FST Corp. Reports Third Quarter 2026 Financial Results

2 Percent Revenue Increase Year-over-Year;
FST Launched KBS TOUR V-X Family of Steel Iron Shafts

Boulder, Colorado – (Newsfile Corp. – October 29, 2026) – FST Corp. (Nasdaq: KBSX) ("FST" or the "Company"), a leading manufacturer and marketer of steel and graphite golf shafts and a provider of other golf-related services, today announced its unaudited financial results for the third quarter ended September 30, 2026.

Revenue for second quarter was $12,804,404, a 2.0 percent increase from revenue of $12,554,939 for the third quarter of 2025. The revenue increase reflects additional sales in the OEM business in both the steel and graphite lines.

Net income for the quarter was $291,001, compared to a net loss of $715,955 in the third quarter of 2025. Net income attributable to FST Corp.'s shareholders was $290,819, or $0.01 per share, compared to a net loss attributable to FST Corp.'s shareholders of $672,771, or US$(0.02) per share, in the prior-year period.

Operating income in Q3 2026 was $31,405, compared to an operating loss of $946,709 in the third quarter of 2025.

The weighted average number of shares outstanding for the third quarter of 2026 and 2025 was 44,989,549, and 44,766,003, respectively.

As of September 30, 2026, the Company had cash and cash equivalents of $6,129,149 and restricted cash of $517,340. Total current assets were $29,636,813 and total current liabilities were $32,172,943, resulting in a working capital deficit of $2,536,130. Current liabilities included short-term bank borrowings of $20,518,189, which the Company has historically renewed or refinanced in the ordinary course of business.

For the nine months ended September 30, 2026, net cash provided by operating activities was $730,253; net cash used in investing activities was $1,812,138, primarily for purchases of property, plant and equipment of $1,590,620, including an automatic straightening machine in Taiwan and the renovation of the Company's Boulder office; and net cash provided by financing activities was $848,907, reflecting net bank borrowings of $1,166,177, partially offset by the acquisition of the remaining non-controlling interests in FST Taiwan, which became a wholly owned subsidiary on August 28, 2026, for $247,409 and repurchases of ordinary shares of $69,861.

"During the Third quarter we continued to leverage are favorable position in the market and execute our operating plan. Importantly, we launched the KBS TOUR V-X Family of Steel Iron Shafts and leading brands such as TaylorMade continued to select KBS shafts as the stock offering for several of its new family offerings to the marketplace," said FST Chairman and Chief Executive Officer David Chuang. "Meanwhile, we taken meaningful actions to establish a new European office to expand our sales footprint and strengthen both new and existing customer relationships in the region."

Share Repurchases

During the three months ended September 30, 2026, the Company repurchased an aggregate of 66,577 ordinary shares at an aggregate cost of approximately $69,861 under the $3.0 million share repurchase program authorized by its board of directors and announced on July 28, 2026. As of September 30, 2026, approximately $2.93 million remained available for repurchase under the program, which has no fixed expiration date.

Outlook

In the fourth quarter of 2026, management anticipates continued revenue growth as the Company focuses on expanding sales in both domestic and export markets. Strategic initiatives for the remainder of 2026 and early 2027 include:

- Launch of new programs with OEM partners where KBS provides the stock shaft;
- Realize incremental revenue from its newly established European office as it expands regional sales coverage, develops new customer relationships and provides more direct support to existing customers;
- Host the second annual KBS Open in Taiwan in late January 2027 to gain additional marketing exposure and enhanced brand awareness of the Company's products in Taiwan and other key Asian markets.
- Implement additional cost-control measures across its operations, including initiatives focused on production efficiency, inventory management, logistics and discretionary operating expenses

About FST Corp.
Founded in 1989, FST Corp. manufactures and sells golf club shafts, along with other golf-related items, to golf equipment brands, OEMs, distributors, and consumers via the company's KBS Golf Experience retail outlets. FST's equipment, marketed under the KBS brand, is utilized by golfers at all levels, including many professional players participating in the PGA and other major golf associations. The company's product portfolio, retail presence, and golf-related services are part of a vertically integrated business model that has established the KBS brand on a global scale and created significant competitive advantages over peer brands. The company's growth strategies currently position it for expansion into under-tapped golf shaft markets.

Forward-Looking Statements
This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding future performance, market conditions, such as foreign exchange conditions, and strategic initiatives, and the Company's belief with respect to its ability to capture growth opportunities and the impact of hosting the second annual KBS Open in Taiwan. These statements are based on current expectations and assumptions that are subject to risks and uncertainties, including foreign exchange fluctuations, changes in U.S. and other trade policies, including tariffs and the availability, timing and amount of any tariff refunds, changes in market demand, the Company's ability to renew or refinance its short-term bank borrowings, competitive pressures, and other factors listed in the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission (the "SEC") on April 20, 2026, and in other filings with the SEC, many of which are beyond the Company's control. Actual results may differ materially from those projected.

All forward-looking statements included in this report are made only as of the date of this report, and, except as required by law, the Company assumes no obligation to revise or update any forward-looking statements made by the Company as a result of new information, future events or other factors. If one or more forward-looking statements are revised or updated, no inference should be drawn that additional revisions or updates will be made in the future.

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FST Corp.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In U.S. dollars, except for share data, or otherwise noted)

	As of September 30, 2026 (Unaudited)	As of December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	6,129,149	7,179,800
Restricted cash	517,340	158,865
Accounts and notes receivable, net	7,962,897	6,979,725
Prepaid tax	-	93,589
Inventories, net	12,885,010	11,812,740
Amounts due from a related party	77,267	73,820
Prepaid expenses and other current assets	2,065,150	1,188,451
Total current assets	29,636,813	27,486,990
Non-current assets		
Property, plant and equipment, net	19,435,135	19,044,954
Intangible assets, net	4,587,673	4,832,114
Long-term investments	739,280	551,628
Right-of-use assets	6,058,687	5,761,176
Deferred tax assets, net	1,677,753	1,692,802
Prepayment and other non-current assets	1,167,203	1,551,893
Total non-current assets	33,665,731	33,434,567
Total assets	63,302,544	60,921,557
LIABILITIES		
Current liabilities		
Short-term bank borrowings	20,518,189	18,199,806
Accounts payable	3,347,508	3,032,860
Operating lease liabilities, current	1,567,632	2,328,227
Amounts due to related parties	203,383	137,548
Current tax liabilities	708,389	367,902
Accrued expenses and other current liabilities	5,827,842	6,355,964
Total current liabilities	32,172,943	30,422,307
Non-current liabilities		
Long-term bank borrowings	9,368,338	10,963,881
Operating lease liabilities, non-current	5,278,969	3,974,560
OET derivative liability	-	5,310
Warrant liabilities	7,380	4,311
Total non-current liabilities	14,654,687	14,948,062

Total Liabilities	46,827,630	45,370,369
SHAREHOLDERS' EQUITY		
Ordinary shares (par value of US$0.0001 per share; 500,000,000 shares authorized; 45,013,179 shares and 44,766,003 shares issued, and 44,946,602 shares and 44,766,003 shares outstanding as of September 30, 2026 and December 31, 2025)	4,501	4,477
Additional paid in capital	15,799,577	15,396,434
Retained earnings	2,672,415	1,566,364
Accumulated other comprehensive loss	(1,931,718)	(1,537,922)
Treasury Stock (66,577 shares and nil shares as of September 30, 2026 and December 31, 2025, respectively)	(69,861)	-
Total FST Corp. shareholders' equity	16,474,914	15,429,353
Non-controlling interests	-	121,835
Total shareholders' equity	16,474,914	15,551,188
Total liabilities and shareholders' equity	63,302,544	60,921,557

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In U.S. dollars, except for share data, or otherwise noted)

	For the three Months Ended September 30,		For the nine Months Ended September 30	
	2026	**2025**	**2026**	**2025**
Revenue	12,804,404	12,554,939	40,002,770	34,748,371
Cost of sales	6,561,676	7,631,555	20,191,509	19,609,852
Gross profit	6,242,728	4,923,384	19,811,261	15,138,519
COSTS AND OPERATING EXPENSES:				
Selling expenses	3,342,295	2,851,623	9,376,692	9,084,511
General and administrative expenses	2,396,525	2,675,791	6,684,096	7,486,912
Research and development expenses	472,503	342,679	1,280,967	1,043,052
Total costs and operating expenses	6,211,323	5,870,093	17,341,755	17,614,475
INCOME (LOSS) FROM OPERATIONS	31,405	(946,709)	2,469,506	(2,475,956)
OTHER (EXPENSE) INCOME				
Interest expense, net	(249,254)	(231,789)	(693,845)	(634,280)
Foreign exchange gain(loss)	34,818	705,508	313,275	(1,510,145)
Other income(loss), net	27,122	(20,033)	92,173	262,372
Unrealized gain(loss) on change in fair value of OET derivative liability	-	-	5,310	(1,884,824)
Unrealized gain(loss) on change in fair value of Warrant liability	718,102	-	(3,069)	-
Total other income(loss), net	530,788	453,686	(286,156)	(3,766,877)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES	562,193	(493,023)	2,183,350	(6,242,833)
INCOME TAX EXPENSES	271,192	222,932	1,061,160	300,169
NET INCOME (LOSS)	291,001	(715,955)	1,122,190	(6,543,002)
Less: net income(loss) attributable to non-controlling interests	182	(43,184)	16,140	(43,184)
Net income (loss) attributable to FST Corp.'s shareholders	290,819	(672,771)	1,106,050	(6,499,818)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustment	85,620	(516,443)	(393,796)	1,918,479
TOTAL COMPREHENSIVE INCOME (LOSS)	376,621	(1,232,398)	728,394	(4,624,523)
Less: total comprehensive income (loss) attributable to non-controlling interests	182	(30,522)	16,140	(30,522)
Comprehensive income (loss) attributable to FST Corp.'s shareholders	376,439	(1,201,876)	712,254	(4,594,001)
Weighted average number of shares outstanding, basic and diluted	44,989,549	44,766,003	44,989,549	44,766,003
Earnings (loss) per share, basic and diluted	0.01	(0.02)	0.02	(0.15)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. dollars)

	For the Nine Months Ended September 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by (used in) operating activities	730,253	(1,151,249)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,590,620)	(376,807)
Purchase of intangible assets	(30,910)	(15,826)
Disposal of property and equipment	-	6,635
Purchase of long-term investments	(190,608)	(104,346)
Disposal of short-term investments	-	60,994
Net cash used in investing activities	(1,812,138)	(429,350)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings	36,948,625	38,484,913
Repayments of bank borrowings	(35,782,448)	(36,213,304)
Repurchase of ordinary shares	(69,861)	-
Repurchase of subsidiary shares from dissenting shareholders	-	(38,754)
Acquisition of non-controlling interests	(247,409)	-
Net cash provided by financing activities	848,907	2,232,855
Effect of foreign exchange rate on cash, cash equivalents and restricted cash	(459,198)	2,229,555
Net (decrease) increase in cash, cash equivalents and restricted cash	(692,176)	2,881,811
Cash, cash equivalents and restricted cash at the beginning of period	7,338,665	5,302,199
Cash, cash equivalents and restricted cash at the end of period	6,646,489	8,184,010
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest expenses paid	530,683	479,191
Income taxes paid	624,613	291,726
Right of use assets obtained in exchange for operating lease obligations	2,682,271	698,921