| Unsecured borrowings | | | |
| Line of credit borrowings | $ 450,000 | $ 420,706 | $ 240,000 |

The interest rates for short-term bank loans were 1.96%-2.11%, 2.05%-2.85% and 2.05%-2.11% per annum as of March 31, 2026, December 31, 2025 and March 31, 2025 respectively.

b. Long-term borrowings

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Secured borrowings (Note 33) | | | |
| Bank loans (1) | $ 286,738 | $ 286,738 | $ 311,504 |
| Bank loans (2) | 1,384,767 | 1,384,767 | 1,460,000 |
| Bank loans (3) | 350,000 | 350,000 | 350,000 |
| Less: Government loan discount (Note 29) | (39,845) | (29,732) | (41,457) |
| Long-term borrowings | 1,981,660 | 1,991,773 | 2,080,047 |
| Unsecured borrowings | | | |
| Bank loans (4) | 104,763 | 114,286 | 142,857 |
| Bank loans (5) | 39,850 | 40,638 | 40,900 |
| Less: Government loan discount (Note 29) | (1,930) | (2,286) | (3,553) |
| | 142,683 | 152,638 | 180,204 |
| Less: Current portion | (85,513) | (265,499) | (39,144) |
| | $ 2,038,830 | $ 1,878,912 | $ 2,221,107 |

1) On June 4, 2020, the Group obtained a new bank loan of NT$353,600 thousand with a floating interest rate of 2.18%. The original loan term was 10 years starting from the drawdown date, with a grace period of three years (from June 2020 to May 2023). In April 2024, the Group entered into an extension agreement, extending the loan term by an additional two years. Following the extension, the total loan period was revised to 12 years, with an additional grace period of 2 years (from April 2024 to March 2026). Upon expiration of the grace period, the principal is to be repaid in 84 equal monthly installments. The loan is secured by land owned by the Group. Refer to Note 33.

2) The Group obtained a government preferential loan under the “Program to Encourage Taiwanese Businesses to Return to Invest in Taiwan,” administered by the National Development Fund Management Committee of the Republic of China. The loan was used for the construction of factory buildings and the acquisition of machinery and equipment. For further details, Refer to Note 29. The loan disbursement is secured by the Group’s property, plant, and equipment, including buildings, machinery, construction in progress, and equipment pending inspection. Refer to Note 33. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 7 to 10 years, including grace periods of 1 to 3 years (from July 2020 to May 2023 and from December 2022 to November 2023). In April 2024, the Group extended certain loan agreements, prolonging the loan term by 2 years. After the extension, the loan term ranges from 7 to 12 years, with an additional grace period of 2 years (from April 2024 to March 2026). In addition, a supplemental loan agreement was signed in March 2026 to extend the grace period by 1 year (from April 2026 to March 2027). Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.

3) The Group obtained a secured government preferential loan for the acquisition of machinery and equipment as well as the procurement of raw materials. For further details, refer to Note 29. The loan disbursement is secured by the Group’s property, plant, and equipment, including buildings, machinery, construction in progress, and equipment pending inspection. Refer to Note 33. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 6 to 7 years, including grace periods of 2 to 3 years (from June 2022 to May 2025 and from October 2023 to May 2025). In April 2024, the Group extended the loan agreement, prolonging the grace period by an additional 2 years. After the extension, the grace periods were revised to 4 to 5 years (from June 2022 to May 2027 and from October 2023 to May 2027). Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.

4) The Group obtained an unsecured government preferential loan for the acquisition of machinery and equipment as well as the procurement of raw materials. For further details, refer to Note 29. The loan carries a floating interest rate of 0.98%, with original loan terms ranging from 3 to 5 years, including grace periods of 1 to 2 years (from January 2022 to December 2023 and from January 2023 to December 2023). In May 2024, the Group extended the loan agreement, prolonging the loan term by an additional 2 years. After the extension, the loan term was revised to 5 to 7 years. Upon expiration of the grace period, the principal is to be repaid in equal monthly installments.

5) On November 20, 2023, the Group obtained a new unsecured bank loan amounting to NT$40,900 thousand, with a floating interest rate of 2.11%. The loan term is 15 years starting from the drawdown date, including a grace period of two years (from December 2023 to November 2025). Upon expiration of the grace period, the principal is to be repaid in 156 equal monthly installments.

## 20. BONDS PAYABLE

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Unsecured domestic convertible bonds | $ 25,012 | $ 24,868 | $ 299,521 |
| Less: Current portion | (25,012) | (24,868) | (299,521) |
| | $ - | $ - | $ - |

**Unsecured Domestic Convertible Bonds - II**

On July 26, 2023, the Company issued 5 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an issue price of 101% of par value. The total principal amount was NT$500,000 thousand. The bonds have a term of three years, maturing on July 26, 2026.

Based on Article 5 of the Regulations, since the coupon rate of the convertible bonds is 0%, no interest payment dates or methods are specified. Unless the bondholders convert the bonds into the Company's common shares pursuant to Article 13 of the Regulations and exercise the put option under Article 22, the Company redeems the bonds early under Article 21, or, if the bonds are repurchased and cancelled by the Company through securities firms, the Company shall repay the principal in full in cash within 10 business days following the maturity date of the convertible bonds. If the maturity date falls on a day that the Taipei Exchange declares a nonworking day or a holiday, the repayment date shall be postponed to the next business day.

Starting from the day (i.e., October 27, 2023) following the three-month period after the issuance date of the convertible bonds until the maturity date (i.e., July 26, 2026), bondholders may request conversion of the bonds into the Company's common shares at any time through securities brokers, who will notify the Taiwan Depository & Clearing Corporation (TDCC), and submit the conversion request to the Company's stock transfer agent, except during the following periods:

a. The statutory book closure period for common shares;

b. The period beginning 15 business days before the book closure date for stock dividends, cash dividends, or cash capital increases, and ending on the record date;

c. The period from the capital reduction record date to the day before the new shares begin trading;

d. The period from the start date of suspension of conversion due to change in par value to the day before the new shares begin trading.

The conversion price was determined based on July 18, 2023, the pricing reference date. The reference price was calculated using the simple arithmetic average of the closing prices of the Company's common shares on either the trading day immediately preceding the reference date, the three trading days preceding the reference date, or the five trading days preceding the reference date, whichever is higher. The conversion premium rate of 106% was then applied to the reference price to determine the conversion price, rounded to the nearest tenth of a New Taiwan dollar. If any ex-rights or ex-dividend events occurred prior to the reference date, the sampled closing prices used in the calculation were adjusted accordingly. If any such events occurred between the determination date and the actual issuance date, the conversion price was adjusted using the prescribed formula. Based on the above method, the initial conversion price was set at NT$52.8 per share. Due to the distribution of cash dividends, the conversion price was adjusted to NT$51 per share effective September 8, 2023; further adjusted to NT$50.7 per share effective August 16, 2024; and adjusted again to NT$50.4 per share effective March 21, 2025, due to the issuance of new shares through cash capital increase; and adjusted to NT$48.2 per share effective August 15, 2025, due to the distribution of cash dividends.

The convertible bonds contain both asset, liability, and equity components. The asset component is recognized as a financial asset measured at fair value through profit or loss. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 2.34% per annum on initial recognition.

| | |
|---|---|
| Proceeds from issuance (less transaction costs of $5,590 thousand) | $ 499,410 |
| Put/call option component at the date of issue | (3,461) |
| Equity component | (29,866) |
| Liability component at the date of issue | 466,083 |
| Interest charged at an effective interest rate of 2.34% | 14,404 |
| Convertible bonds converted into ordinary shares | (182,624) |
| Liability component on January 1, 2025 | 297,863 |
| Interest charged at an effective interest rate of 2.34% - for the three months ended March 31, 2025 | 1,658 |
| Liability component on March 31, 2025 | $ 299,521 |
| | |
| Liability component on January 1, 2026 | $ 24,868 |
| Interest charged at an effective interest rate of 2.34% - for the three months ended March 31, 2026 | 144 |
| Liability component on March 31, 2026 | $ 25,012 |

## 21. OTHER LIABILITIES

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | | | |
| Other payables | | | |
| Payables for pension and insurance | $ 52,410 | $ 49,207 | $ 44,558 |
| Payables for salaries or bonuses (including compensation of employees and remuneration of directors) | 40,751 | 70,803 | 76,653 |
| Payables for purchases of equipment (Note 30) | 24,712 | 26,435 | 27,900 |
| Payables for maintenance | 17,971 | 16,846 | 13,010 |
| Payables for utilities | 10,339 | 18,829 | 20,850 |

(Continued)

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Payables for royalties | $ 6,438 | $ 23,973 | $ 27,138 |
| Payables for professional service fees | 4,852 | 7,080 | 12,748 |
| Payables for freight | 4,360 | 4,753 | 7,155 |
| Payables for levies | 3,257 | 3,775 | 3,435 |
| Payables for fuel | - | 1,311 | 5,718 |
| Payables for work-related injury | - | 2,037 | - |
| Payables for damages | - | - | 9,037 |
| Others | 19,894 | 27,592 | 25,275 |
| | $ 184,984 | $ 252,641 | $ 273,477 |
| Non-current | | | |
| Deferred revenue | | | |
| Arising from government grants (Note 29) | $ 128,227 | $ 113,703 | $ 117,659 |
| Others* | 79,570 | 77,672 | 82,596 |
| | $ 207,797 | $ 191,375 | $ 200,255 |

(Concluded)

* The refund of land use fees previously paid in prior years was received from Jizhou Shareholding Economic Cooperative of Shijie Town, Dongguan City. The refunded amount is amortized over the remaining land use right period of 32 years and recognized as other income in the consolidated financial statements.

## 22. PROVISIONS

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Current | | | |
| Warranty | $ 32,328 | $ 33,616 | $ 31,707 |

| | Warranty |
|---|---|
| Balance on January 1, 2026 | $ 33,616 |
| Additions | 787 |
| Utilization | (2,653) |
| Effects of foreign currency exchange differences | 578 |
| Balance on March 31, 2026 | $ 32,328 |
| Balance on January 1, 2025 | $ 28,848 |
| Additions | 3,471 |
| Utilization | (992) |
| Effects of foreign currency exchange differences | 380 |
| Balance on March 31, 2025 | $ 31,707 |

The warranty provision is the present value of the best estimate by the Group's management of future outflows of economic benefits arising from warranty obligations. This estimate is based on historical warranty experience and is adjusted for changes in raw materials, manufacturing processes, or other events that may affect product quality.

## 23. EQUITY

a. Share capital

Ordinary shares

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Number of shares authorized (in thousands of shares) | 150,000 | 150,000 | 150,000 |
| Amount of shares authorized, par value NT$10 (in thousands of NTD) | $ 1,500,000 | $ 1,500,000 | $ 1,500,000 |
| Number of shares issued and fully paid (in thousands of shares) | 79,825 | 79,825 | 79,825 |
| Amount of shares issued and fully paid (in thousands of NTD) | $ 798,256 | $ 798,256 | $ 798,256 |

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and the right to 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) | | | |
| Issuance of ordinary shares | $ 1,421,191 | $ 1,421,191 | $ 1,499,591 |
| Conversion of bonds | 156,506 | 156,506 | 156,506 |
| Employee stock dividend - shares Share premium | 9,599 | 9,599 | 9,599 |
| May be used only to offset a deficit (2) | | | |
| Employee compensation expense - shares Share premium | 7,841 | 7,841 | 7,841 |
| May not be used for any purpose | | | |
| Share warrants | 1,505 | 1,505 | 18,440 |
| | $ 1,596,642 | $ 1,596,642 | $ 1,691,977 |

1) This capital surplus may be used only to offset a deficit; in addition, when the Company has no deficit, capital surplus may be distributed as cash dividends or transferred to share capital (this distribution is limited to a certain percentage of the Company's capital surplus and to once a year).

2) This capital surplus does not involve any cash inflow, and it may only be used to offset accumulated deficits.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, on the earnings distribution policy, during the period in which the Company is listed, if the annual financial statements indicate earnings, the Company shall first pay taxes in accordance with the law and offset accumulated deficits. Thereafter, 10% of the amount comprising the current year's net income after tax and any undistributed earnings shall be appropriated as legal reserve. However, if the legal reserve has equaled the Company's paid-in capital, further appropriation may be waived. The remaining earnings shall be appropriated or reversed as special reserve in accordance with applicable laws and regulations. If there is any remaining balance, the board of directors may, by special resolution, determine the amount of distributable earnings for the year, and the Company may, taking into account financial, operational, and managerial factors, distribute no less than 10% of such earnings plus all or part of the undistributed earnings from prior years as dividends to shareholders in proportion to their shareholding, subject to approval at the shareholders' meeting. Dividends may be distributed in the form of cash or stock, with cash dividends accounting for no less than 10% of the total dividends distributed for the year. Furthermore, the dividends to be distributed to shareholders may, upon special resolution of the shareholders' meeting, be distributed wholly or partially in the form of new shares.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment to the Company Law of the Republic of China, refer to compensation of employees and remuneration of directors and supervisors in Note 25-8.

In accordance with the Financial Supervisory Commission's ruling No. 1090150022 and the "Q&A on the Application of Special Reserve under IFRSs," the Company has appropriated and reversed the required special reserves.

The appropriations from the earnings for 2025 and 2024 were as follows:

| | Appropriation of Earnings | |
|---|---|---|
| | For the Years Ended December 31 | |
| | 2025 | 2024 |
| Legal reserve | $ - | $ 13,518 |
| Special reserve | $ 59,354 | $ (120,099) |
| Cash dividends | $ - | $ - |
| Cash dividends per share (NT$) | $ - | $ - |

On March 11, 2026 and March 12, 2025, the board of directors proposed a cash dividend distribution of NT$23,834 and NT$95,335 thousand from the capital surplus - share premium, respectively. The distribution of cash dividends from capital surplus and earnings appropriation for 2025 will be resolved by the shareholders in their meeting to be held on June 23, 2026, and the distribution for 2024 was approved at the shareholders' meeting on June 25, 2025.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ (59,332) | $ 23,735 |
| Recognized for the period | | |
| Exchange differences on translation of the financial statements of foreign operations | 72,758 | 35,113 |
| Other comprehensive income recognized for the period | 72,758 | 35,113 |
| Balance on March 31 | $ 13,426 | $ 58,848 |

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Balance on January 1 | $ (22) | $ (5,484) |
| Recognized for the period | | |
| Unrealized (loss) gain - debt instruments | (652) | 1,299 |
| Net remeasurement of loss allowance | (25) | (11) |
| Reclassification adjustments | | |
| Disposal of investments in debt instruments | 3,444 | - |
| Other comprehensive income recognized for the period | 2,767 | 1,288 |
| Balance on March 31 | $ 2,745 | $ (4,196) |

e. Treasury shares

| Purpose of Buyback | Shares Transferred to Employees (In Thousands of Shares) |
|---|---|
| Number of shares on January 1, 2026 | 380 |
| Increase during the period | - |
| Number of shares on March 31, 2026 | 380 |
| Number of shares on January 1, 2025 | 380 |
| Increase during the period | - |
| Number of shares on March 31, 2025 | 380 |

To boost employee morale and enhance organizational cohesion, the Company has established the "Regulations Governing the Repurchase and Transfer of Shares to Employees" in accordance with Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" promulgated by the Financial Supervisory Commission. The repurchase of shares for the purpose of transferring them to employees shall be handled in accordance with these Regulations, except as otherwise provided by law.

As of March 31, 2026, the Company had repurchased a total of 380,000 treasury shares for NT$21,450 thousand for transfer to employees.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

## 24. REVENUE

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Revenue from contracts with customers | $ 646,708 | $ 906,958 |

a. Contract description - revenue from sale of goods

The group manufactures and sells plastic flooring tile products. Due to the rapid introduction of new products and high price volatility in the market, a small portion of the products is sold with estimated discounts based on historical discount ranges using an expected value approach. The remaining products are sold at fixed prices as specified in the contracts.

b. Contract balances

| | **March 31, 2026** | **December 31, 2025** | **March 31, 2025** | **January 1, 2025** |
|---|---|---|---|---|
| Notes receivables (including those from related parties) (Notes 11 and 32) | $ 1,017 | $ 1,298 | $ 3,845 | $ 856 |
| Trade receivables (including those from related parties) (Notes 11 and 32) | $ 796,140 | $ 827,661 | $ 923,235 | $ 1,215,111 |
| Contract liabilities | | | | |
| Sale of goods | $ 9,477 | $ 6,723 | $ 15,158 | $ 8,651 |

c. Disaggregation of revenue

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Type of goods | | |
| SPC (stone plastic composite) and LVT (luxury vinyl tile) flooring | $ 646,708 | $ 906,958 |
| Europe | $ 377,144 | $ 314,725 |
| America | 214,204 | 473,179 |
| Taiwan | 25,656 | 35,333 |
| China | 14,149 | 19,158 |
| Others | 15,555 | 64,563 |
| | $ 646,708 | $ 906,958 |

## 25. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Bank deposits | $ 8,657 | $ 7,138 |
| Investments in debt instruments at FVTOCI | 1,159 | 1,251 |
| | $ 9,816 | $ 8,389 |

b. Other income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Rental income | | |
| Investment properties | $ 1,773 | $ 1,809 |
| Government grants | 2,055 | 2,060 |
| | $ 3,828 | $ 3,869 |

c. Other gains and losses

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Fair value changes of financial assets and financial liabilities | | |
| Financial assets mandatorily classified as at FVTPL | $ 132 | $ 846 |
| Financial liabilities held for trading | - | (771) |
| Loss on disposal of financial assets | | |
| Investments in debt instruments at FVTOCI | (3,444) | - |
| Loss on disposal of property, plant and equipment | - | (103) |
| Gain on disposal of non-current assets held for sale | - | 13,366 |
| Net foreign exchange (losses) gains (i) | (9,701) | 10,231 |
| Others | 2,858 | 1,885 |
| | $ (10,155) | $ 25,454 |

d. Finance costs

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Interest on bank loans | $ 15,342 | $ 12,918 |
| Interest on convertible bonds (Note 20) | 144 | 1,658 |
| | $ 15,486 | $ 14,576 |

e. Depreciation and amortization

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| An analysis of deprecation by function | | |
| Operating costs | $ 49,484 | $ 56,734 |
| Operating expenses | 8,167 | 7,830 |
| | $ 57,651 | $ 64,564 |
| An analysis of amortization by function | | |
| Operating costs | $ 29 | $ 21 |
| Operating expenses | 228 | 400 |
| | $ 257 | $ 421 |

f. Operating expenses directly related to investment properties

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Direct operating expenses of investment properties generating rental income | | |
| Depreciation expense | $ 2,897 | $ 2,918 |
| Other expense | 340 | 157 |
| | $ 3,237 | $ 3,075 |

g. Employee benefits expense

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Post-employment benefits | | |
| Defined contribution plans | $ 6,480 | $ 8,122 |
| Share-based payments | | |
| Equity-settled (Note 28) | - | 576 |
| Other employee benefits | 113,891 | 133,950 |
| Total employee benefits expense | $ 120,371 | $ 142,648 |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 77,903 | $ 98,683 |
| Operating expenses | 42,468 | 43,965 |
| | $ 120,371 | $ 142,648 |

h. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at the rates of 1% to 6%, and not higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the three months ended March 31, 2026 and 2025 were as follows:

Accrual rate

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Compensation of employees | - | 5.97% |
| Remuneration of directors | - | 4.98% |

Amount

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| | Cash | Cash |
| Compensation of employees | $ - | $ 3,132 |
| Remuneration of directors | - | 2,611 |

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

Due to loss before income tax for the three months ended March 31, 2026, the Company did not accrue compensation of employees and remuneration of directors.

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.

i. Gain or loss on foreign currency exchange

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Foreign exchange gains | $ 8,728 | $ 23,195 |
| Foreign exchange losses | (18,429) | (12,964) |
| Net (loss) gain | $ (9,701) | $ 10,231 |

## 26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2026 | 2025 |
| Current tax | | |
| In respect of the current year | $ 10,597 | $ 17,105 |
| Deferred tax | | |
| In respect of the current year | 233 | 334 |
| Income tax expense recognized in profit or loss | $ 10,830 | $ 17,439 |

The applicable tax rate for subsidiaries in China, except Dongguan MeiJer Plastic Products Co., Ltd., is 25%. Tax amounts generated in other jurisdictions are calculated based on the applicable tax rates of those jurisdictions.

Dongguan MeiJer Plastic Products Co., Ltd. is using a preferential tax rate because it has obtained certification as a high-tech enterprise in accordance with the Enterprise Income Tax Law of the People's Republic of China and its implementing regulations. Certified high-tech enterprises that meet these regulations and related tax provisions are entitled to a reduced tax rate of 15%. The preferential tax rate is applicable until 2028.

b. Income tax assessments

As of March 31, 2026, the Group had no outstanding tax litigation cases.

The income tax returns through 2024 had been assessed by the tax authorities for the Company's subsidiaries - M.J. International Flooring and Interior Products Inc. and Opulent International Group Limited Taiwan Branch.

## 27. (LOSS) EARNINGS PER SHARE

**Unit: NT$ Per Share**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Basic (loss) earnings per share | | |
| From continuing operations | $ (0.89) | $ 0.66 |
| Diluted (loss) earnings per share | | |
| From continuing operations | $ (0.89) | $ 0.64 |

The earnings and weighted average number of ordinary shares outstanding used in the computation of (loss) earnings per share were as follows:

**Net (Loss) Profit for the Year**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| (Loss) profit for the period attributable to owners of the Company | $ (70,836) | $ 46,689 |
| (Loss) earnings used in the computing basic earnings per share | $ (70,836) | $ 46,689 |
| Effects of potentially dilutive ordinary shares: | | |
| Convertible bonds | - | 2,429 |
| (Loss) earnings used in computing diluted earnings per share | $ (70,836) | $ 49,118 |

**Shares**

**Unit: Thousand Shares**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2026** | **2025** |
| Weighted average number of ordinary shares in computing basic (loss) earnings per share | 79,446 | 70,668 |
| Effect of potentially dilutive ordinary shares: | | |
| Employees' compensation | - | 266 |
| Convertible bonds | - | 6,089 |
| Weighted average number of ordinary shares used in computing diluted (loss) earnings per share | 79,446 | 77,023 |

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in computing diluted earnings per share, as the effect is dilutive. The dilutive effect of the potential shares is included in computing diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. The Group net loss after tax for 2026, they are anti-dilutive and excluded from the computation of diluted earnings per share.

## 28. SHARE-BASED PAYMENT ARRANGEMENTS

**Cash Capital Increase with A Portion Reserved for Employee Subscription**

Following Article 267, Paragraph 1 of the amended Company Act, the Company reserved a portion of the shares for employee subscription under its cash capital increase plan in 2025. The Company recognized a compensation cost of NT$576 thousand for the employee stock subscription rights using the Black-Scholes valuation model. The inputs used in the valuation model were as follows:

| | Granted on February 24, 2025 |
|---|---|
| Grant-date share price | $41.30 |
| Exercise price | $38.70 |
| Expected volatility | 32.60% |
| Expected life (in years) | 18 days |
| Risk-free interest rate | 1.32% |

## 29. GOVERNMENT GRANTS

In addition to those disclosed in other notes, the government grants obtained by the Group were as follows:

The Group obtained a government-subsidized loan with preferential interest rates under the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" provided by the National Development Fund Management Committee of the Republic of China. As of March 31, 2026, December 31, 2025 and March 31, 2025, the principal amount drawn were NT$1,384,767, NT$1,384,767 and NT$1,460,000 thousand, respectively. The loan was used for constructing factory buildings and acquiring machinery and equipment, and is repayable in installments over a period of 7 to 10 years from the initial drawdown date (including a grace period of 1 to 3 years).

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had also drawn down principal amounts of NT$454,762 thousand, NT$464,286 thousand and NT$492,857 thousand, respectively, for the purchase of machinery, equipment, and raw materials. These loans are repayable in installments over 4 to 7 years from the initial drawdown date (including a grace period of 1 to 5 years).

The fair value of the loans at the time of drawdown was estimated using the prevailing market interest rates of 1.45% to 1.65%. Considering the subsequent rise in market interest rates, the Group revised the discount rate for fair value estimation to 2.84% to 3.09%, starting from July 1, 2022, in March, 2026, April and May 2024, due to the extension of the loan period and grace period, the fair value of the loan was adjusted, please refer to Note 19. The difference between the loan proceeds and the fair value was recognized as deferred income. This deferred income is amortized and recognized as other income over the useful lives of the assets, beginning upon the completion of the factory construction and acceptance of the machinery and equipment.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the unamortized deferred incomes - non-current was NT$128,227 thousand, NT$113,703 thousand and NT$117,659 thousand, respectively.

If the Group fails to comply with the requirements under the project loan guidelines during the loan period, the disbursement of the handling fee subsidy by the National Development Fund Management Committee will be suspended or terminated, and the Group shall instead pay interest at the originally agreed rate plus an additional annual rate.

## 30. CASH INFORMATION

a. Non-cash transaction

The Group entered into the following non-cash investing and financing activities, which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2026 and 2025:

* As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had unpaid purchase prices for property, plant, and equipment amounting to NT$24,712 thousand, NT$26,435 thousand and NT$27,900 thousand, respectively, which were recorded under other payables.

b. Changes in liabilities from financing activities

For the three months ended March 31, 2026

| | | | Non-cash Changes | | | | |
|---|---|---|---|---|---|---|---|
| | Opening Balance | Cash Flows | Finance Costs | Fair Value Adjustment - Deferred Revenue | Exchange Differences | Others | Closing Balance |
| Short-term borrowings | $ 420,706 | $ 29,294 | $ - | $ - | $ - | $ - | $ 450,000 |
| Bonds payable | 24,868 | - | 144 | - | - | - | 25,012 |
| Long-term borrowings | 2,144,411 | (10,311) | 6,084 | (15,841) | - | - | 2,124,343 |
| Guarantee deposits received | 908 | - | - | - | 27 | - | 935 |
| | $ 2,590,893 | $ 18,983 | $ 6,228 | $ (15,841) | $ 27 | $ - | $ 2,600,290 |

For the three months ended March 31, 2025

| | Opening Balance | Cash Flows | Non-cash Changes: Finance Costs | Non-cash Changes: Fair Value Adjustment - Deferred Revenue | Non-cash Changes: Exchange Differences | Non-cash Changes: Others | Closing Balance |
|---|---|---|---|---|---|---|---|
| Short-term borrowings | $ 160,000 | $ 80,000 | $ - | $ - | $ - | $ - | $ 240,000 |
| Bonds payable | 297,863 | - | 1,658 | - | - | - | 299,521 |
| Long-term borrowings | 2,265,446 | (9,524) | 4,329 | - | - | - | 2,260,251 |
| Guarantee deposits received | 902 | - | - | - | 11 | - | 916 |
| | $ 2,724,211 | $ 70,479 | $ 5,987 | $ - | $ 11 | $ - | $ 2,800,688 |

## 31. FINANCIAL INSTRUMENTS

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

March 31, 2026

| | Carrying Amount | Fair Value: Level 1 | Fair Value: Level 2 | Fair Value: Level 3 | Fair Value: Total |
|---|---|---|---|---|---|
| Financial liabilities | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds | $ 25,012 | $ 24,746 | $ - | $ - | $ 24,746 |

December 31, 2025

| | Carrying Amount | Fair Value: Level 1 | Fair Value: Level 2 | Fair Value: Level 3 | Fair Value: Total |
|---|---|---|---|---|---|
| Financial liabilities | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds | $ 24,868 | $ 25,200 | $ - | $ - | $ 25,200 |

March 31, 2025

| | Carrying Amount | Fair Value: Level 1 | Fair Value: Level 2 | Fair Value: Level 3 | Fair Value: Total |
|---|---|---|---|---|---|
| Financial liabilities | | | | | |
| Financial liabilities at amortized cost | | | | | |
| Convertible bonds | $ 299,521 | $ 307,311 | $ - | $ - | $ 307,311 |

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2026

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Structured deposits | $ - | $ 47,593 | $ - | $ 47,593 |
| Financial assets at FVTOCI | | | | |
| Debt investments | | | | |
| Foreign investments in debt instruments | $ - | $ 77,140 | $ - | $ 77,140 |
| Trade receivables | - | - | 179,758 | 179,758 |
| | $ - | $ 77,140 | $ 179,758 | $ 256,898 |

December 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Structured deposits | $ - | $ 45,315 | $ - | $ 45,315 |
| Financial assets at FVTOCI | | | | |
| Debt investments | | | | |
| Foreign investments in debt instruments | $ - | $ 106,570 | $ - | $ 106,570 |
| Trade receivables | - | - | 196,659 | 196,659 |
| | $ - | $ 106,570 | $ 196,659 | $ 303,229 |

March 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Structured deposits | $ - | $ 136,212 | $ - | $ 136,212 |
| Financial assets at FVTOCI | | | | |
| Debt investments | | | | |
| Foreign investments in debt instruments | $ - | $ 145,856 | $ - | $ 145,856 |
| Trade receivables | - | - | 176,738 | 176,738 |
| | $ - | $ 145,856 | $ 176,738 | $ 322,594 |
| Financial liabilities at FVTPL | | | | |
| Convertible bond options | $ - | $ - | $ 2,531 | $ 2,531 |

The Group assesses the bid-ask spread and trading volume of fixed income securities to determine whether the quotations are from an active market. Thus, the Group classified the fair value measurement of its foreign debt instrument investments as Level 2. There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2026

| Financial Assets | Financial Assets at FVOCI<br>Sale of Debt Instrument Receivables |
|---|---|
| Balance on January 1, 2026 | $ 196,659 |
| Net change | (20,204) |
| Effect of foreign currency exchange differences | 3,303 |
| Balance on March 31, 2026 | $ 179,758 |

For the three months ended March 31, 2025

| Financial Assets | Financial Assets at FVOCI<br>Sale of Debt Instrument Receivables |
|---|---|
| Balance on January 1, 2025 | $ 173,592 |
| Net change | 914 |
| Effect of foreign currency exchange differences | 2,232 |
| Balance on March 31, 2025 | $ 176,738 |

| Financial Liabilities | Financial Liabilities at FVTPL<br>Derivatives - Convertible Bond Embedded Options |
|---|---|
| Balance on January 1, 2025 | $ 1,760 |
| Recognized in profit or loss (gain (loss) on financial assets at FVTPL) - unrealized | 771 |
| Balance on March 31, 2025 | $ 2,531 |

3) Valuation techniques and inputs applied for Level 2 fair value measurement

| Financial Instruments | Valuation Techniques and Inputs |
|---|---|
| Hybrid financial assets - structured deposits | Discounted cash flow.<br><br>Future cash flows are estimated based on the contractual yield. |
| Investments in foreign debt instruments | The measurement is based on publicly available market quotations provided by third-party institutions. |

4) Valuation techniques and inputs applied for Level 3 fair value measurement

| Financial Instruments | Valuation Techniques and Inputs |
|---|---|
| Trade receivables factoring | Due to the immaterial impact of discounting, fair value was measured based on the original invoice amount. |
| Convertible bond options | The binomial tree evaluation model of convertible bonds.<br><br>Convertible bond duration, share price, volatility, and conversion price as well as risk-free interest rate, discount rate, liquidity risk, and other factors were considered. |

c. Categories of financial instruments

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at FVTPL | | | |
| Mandatorily classified as at FVTPL | $ 47,593 | $ 45,315 | $ 136,212 |
| Financial asset at amortized cost (1) | 2,377,602 | 2,325,963 | 2,527,667 |
| Financial assets at FVTOCI | | | |
| Debt investments | | | |
| - foreign bonds investments | 77,140 | 106,570 | 145,856 |
| - trade receivables factoring | 179,758 | 196,659 | 176,738 |
| Financial liabilities | | | |
| FVTPL | | | |
| Held for trading | - | - | 2,531 |
| Amortized cost (2) | 2,887,663 | 3,007,904 | 3,245,228 |

1) The balances included cash and cash equivalents, financial assets at amortized cost, notes receivable (including those from related parties), trade receivables, other receivables (excluding tax refund receivable), and refundable deposits that are measured at amortized cost.

2) The balances included short-term loans, trade payables, other payables (excluding salaries and bonuses, taxes, pension and insurance premiums, and dividends), long-term loans, current portion of long-term borrowings, bonds payable, and guarantee deposits received that are measured at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, debt investments, structured deposits, notes receivable (including those from related parties), accounts receivable (including those from related parties), refundable deposits, trade payables, bank borrowings, guarantee deposits received, lease liabilities, and bonds payable.

The financial risks related to operations involving the above financial instruments include market risk (comprising foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

The Group's finance department regularly reports to management, who monitors the risks and enforces policies in accordance with their responsibilities to mitigate risk exposure.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and in interest rates (see (b) below).

a) Exchange rate risk

The Group has foreign currency sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures are managed primarily through natural hedging of net foreign currency positions and, to a lesser extent, through the use of foreign exchange derivative instruments, all within approved policy parameters.

The carrying amounts of the Group's non-functional currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) as at the balance sheet date are set out in Note 36.

Sensitivity analysis

The Group was mainly exposed to the USD and the NTD.

The following table shows the Group's sensitivity to a 1% increase and decrease in each functional currency against the relevant foreign currencies. The 1% sensitivity rate is used in reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rates. 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. Sensitivity analysis includes trade receivables and payables to entities outside of the Group, and trade receivables and payables to its foreign operations. A positive number below indicates an increase in pretax profit and other equity associated with a 1% weakening of each Group entity's functional currency against the relevant currency. For a 1% strengthening of each Group entity's functional currency against the relevant currency, there would be an equal and opposite impact on pretax profit and other equity, and the balances below would be negative.

| | **U.S. Dollar Impact** | |
|---|---|---|
| | **For the Three Months Ended March 31** | |
| | **2026** | **2025** |
| Profit or loss | $ 8,001 | $ 13,925 |

This was mainly attributable to the exposure on outstanding accounts receivable, cash and cash equivalents, payable and short-term loans in USD and NTD, which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD decreased during the current period mainly due to the decrease in USD-denominated net assets.

b) Interest rate risk

The Group was exposed to interest rates for its deposits, debt instrument investments, structured deposits, bank borrowings, lease liabilities, and bonds payable at both fixed and floating interest rates.

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 | $ 1,053,152 | $ 1,006,613 | $ 979,341 |
| Financial liabilities | 475,012 | 445,574 | 379,521 |
| Cash flow interest rate risk | | | |
| Financial assets | 813,206 | 822,152 | 1,065,222 |
| Financial liabilities | 2,124,343 | 2,144,411 | 2,420,251 |

Sensitivity analysis

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

Had interest rates been 1% higher/lower and all other variables held constant, the Group's pretax profits for the three months ended March 31, 2026 and 2025 would have increased/decreased by ($3,278) thousand and ($3,388) thousand, respectively, which was mainly attributable to the Group's exposure to interest rates for its bank deposits, structured deposits, debt instrument investments, and borrowings, which bear floating interest rates.

The Group's interest rate sensitivity for the current period did not differ significantly from that of the prior period.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated on the balance sheets.

The Group's policy is to deal only with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Thus, the Group transacts with entities that are rated the equivalent of investment grade and above. The Group also uses other publicly available financial information and its own trading records to rate its major customers. It continues to monitor its credit exposure and the credit ratings of its counterparties. Credit exposure is controlled by setting a counterparty credit limit, which is approved and periodically reviewed by the risk management committee.

To further minimize credit risk, management of the Group has delegated a team to be responsible for determining credit limits and credit approvals and carrying out 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 trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk is significantly reduced.

The Group's credit risk is primarily concentrated in major customers whose sales individually accounted for more than 10% of the Group's total revenue. As of March 31, 2026, December 31, 2025 and March 31, 2025, the accounts receivable from these customers were 96%, 93% and 94%, respectively, of total accounts receivable.

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 negative fluctuations in cash flows. In addition, management monitors the use 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 unused short-term bank loan facilities set out in (b) below.

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

The following table shows 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. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

March 31, 2026

| | 1 Month - Less than 3 Months | 3 Months to Less than 1 Year | 1-5 Years | 5+ Years |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing | $ 264,336 | $ 23,037 | $ 935 | $ - |
| Variable interest rate liabilities | 29,067 | 88,699 | 1,886,254 | 269,716 |
| Fixed interest rate liabilities | 452,574 | 25,453 | - | - |
| | $ 745,977 | $ 137,189 | $ 1,887,189 | $ 269,716 |

December 31, 2025

| | 1 Month - Less than 3 Months | 3 Months to Less than 1 Year | 1-5 Years | 5+ Years |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing | $ 410,454 | $ 6,557 | $ 908 | $ - |
| Variable interest rate liabilities | 16,973 | 275,867 | 1,688,766 | 286,721 |
| Fixed interest rate liabilities | 421,983 | 25,453 | - | - |
| | $ 849,410 | $ 307,877 | $ 1,689,674 | $ 286,721 |

March 31, 2025

| | 1 Month - Less than 3 Months | 3 Months to Less than 1 Year | 1-5 Years | 5+ Years |
|---|---|---|---|---|
| Non-derivative financial liabilities | | | | |
| Non-interest bearing | $ 435,026 | $ 9,514 | $ 916 | $ - |
| Variable interest rate liabilities | 176,894 | 50,237 | 1,816,931 | 539,372 |
| Fixed interest rate liabilities | 80,282 | 311,795 | - | - |
| | $ 692,202 | $ 371,546 | $ 1,817,847 | $ 539,372 |

b) Financing facilities

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Unsecured bank overdraft facilities: | | | |
| Amount used | $ 594,613 | $ 575,630 | $ 423,757 |
| Amount unused | 1,031,870 | 777,723 | 923,805 |
| | $ 1,626,483 | $ 1,353,353 | $ 1,347,562 |
| Secured bank overdraft facilities: | | | |
| Amount used | $ 2,021,505 | $ 2,021,505 | $ 2,121,504 |
| Amount unused | 231,200 | 223,581 | 225,835 |
| | $ 2,252,705 | $ 2,245,086 | $ 2,347,339 |

e. Transfers of financial assets

In accordance with the terms of the factoring agreement, losses arising from commercial disputes (such as sales returns or discounts) are borne by the Group, while losses arising from credit risk are borne by the bank. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had provided a promissory note of US$10,000 thousand to the bank as collateral.

## 32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides the disclosures in other notes, transactions between the Group and other related parties are shown below.

a. Related party names and relationships

| Related Names | Relationships |
|---|---|
| Sing Cheng Lin CO., LTD. ("Sing Cheng") | Related party in substance |
| Fu Ming Lin CO., LTD. ("Fu Ming") | Related party in substance |
| G. T. FLOOR CO., LTD. (G. T.) | Related party in substance |

b. Sales of goods

| Line Item | Relationship | For the Three Months Ended March 31 2026 | 2025 |
|---|---|---|---|
| Sales | Related party in substance | $ 17,434 | $ 23,704 |

The payment terms for related party receivables were 90 days from the invoice date, and the prices and other transaction terms were not significantly different from those of ordinary sales.

c. Receivables from related parties (excluding loans from related parties)

| Line Item | Relationship | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|---|
| Notes receivable | Related party in substance | | | |
| | Sing Cheng | $ 135 | $ 6 | $ 202 |
| Trade receivables | Related party in substance | | | |
| | Sing Cheng | $ 2,692 | $ 780 | $ 12,863 |
| | G. T. | 7,314 | 6,943 | 9,432 |
| | Fu Ming | 6,301 | 15,002 | 816 |
| | | $ 16,307 | $ 22,725 | $ 23,111 |

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2026 and 2025, no impairment losses were recognized for trade receivables from related parties

d. Remuneration of key management personnel

| | For the three Months Ended March 31 2026 | 2025 |
|---|---|---|
| Short-term employee benefits | $ 7,768 | $ 15,029 |
| Post-employment benefits | 4,769 | 178 |
| | $ 12,537 | $ 15,207 |

The remuneration of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

## 33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged as collateral to financial institutions for financing arrangements:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Land | $ 456,595 | $ 456,595 | $ 456,595 |
| Buildings and equipment | 1,630,778 | 1,657,829 | 1,735,898 |
| Financial assets at amortized cost | | | |
| Restricted time deposits | 1,000 | 1,001 | 1,001 |
| | $ 2,088,373 | $ 2,115,425 | $ 2,193,494 |

## 34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

Unrecognized commitments were as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---|---|---|---|
| Acquisition of property, plant and equipment | | | |
| USD | $ 267 | $ 252 | $ 24 |
| RMB | $ 2,959 | $ 8,677 | $ 1,619 |
| NTD | $ 4,626 | $ 17,429 | $ 14,871 |
| EUR | $ - | $ - | $ 199 |

## 35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On May 6, 2026, the Group’s board of directors resolved to cancel 380,000 treasury shares that had been repurchased during the period from July 22, 2021 to August 9, 2021 for transfer to employees.

In addition, the Group’s subsidiary, Dongguan Prolong Plastic Products Co., Ltd., entered into a lease agreement with non-related parties on April 29, 2026 for the leasing of factory buildings and land use rights.

## 36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities aggregated by foreign currency other than functional currencies and the related exchange rates between the foreign currencies and respective functional currencies were as follows:

March 31, 2026

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 10,339 | 31.9950 (USD:NTD) | $ 330,796 |
| USD | 16,449 | 6.9194 (USD:RMB) | 526,281 |
| NTD | 5,214 | 0.0312 (NTD:USD) | 5,214 |
| RMB | 1,818 | 0.1445 (RMB:USD) | 8,405 |
| RMB | 351 | 4.6240 (RMB:NTD) | 1,624 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 1,655 | 31.9950 (USD:NTD) | 52,943 |
| USD | 126 | 6.9194 (USD:RMB) | 4,022 |
| NTD | 8,664 | 0.0312 (NTD:USD) | 8,664 |
| RMB | 71 | 0.1445 (RMB:USD) | 329 |
| RMB | 4,098 | 4.6240 (RMB:NTD) | 18,951 |

December 31, 2025

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 8,254 | 31.4300 (USD:NTD) | $ 259,428 |
| USD | 19,135 | 7.0288 (USD:RMB) | 601,413 |
| NTD | 4,150 | 0.0318 (NTD:USD) | 4,150 |
| RMB | 2,674 | 0.1423 (RMB:USD) | 11,958 |
| RMB | 28 | 4.4716 (RMB:NTD) | 126 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 2,209 | 31.4300 (USD:NTD) | 69,431 |
| USD | 113 | 7.0288 (USD:RMB) | 3,547 |
| NTD | 4,590 | 0.0318 (NTD:USD) | 4,590 |
| RMB | 173 | 0.1423 (RMB:USD) | 773 |
| RMB | 5,224 | 4.4716 (RMB:NTD) | 23,362 |

March 31, 2025

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 22,486 | 33.2050 (USD:NTD) | $ 746,645 |
| USD | 25,017 | 7.1782 (USD:RMB) | 830,683 |
| NTD | 5,018 | 0.0301 (NTD:USD) | 5,018 |
| RMB | 3,226 | 0.1393 (RMB:USD) | 14,922 |
| RMB | 762 | 4.6258 (RMB:NTD) | 3,524 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD | 5,532 | 33.2050 (USD:NTD) | 183,706 |
| USD | 35 | 7.1782 (USD:RMB) | 1,165 |
| NTD | 10,229 | 0.0301 (NTD:USD) | 10,229 |
| RMB | 14,333 | 4.6258 (RMB:NTD) | 66,301 |
| RMB | 50 | 0.1393 (RMB:USD) | 232 |

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

Net foreign exchange gains were $(9,701) thousand and $10,231 thousand for the three months ended March 31, 2026 and 2025, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions or functional currencies of the entities in the Group.

## 37. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

   1) Financing provided to others (Table 1)

   2) Endorsements/guarantees provided (Table 2)

   3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

   4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

   5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

   6) Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 7)

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 8)

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 8):

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 year or on the financial position, such as the rendering or receipt of services

## 38. SEGMENT INFORMATION

The chief operating decision maker regards each regional production and sales unit of plastic flooring as a separate operating segment. For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors. Therefore, segment information is not applicable.

a. The nature of the products and production processes are similar;

b. The pricing strategies for the products are similar;

c. The methods used to distribute the products to the customers are similar.

TABLE 1

## M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| No. (Note 1) | Lender | Borrower | Financial Statement Account | Related Party | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount (Note 3) | Interest Rate (%) | Nature of Financing | Business Transaction Amount | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 2) | Aggregate Financing Limit (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | Dongguan Prolong Plastic Products Co., Ltd. | Shanghai M.J. Architecture & Decoration Materials Co., Ltd. | Other receivables from related party | Yes | $ 147,968 (CNY 32,000) | $ 147,968 (CNY 32,000) | $ 147,968 (CNY 32,000) | 2.6 | Demand for short-term financing | $ - | Operating capital, repayment | $ - | - | - | $ 433,967 | $ 433,967 |

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The investees are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: a. The credit limit for loans to a single enterprise that has business transactions with M. J. International Co., Ltd. (the “Company”) or any of its subsidiaries shall not exceed the lower of (i) the amount of business transactions between the parties, or (ii) 10% of the net worth of the lending company. The term “amount of business transactions” refers to the higher of the purchase or sales amount between the two parties.

b. For entities that require short-term financing from the Company or its subsidiaries, the individual loan amount shall not exceed 10% of the net worth of the Company or its subsidiaries based on its most recent audited or reviewed financial statements.

c. The total amount available for lending shall not exceed 40% of the net worth of the Company based on its most recent audited or reviewed financial statements.

d. The total amount available for lending by each subsidiary shall not exceed 100% of the net worth of each subsidiary based on its most recent financial statements. However, for lending transactions between foreign companies whose voting shares are 100% directly or indirectly held by the Company, and between such foreign companies and the Company itself, the total lending limit and the limit for each individual borrower shall not exceed 100% of the net worth of the lending company based on its most recent financial statements.

Note 3: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The total interest income from loans to others by Dongguan Plastic Products Co., Ltd. for the current year amounted to NT$893 thousand.

Note 5: For items involving foreign currencies in this statement, amounts were converted to New Taiwan dollars (NT$) at the exchange rates of US$1:NT$31.9950 and CNY1:NT$4.6240 as of the balance sheet date; the related profit and loss amounts were converted at the exchange rates of US$1:NT$31.6310 and CNY1:NT$4.5509.

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

| No. (Note 1) | Endorser/Guarantor | Endorsee/Guarantee Receiver | | Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3) | Maximum Amount Endorsed/ Guaranteed During the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Actual Amount Borrowing (Note 4) | Amount Endorsed/ Guaranteed by Collateral | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/ Guarantee Limit (Note 3) | 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 (Note 2) | | | | | | | | | | |
| 0 | M.J. International Co., Ltd. (the "Company") | Opulent International Group Limited | b | $ 4,557,186 | $ 1,183,439 | $ 1,183,439 | $ - | N/A | 38.95 | $ 9,114,372 | Yes | No | No |
| | | M.J. International Flooring And Interior Products Inc | b | 4,557,186 | 3,696,364 | 3,396,364 | 2,616,118 | N/A | 111.79 | 9,114,372 | Yes | No | No |
| | | Dongguan MeiJer Plastic Products Co., Ltd. | b | 4,557,186 | 231,200 | 231,200 | - | N/A | 7.61 | 9,114,372 | Yes | No | Yes |

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The six types of relationships between the endorser/guarantor and endorsee/guarantee receiver indicated as numbers in the table above are as follows:

a. Having a business relationship.
b. The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee receiver.
c. The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
d. The endorser/guarantor owns directly or indirectly more than 90% of the ordinary shares of the endorsee/guarantee receiver.
e. Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
f. Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee receiver in proportion to its ownership.
g. Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

Note 3: a. The total endorsement/guarantee provided by the Company for others shall be no more than 300% of the net worth of the Company's most recent financial statements. The total endorsement/guarantee provided by the Company and its subsidiaries for others shall be no more than 300% of the net worth of the Company's most recent financial statements.

b. The total endorsement/guarantee provided by the Company and its subsidiaries to any individual entity shall not exceed 40% of the net worth of the Company's most recent financial statements. Notwithstanding, the total endorsement/guarantee provided for the company's wholly holding the voting shares of the Company directly and indirectly, or among the companies in which the Company wholly hold the voting shares directly or indirectly shall be no more than 150% of the net worth of the Company's most recent financial statements.

Note 4: The listed amounts were eliminated upon consolidation.

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

**SIGNIFICANT MARKETABLE SECURITIES HELD**
**MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Holding Company Name | Type and Name of Marketable Security (Note 1) | Relationship with the Holding Company (Note 2) | Financial Statement Account | March 31, 2026 | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of Shares | Carrying Amount (Note 3) | Percentage of Ownership (%) | Fair Value | |
| Opulent International Group Limited | Bank Of America Corp 5.5110%01/24/2025 DTD 01/24/2036 | - | Financial assets at FVTOCI - current | - | $ 32,631 | - | $ 32,631 | Note 4 |
| | Banque Ouset Africaine de Developpement 5.0%07/27/2027 DTD 07/27/2017 | - | 〃 | - | 31,869 | - | 31,869 | Note 4 |
| | | | | | $ 64,500 | | $ 64,500 | |
| | Softbank Group Corp 6.875% Perpetual DTD 07/19/2017 | - | Financial assets at FVTOCI - non-current | - | $ 6,254 | - | $ 6,254 | Note 4 |
| | HSBC Holdings PLC, 6% Perpetual DTD 05/22/2017 | - | 〃 | - | 6,386 | - | 6,386 | Note 4 |
| | | | | | $ 12,640 | | $ 12,640 | |

Note 1: The term “securities” as used in this table refers to stocks, bonds, beneficiary certificates, and derivative securities within the scope of International Financial Reporting Standard (IFRS) No. 9 - Financial Instruments.

Note 2: The issuer of the securities is not a related party.

Note 3: Measured at fair value and presented at the adjusted carrying amount.

Note 4: The listed securities are not used as collateral, pledged for borrowings, or otherwise subject to any contractual restrictions on use.

Note 5: This table presents the marketable securities disclosed by the Company based on the materiality principle.

Note 6: For information about the equity investments in subsidiaries. Refer to Table 7 and Table 8.

## M. J. INTERNATIONAL CO., LTD. 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, Unless Stated Otherwise)**

| Buyer | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Receivable (Payable) | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchase/ Sale | Amount (Note 1) | % of Total (Note 2) | Payment Terms | Unit Price | Payment Terms | Ending Balance (Note 1) | % of Total (Note 2) | |
| Opulent International Group Limited | Dongguan MeiJer Plastic Products Co., Ltd. | Affiliated company | Purchase | $ 296,405 | 93 | O/A 120 days | $ - | - | $ (297,042) | (92) | Note 5 |
| Dongguan MeiJer Plastic Products Co., Ltd. | Opulent International Group Limited | Affiliated company | Sale | (296,405) | (96) | O/A 120 days | - | - | 297,042 | 96 | Notes 3 and 5 |

Note 1: Balances and transactions between M. J. International Co., Ltd. and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: Each ratio is calculated based on the transaction amounts or balances with the respective trading companies.

Note 3: The unrealized profit for the current period is NT$4,470 thousand.

Note 4: The transaction price is determined using a cost-plus pricing method.

Note 5: For items involving foreign currencies in this statement, amounts are converted to New Taiwan dollars (NT$) using the exchange rates of US$1:NT$31.9950 and CNY1:NT$4.6240 as of the balance sheet date; related profit and loss are converted at exchange rates of US$1:NT$31.6310 and CNY1:NT$4.5509.

# M. J. INTERNATIONAL CO., LTD. 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 (Note 1) | | Turnover Rate | Overdue | | Amount Received in Subsequent Period (Note 2) | Allowance for Impairment Loss |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Amount | Actions Taken | | |
| Dongguan MeiJer Plastic Products Co., Ltd. | Opulent International Group Limited | Affiliated company | Trade receivables | $ 297,042 | 3.78 times | $ - | - | $ 145,172 | $ - |
| Dongguan Prolong Plastic Products Co., Ltd. | Shanghai M.J. Architecture & Decoration Materials Co., Ltd. | Investee company | Other receivables | 148,928 (Note 3) | | - | - | 960 | - |

Note 1: Balances and transactions between M. J. International Co., Ltd. and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The amount recovered from April 1, 2026 to April 30, 2026.

Note 3: This amount includes accrued interest of NT$960 thousand.

Note 4: For items involving foreign currencies in this statement, amounts are converted to New Taiwan dollars (NT$) using the exchange rates of US$1:NT$31.9950 and CNY1:NT$4.6240 as of the balance sheet date; related profit and loss are converted using the exchange rates of US$1:NT$31.6310 and CNY1:NT$4.5509.

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

| No. (Note 1) | Transacting Company | Counterparty | Flow of Transactions (Note 2) | Transaction Details | | | |
|---|---|---|---|---|---|---|---|
| | | | | Financial Statement Account | Amount (Note 4) | Payment Terms | % of Total Sales or Assets (Note 3) |
| 0 | M.J. International Co., Ltd. (parent company) | Opulent International Group Limited | a | Endorsements/guarantees provided | $ 1,183,439 | - | 19 |
| | | M.J. International Flooring and Interior Products Inc | a | Endorsements/guarantees provided | 3,396,364 | - | 54 |
| | | Dongguan MeiJer Plastic Products Co., Ltd. | a | Endorsements/guarantees provided | 231,200 | - | 4 |
| 1 | Dongguan Prolong Plastic Products Co., Ltd. | Opulent International Group Limited | c | Revenue | 20,222 | Negotiated case by case. O/A 120 days | 3 |
| | | Opulent International Group Limited | c | Trade receivables | 20,003 | - | - |
| | | Shanghai M.J. Architecture & Decoration Materials Co., Ltd. | c | Other receivables | 148,928 | Financing (including interest receivables $960) | 2 |
| | | Dongguan MeiJer Plastic Products Co., Ltd. | c | Trade receivables | 25,806 | - | - |
| | | Dongguan MeiJer Plastic Products Co., Ltd. | c | Revenue | 22,545 | Negotiated case by case. O/A 120 days | 3 |
| 2 | Dongguan MeiJer Plastic Products Co., Ltd. | Opulent International Group Limited | c | Revenue | 296,405 | Negotiated case by case. O/A 120 days | 46 |
| | | Opulent International Group Limited | c | Trade receivables | 297,042 | - | 5 |
| 3 | Opulent International Group Limited | M.J. International Flooring And Interior Products Inc | c | Revenue | 17,247 | Negotiated case by case. O/A 120 days | 3 |
| | | M.J. International Flooring And Interior Products Inc | c | Trade receivables | 26,813 | - | - |

Note 1: Intercompany relationships should be notified in the No. Colum, the coding method is as follow:

a. 0 for parent company.
b. The investees are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: The flow of transactions is as follows. The above balances and transactions between the Company and its subsidiaries, which are related parties of the Group, the above have been eliminated on consolidation.

a. From the parent company to the subsidiary.
b. From the subsidiary to the parent company.
c. Between subsidiaries.

Note 3: Transaction ratios are calculated as follows: for balance sheet items, the ending balance is divided by consolidated total assets; for income statement items, the accumulated amount for the period is divided by consolidated total revenue.

Note 4: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 5: Foreign currency amounts in this statement are converted to New Taiwan dollars (NT$) at exchange rates of US$1:NT$31.9950 and CNY1:NT$4.6240 as of the balance sheet date; related profit and loss are converted at exchange rates of US$1:NT$31.6310 and CNY1:NT$4.5509.

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

**INFORMATION ON INVESTEES**
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount (Note 4) | | 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 | | | |
| M.J. International Co., Ltd | Prolong International Co., Limited | Hong Kong | Investment holding | $ 206,688 (US$ 6,460) | $ 203,038 (US$ 6,460) | - | 100 | $ 1,718,243 | $ 16,566 | $ 16,566 | Notes 1 and 2 |
| | Opulent International Group Limited | Hong Kong | International trade | 278,357 (US$ 8,700) | 273,441 (US$ 8,700) | 8,700 | 100 | 951,116 | 39,680 | 39,680 | Notes 1, 2 and 5 |
| | M.J. International Flooring And Interior Products Inc | Taiwan | Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials. | 500,000 | 500,000 | 50 | 100 | 229,671 | (126,396) | (126,396) | Notes 1 and 2 |
| | MJ Group US INC | United States | Trading of decorative and renovation materials | 15,998 (US$ 500) | 15,715 (US$ 500) | 500 | 100 | 8,538 | (140) | (140) | Notes 1 and 2 |
| | M.J. TECHNOLOGIES (THAILAND) CO., LTD. | Thailand | Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service. | 12,105 (THB 12,375) | 12,399 (THB 12,375) | 124 | 99 | 12,177 | 56 | 55 | Notes 1 and 2 |
| M.J. International Flooring And Interior Products Inc | M.J. TECHNOLOGIES (THAILAND) CO., LTD. | Thailand | Manufacture and sale of plastic floor tiles and building decorative materials, with after-sales service. | 122 (THB 125) | 125 (THB 125) | 1 | 1 | 123 | 56 | 1 | Notes 1 and 2 |

Note 1: The recognition of investment gains or losses is based on the investee company's financial statements for the same period, which have been reviewed by independent auditors.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: Information on investments in mainland China is shown in Table 8.

Note 4: The foreign currency investment was translated into New Taiwan dollars (NT$) at the exchange rate on the reporting date.

Note 5: The investment gains or losses recognized for the current period are adjusting for realized and unrealized gross profit from upstream transactions during the period.

# M. J. INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

| Investee Company | Main Businesses and Products | Paid-in Capital (Note 6) | Method of Investment (Note 1) | 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 | % Ownership of Direct or Indirect Investment | Net Income (Loss) of the Investee | Investment Gain (Loss) (Notes 2 b.(2) and 3) | Carrying Amount as of March 31, 2026 (Notes 3 and 5) | Accumulated Repatriation of Investment Income as of March 31, 2026 | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Outward | Inward | | | | | | | |
| Dongguan MeiJer Plastic Products Co., Ltd. | Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials, as well as investment and holding activities. | $ 904,517 (US$ 28,271) | b. (1) | $ - | $ - | $ - | $ - | 100 | $ 4,342 | $ 11,832 | $ 1,276,880 | $ - | - |
| Dongguan Prolong Plastic Products Co., Ltd. | Manufacture and sale of plastic floor tiles, decorative renovation materials, and building materials, as well as investment and holding activities. | 189,922 (HK$ 46,538) | b. (1) | - | - | - | - | 100 | 3,272 | 4,734 | 433,619 | - | - |
| Chongqing M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials and building materials. | 36,992 (CNY 8,000) | b. (2) | - | - | - | - | 100 | (172) | (172) | 9,691 | - | - |
| Shanghai M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials and building materials. | 217,328 (CNY 47,000) | b. (2) | - | - | - | - | 100 | (1,544) | (1,544) | 98,683 | - | - |
| Wuhan M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials and building materials. | 41,616 (CNY 9,000) | b. (2) | - | - | - | - | 100 | (160) | (160) | 26,437 | - | - |
| Xian M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials and building materials. | 20,808 (CNY 4,500) | b. (2) | - | - | - | - | 100 | (99) | (99) | 12,757 | - | - |
| Shenyang M.J. Architecture & Decoration Materials Co., Ltd. | Sale of plastic floor tiles, decorative renovation materials and building materials. | 20,808 (CNY 4,500) | b. (2) | - | - | - | - | 100 | (19) | (19) | 16,250 | - | - |

| Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026 | Investment Amount Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|---|---|---|
| Note 4 | Note 4 | Note 4 |

Note 1: Three methods of investing in mainland China are as follows:

a. Direct.

b. Through an existing company established in a third region

1) Prolong International Co., Limited
2) Prolong International Co., Limited invested in Dongguan MeiJer Plastic Products Co., Ltd. and Dongguan Prolong Plastic Products Co., Ltd.)

c. Other methods.

(Continued)

Note 2: In the column of investment gain (loss)

a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.

b. The basis for recognizing investment gain (loss) is as follows:

1) The financial statement reviewed by the attesting CPA of an international accounting firm in cooperation with an accounting firm in the ROC.
2) The financial statement reviewed by the attesting CPA of the parent company in Taiwan.
3) Other.

Note 3: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 4: The Company is not incorporated in the Republic of China; therefore, it is not applicable.

Note 5: Includes unrealized gains and losses from upstream/downstream transactions.

Note 6: Translated at the exchange rate as of the balance sheet date.

Significant transactions with investee companies in the mainland area, either directly or indirectly through a third area:

1. Purchase amounts and percentages, along with the ending balances and percentages of related payables: refer to Table 4.

2. Sales amounts and percentages, along with the ending balances and percentages of related receivables: refer to Table 4.

3. Property transaction amounts and the resulting gains or losses: None.

4. Ending balances and purposes of endorsed notes, guarantees, or pledged collateral: Table 2.

5. Highest balances, ending balances, interest rate ranges, and total interest amounts of financing: refer to Table 1.

6. Other transactions with significant impact on current profit or financial position, such as provision or receipt of services: None.

(Concluded)