Tongtai Machine & Tool Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 and
Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Tongtai Machine & Tool Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Tongtai Machine & Tool Co., Ltd. (the "Company") and its subsidiaries as of September 30, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months and nine months ended September 30, 2025 and 2024, and related notes, including a summary of significant accounting policies (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

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated statements were not reviewed. As of September 30, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT$3,604,338 thousand and NT$3,741,626 thousand, representing 28% and 29%, respectively, of the consolidated total assets; the combined total liabilities of these non-significant subsidiaries were NT$2,391,225 thousand and NT$2,714,853 thousand, representing 30% and 34%, respectively, of the consolidated total liabilities. For the three months and nine months ended September 30, 2025 and 2024, the amounts of the combined comprehensive income (loss) of these non-significant subsidiaries were NT$(1,647) thousand, NT$(21,521) thousand, NT$(168,293) thousand and NT$(139,078) thousand, representing 2%, 45%, 32% and 171%, respectively, of the consolidated total comprehensive income.

As disclosed in Note 13 to the consolidated financial statements, certain equity-method investments were recognized and disclosed based on the investee companies' financial statements for the same periods, which were not reviewed by independent auditors. The balances of equity-method investments as of September 30, 2025 and 2024 were NT$26,991 thousand and NT$16,387 thousand, respectively. The shares of profit (loss) from equity-method investees recognized for the three months and nine months ended September 30, 2025 and 2024 were a loss of NT$2,040 thousand, loss of NT$590 thousand, loss of NT$3,498 thousand and a loss of NT$317 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other equity-method investees' as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Company and its subsidiaries as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated cash flows for nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yu-Shiang Liu and Lee-Yuan Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 5, 2025

Notice to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025 (Reviewed) Amount	%	December 31, 2024 (Audited) Amount	%	September 30, 2024 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 1,586,037	12	$ 865,500	7	$ 1,016,397	8
Notes receivable, net (Notes 9 and 34)	253,125	2	352,671	3	307,155	2
Accounts receivable, net (Note 9)	1,836,726	14	1,842,013	15	2,029,698	16
Accounts receivable - related parties (Notes 9 and 33)	9,664	-	12,527	-	11,186	-
Other receivables (Note 33)	92,013	1	87,575	1	71,264	-
Current tax assets	32,469	-	37,080	-	36,273	-
Inventories (Note 10)	4,153,882	32	3,817,465	31	4,211,659	33
Non-current assets held for sale (Note 11)	-	-	364,016	3	-	-
Other financial assets - current (Notes 14 and 34)	74,717	1	137,712	1	25,021	-
Other current assets (Note 33)	225,434	2	196,640	2	230,568	2
Total current assets	8,264,067	64	7,713,199	63	7,939,221	61
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	650,104	5	411,332	3	439,739	4
Non-current financial assets at amortised cost (Note 8)	30,445	-	52,785	1	51,650	-
Investments accounted for using the equity method (Note 13)	783,489	6	779,774	6	756,023	6
Property, plant and equipment (Notes 15 and 34)	1,696,002	13	1,537,912	13	1,836,808	14
Right-of-use assets (Note 16)	307,943	2	559,594	5	569,578	5
Investment properties (Notes 17 and 34)	379,312	3	468,944	4	606,884	5
Intangible assets (Note 18)	89,828	1	37,017	-	37,951	-
Deferred tax assets	547,444	4	531,830	4	474,666	4
Refundable deposits	16,996	-	19,691	-	21,398	-
Long-term notes and accounts receivable (Note 9)	50,956	-	51,442	-	46,767	-
Net defined benefit assets (Note 4)	3,943	-	3,753	-	3,132	-
Other financial assets - non-current (Notes 14 and 34)	57,310	1	112,756	1	108,040	1
Other non-current assets (Notes 9 and 33)	93,217	1	27,035	-	21,933	-
Total non-current assets	4,706,989	36	4,593,865	37	4,974,569	39
TOTAL	$12,971,056	100	$12,307,064	100	$12,913,790	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 34)	$ 2,895,052	22	$ 2,629,964	22	$ 2,495,609	19
Short-term bills payable (Note 19)	49,979	1	49,837	1	80,000	1
Contract liabilities - current (Notes 25 and 33)	940,500	7	897,376	7	1,212,891	10
Notes payable (Note 20)	335,754	3	344,869	3	314,450	3
Notes payable - related parties（Notes 20 and 33）	210	-	8,879	-	-	-
Accounts payable (Note 20)	961,752	8	891,500	7	775,385	6
Accounts payable - related parties (Notes 20 and 33)	46,875	-	160,315	1	90,153	1
Other payables (Notes 21 and 33)	611,108	5	526,439	4	552,896	4
Current tax liabilities	142,868	1	2,305	-	705	-
Provisions - current (Note 22)	123,972	1	132,842	1	132,517	1
Lease liabilities - current (Note 16)	21,820	-	33,524	-	35,755	-
Current portion of long-term bank borrowings (Notes 19 and 34)	242,520	2	478,465	4	533,651	4
Other current liabilities	45,917	-	117,267	1	39,994	-
Total current liabilities	6,418,327	50	6,273,582	51	6,264,006	49
NON-CURRENT LIABILITIES						
Long-term bank borrowings (Notes 19 and 34)	1,206,676	9	863,537	7	879,424	7
Deferred tax liabilities	62,980	1	63,571	1	62,510	1
Lease liabilities -noncurrent (Note 16)	297,648	2	642,990	5	649,856	5
Net defined benefit liabilities (Note 4)	23,527	-	30,552	-	50,721	-
Guarantee deposits received	4,865	-	8,849	-	40,696	-
Total non-current liabilities	1,595,696	12	1,609,499	13	1,683,207	13
Total liabilities	8,014,023	62	7,883,081	64	7,947,213	62
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 24 and 29)						
Ordinary shares	2,548,265	20	2,548,265	21	2,548,265	20
Capital surplus	1,234,496	10	1,220,665	10	1,220,665	9
Retained earnings						
Legal reserve	759,548	6	759,548	6	759,548	6
Special reserve	89,749	-	89,749	1	89,749	1
Unappropriated earnings (accumulated deficit)	225,986	2	(437,093)	(4)	66,013	-
Total retained earnings	1,075,283	8	412,204	3	915,310	7
Other equity	120,622	1	241,263	2	277,550	2
Treasury stock (Notes 4 and 24)	(76,916)	(1)			-	-
Total equity attributable to owners of the Company	4,901,750	38	4,422,397	36	4,961,790	38
NON-CONTROLLING INTERESTS (Notes 24 and 29)	55,283	-	1,586	-	4,787	-
Total equity	4,957,033	38	4,423,983	36	4,966,577	38
TOTAL	$12,971,056	100	$12,307,064	100	$12,913,790	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' reviewed report dated November 5, 2025)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (losses) Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 25 and 33)	$1,173,260	100	$1,339,752	100	$3,983,385	100	$4,032,582	100
OPERATING COSTS (Notes 10, 26 and 33)	931,046	79	1,189,613	89	3,243,220	81	3,484,220	87
GROSS PROFIT	242,214	21	150,139	11	740,165	19	548,362	13
UNREALIZED SALES PROFIT	-	-	(2,483)	-	-	-	(2,483)	-
REALIZED SALES PROFIT	125	-	165	-	373	-	165	-
REALIZED GROSS OPERATING PROFIT	242,339	21	147,821	11	740,538	19	546,044	13
OPERATING EXPENSES (Notes 9, 26 and 33)								
Selling and marketing expenses	167,008	14	194,878	15	534,831	14	550,135	14
General and administrative expenses	149,204	13	114,246	8	451,473	11	379,417	9
Research and development expenses	47,201	4	66,866	5	115,125	3	182,038	4
Expected credit loss (profit)	(8,236)	(1)	(45,811)	(3)	55,080	1	(11,830)	-
Total operating expenses	355,177	30	330,179	25	1,156,509	29	1,099,760	27
PROFIT (LOSS) FROM OPERATIONS	(112,838)	(9)	(182,358)	(14)	(415,971)	(10)	(553,716)	(14)
NON-OPERATING INCOME AND EXPENSES (Notes 13, 26 and 33)								
Interest income	6,144	-	3,257	-	18,658	-	10,183	-
Other income	81,613	7	54,025	4	187,196	5	120,885	3
Other gains and losses	65,980	6	5,166	-	1,090,797	27	44,084	1
Finance costs	(27,887)	(2)	(30,376)	(2)	(91,225)	(2)	(94,068)	(2)
Share of profit of associates	5,127	-	19,301	2	11,677	-	56,733	1
Total non-operating income and expenses	130,977	11	51,373	4	1,217,103	30	137,817	3
PROFIT (LOSS) BEFORE INCOME TAX	18,139	2	(130,985)	(10)	801,132	20	(415,899)	(11)
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 27)	11,017	1	10,488	1	148,667	4	(28,219)	(1)
NET PROFIT (LOSS) FOR THE PERIOD	7,122	1	(141,473)	(11)	652,465	16	(387,680)	(10)

(Continued)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (losses) Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 27)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	$ 25,030	2	$ 67,909	5	($ 74,848)	(2)	$ 262,416	7
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	39,960	3	32,083	2	(66,923)	(2)	54,499	1
Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	(6,110)	-	21,475	1	(10,628)	-
Other comprehensive loss for the year, net of income tax	64,990	5	93,882	7	(120,296)	(3)	306,287	8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 72,112	6	($ 47,591)	(4)	$ 532,169	13	($ 81,393)	(2)
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	$ 11,469	1	($ 140,193)	(11)	$ 663,079	16	($ 386,838)	(10)
Non-controlling interests	(4,347)	-	(1,280)	-	(10,614)	-	(842)	-
	$ 7,122	1	($ 141,473)	(11)	$ 652,465	16	($ 387,680)	(10)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ 76,605	6	($ 47,843)	(4)	$ 542,438	13	($ 81,909)	(2)
Non-controlling interests	(4,493)	-	252	-	(10,269)	-	516	-
	$ 72,112	6	($ 47,591)	(4)	$ 532,169	13	($ 81,393)	(2)
EARNINGS (LOSSES) PER SHARE (Note 28)								
Basic	$ 0.05		($ 0.55)		$ 2.61		($ 1.52)	
Diluted	0.05		(0.55)		2.61		(1.52)	

(Concluded)

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

(With Deloitte & Touche auditors' reviewed report dated November 5, 2025)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company											
			Retained Earnings			Other Equity						
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Equity Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Treasury Stock	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2025	$ 2,548,265	$ 1,220,665	$ 759,548	$ 89,749	($ 437,093)	($ 111,524)	$ 352,787	$ 241,263	$ -	$4,422,397	$ 1,586	$ 4,423,983
Net profit (loss) for the nine months ended September 30, 2025	-	-	-	-	663,079	-	-	-	-	663,079	(10,614)	652,465
Other comprehensive income (loss) for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	(45,793)	(74,848)	(120,641)	-	(120,641)	345	(120,296)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	663,079	(45,793)	(74,848)	(120,641)	-	542,438	(10,269)	532,169
Changes in associates recognized using the equity method	-	13,831	-	-	-	-	-	-	-	13,831	-	13,831
Share repurchase (Note 24)	-	-	-	-	-	-	-	-	(76,916)	(76,916)	-	(76,916)
Increase in non-controlling interests (Notes 24 and 29)	-	-	-	-	-	-	-	-	-	-	63,966	63,966
BALANCE AT SEPTEMBER 30, 2025	$ 2,548,265	$ 1,234,496	$ 759,548	$ 89,749	$ 225,986	($ 157,317)	$ 277,939	$ 120,622	($ 76,916)	$4,901,750	$ 55,283	$ 4,957,033
BALANCE AT JANUARY 1, 2024	$ 2,548,265	$ 1,220,665	$ 753,831	$ 89,749	$ 509,533	($ 146,157)	$ 118,778	($ 27,379)	$ -	$5,094,664	$ 4,271	$ 5,098,935
Appropriation of 2023 earnings (Note 24)												
Legal reserve	-	-	5,717	-	(5,717)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(50,965)	-	-	-	-	(50,965)	-	(50,965)
	-	-	5,717	-	(56,682)	-	-	-	-	(50,965)	-	(50,965)
Net profit for the nine months ended September 30, 2024	-	-	-	-	(386,838)	-	-	-	-	(386,838)	(842)	(387,680)
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	42,513	262,416	304,929	-	304,929	1,358	306,287
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	(386,838)	42,513	262,416	304,929	-	(81,909)	516	(81,393)
BALANCE AT SEPTEMBER 30, 2024	$ 2,548,265	$ 1,220,665	$ 759,548	$ 89,749	$ 66,013	($ 103,644)	$ 381,194	$ 277,550	$ -	$4,961,790	$ 4,787	$ 4,966,577

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' reviewed report dated November 5, 2025)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	$ 801,132	($ 415,899)
Adjustments for:		
Depreciation expense	148,713	176,674
Amortization expense	26,395	28,566
Expected credit losses (profit)	55,080	(11,830)
Net loss (gain) on fair value change of financial assets and liabilities designated as at fair value through profit or loss	-	(399)
Finance costs	91,225	94,068
Interest income	(18,658)	(10,183)
Dividend income	(5,980)	(7,007)
Share of loss (profit) of associates	(11,677)	(56,733)
Gain on disposal of non-current assets held for sale	3,342	360
Gain on disposal of property, plant and equipment	(1,155,984)	-
Gain on disposal of investment	-	(857)
Impairment loss recognized on nonfinancial assets	33,664	135,849
Unrealized sales profit	-	2,483
Realized sales profit	(373)	(165)
Unrealized foreign exchange loss (gain)	21,682	(7,844)
Recognition of provisions	82,318	106,353
Gain from lease modification	(16,662)	-
Gain on debt restructuring	(61,963)	-
Changes in operating assets and liabilities		
Financial assets at FVTPL	-	399
Notes receivable and long-term notes and accounts receivable	101,720	73,720
Accounts receivable	(30,065)	253,127
Accounts receivable - related parties	2,863	5,337
Other receivables	(1,807)	14,276
Inventories	(347,641)	(219,677)
Other current assets	(24,625)	(2,110)
Contract liabilities	43,124	361,901
Notes payable	(35,888)	41,483
Notes payable - related parties	(8,669)	-
Accounts payable	60,938	(5,811)
Accounts payable - related parties	(113,440)	42,254
Other payables	67,345	(9,829)
Provisions	(91,637)	(109,494)
Other current liabilities	(71,807)	(27,980)
Net defined benefit liabilities	(7,215)	(8,329)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2025	2024
Cash generated from operations	($ 464,550)	$ 442,703
Interest received	16,775	10,147
Interest paid	5,980	7,007
Income tax refunded (paid)	(90,880)	(95,005)
Income tax refund (payment)	4,887	(27,718)
Net cash generated from operating activities	(527,788)	337,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets measured at fair value through other comprehensive income (FVOCI)	(313,619)	-
Disposal of financial assets measured at amortized cost	-	(31,443)
Acquisition of financial assets measured at amortized cost	20,000	-
Acquisition of financial assets at amortized cost	(13,624)	(10,000)
Disposal of financial assets at amortized cost	-	28,642
Net cash outflow from acquisition of subsidiaries	(71,675)	-
Proceeds from disposal of non-current assets held for sale	1,520,000	-
Acquisition of property, plant and equipment	(169,298)	(75,461)
Proceeds from disposal of property, plant and equipment	62,773	1,307
Increase in refundable deposits	-	(3,911)
Decrease in refundable deposits	2,695	-
Acquisition of intangible assets	(35,493)	(11,201)
Decrease in other financial assets	118,441	10,437
Increase in other non-current assets	(5,058)	(8,247)
Dividends received from related parties	35,817	-
Net cash used in investing activities	1,150,959	(99,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,535,590	924,420
Repayments of short-term borrowings	(1,340,294)	(948,493)
Increase in short-term bills payable	129,798	170,000
Decrease in short-term bills payable	(129,656)	(199,732)
Proceeds from long-term bank borrowings	602,893	1,130,588
Repayments of long-term bank borrowings	(532,963)	(1,152,640)
Increase in refundable deposits	-	34,674
Decrease in refundable deposits	(3,984)	-
Repayment of principle of lease liabilities	(33,013)	(30,253)
Payment of cash dividends	-	(50,965)
Cost of treasury stock repurchased	(76,916)	-
Net cash generated from (used in) financing activities	151,455	(122,401)

(Continued)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2025	2024
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	($ 54,089)	($ 18,246)
NET INCREASE IN CASH AND CASH EQUIVALENTS	720,537	96,610
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	865,500	919,787
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,586,037	$ 1,016,397

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' reviewed report dated November 5, 2025)

1. GENERAL INFORMATION

Tongtai Machine & Tool Co., Ltd. (the "Company") was incorporated in January 1969. It is mainly engaged in the manufacturing and selling of machine tools, computer components, computer numerical control lathes and cutting centers.

The Company's shares have been listed on the Taiwan Stock Exchange since September 15, 2003.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Company's board of directors and approved for issue on November 5, 2025.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of the company and its subsidiaries.

b. The IFRSs endorsed by the FSC for application starting from 2026

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Company and its subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Company and its subsidiaries' financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued 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)	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 Financial Supervisory Commission (FSC) announced that IFRS 18 shall be applied by Taiwanese enterprises starting January 1, 2028, with the option of early adoption once IFRS 18 is endorsed by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- 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 Corporation and its subsidiaries 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 Corporation and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries 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 Corporation and its subsidiaries as a whole, the Corporation and its subsidiaries 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.

Except for the above impact, as of the date the consolidated financial statements were approved by the Company's board of directors and authorized for issue, the Company and its subsidiaries are continuously assessing the impact of the impending initial application of the aforementioned and other standards and the amendments to interpretations on their financial position and results of operations. The related impact will be disclosed when the Company completes its evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRSs annual 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 and net defined benefit liabilities which

are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of preparation

Refer to Note 12, Table 7 and Table 8 for the detail information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, refer to the summary of significant accounting policy and basis of preparation in the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated on an interim period's pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

3) Treasury stock

When the company repurchases its issued common shares as treasury stock, the cost paid is recorded as treasury stock, which is a deduction from shareholders' equity.

If the repurchased shares are subsequently reissued, the difference between the proceeds received, net of any directly attributable incremental costs and income tax effects, and the carrying amount is recognized as an adjustment to shareholders' equity.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing this consolidated financial report, the potential impact of the U.S. Section 301 tariffs has been incorporated into the significant estimates related to cash flow projections, growth rates, discount rates, and profitability. Other significant accounting judgments, estimates, and sources of uncertainty remain consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2022.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect

both current and future periods.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	$ 5,413	$ 6,686	$ 3,302
Checking accounts and demand deposits	862,754	826,618	952,617
Cash equivalents			
Time deposits with original maturities of less than three months	717,870	32,196	60,478
	$ 1,586,037	$ 865,500	$ 1,016,397

7. FINANCIAL ASSETS AT FAIR VALUE THOUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	September 30, 2025	December 31, 2024	September 30, 2024
Investment in equity instruments			
Domestic investments			
Listed shares	$ 308,754	$ 380,878	$ 409,787
Unlisted shares	341,350	30,454	29,952
	$ 650,104	$ 411,332	$ 439,739

8. FINANCIAL ASSETS AT AMORTIZED COST – NON-CURRENT

	September 30, 2025	December 31, 2024	September 30, 2024
Cathay Pacific bank's subordinated bond	$ 30,445	$ 32,785	$ 31,650
Unlisted Preference shares	-	20,000	20,000
	$ 30,445	$ 52,785	$ 51,650

In October 2023, the Company purchased 20,000 preferred shares of domestic unlisted companies at a par value of $1,000, with an effective interest rate of 5%. The issuer fully redeemed and canceled the shares at face value in January 2025.

In April 2024, the Company invested in Cathay Pacific Bank's 10-year sequential bonds, with an investment amount of US$1,000 thousand, with an effective interest rate of 5.8%.

9. NOTES AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES), LONG-TERM NOTES AND ACCOUNTS RECEIVABLE, AND OVERDUE RECEIVABLE, NET

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable (operating)			
Gross carrying amount at amortized cost	$ 254,408	$ 353,980	$ 308,464
Less: Unrealized interest revenue	1,283	1,309	1,309
	$ 253,125	$ 352,671	$ 307,155
Accounts receivable			
Gross carrying amount at amortized cost	$ 2,346,199	$ 2,301,577	$ 2,441,083
Less: Allowance for impairment loss	509,473	459,564	411,385

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable - related parties			
Gross carrying amount at amortized cost	$ 9,664	$ 12,527	$ 11,186
Long-term notes and accounts receivable (operating)			
Gross carrying amount at amortized cost	$ 50,956	$ 51,442	$ 46,767
Less : Allowance for impairment loss	-	-	-
	$ 50,956	$ 51,442	$ 46,767
Overdue receivable (included in other noncurrent assets)			
Gross carrying amount at amortized cost	$ 17,458	$ 17,458	$ 17,458
Less : Allowance for impairment loss	17,458	17,458	17,458
	$ -	$ -	$ -

(Concluded)

The credit period of the Company and its subsidiaries' receivables depends on customer classification and product category. The Company and its subsidiaries make prudent assessment of all their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. In order to minimize credit risk, the management of the Company and its subsidiaries have delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company and its subsidiaries review the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company and its subsidiaries' credit risk were significantly reduced.

The Company and its subsidiaries apply the simplified approach to providing for expected credit losses prescribed which permits the use of lifetime expected loss provision for all notes and accounts receivables. The expected credit losses on notes and accounts receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company and its subsidiaries' historical credit loss experience do not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company and its subsidiaries' different customer base.

The Company and its subsidiaries write off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery after the recourse procedures. For accounts receivable that have been written off, the Company and its subsidiaries continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivables based on the Company and its subsidiaries' provision matrix.：

September 30, 2025

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 1,298,661	$ 335,998	$ 257,262	$ 86,319	$ 62,057	$ 202,029	$ 321,683	$ 113,393	$ 2,677,402
Loss allowance (Lifetime ECL)	(28,298)	(23,127)	(15,779)	(9,232)	(13,917)	(39,263)	(283,922)	(113,393)	(526,931)
	$ 1,270,363	$ 312,871	$ 241,483	$ 77,087	$ 48,140	$ 162,766	$ 37,761	$ -	$ 2,150,471

December 31, 2024

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 1,500,740	$ 354,620	$ 227,802	$ 65,957	$ 69,426	$ 146,205	$ 272,515	$ 98,410	$ 2,735,675
Loss allowance (Lifetime ECL)	(20,376)	(18,839)	(14,829)	(6,020)	(6,579)	(66,566)	(245,403)	(98,410)	(477,022)
	$ 1,480,364	$ 335,781	$ 212,973	$ 59,937	$ 62,847	$ 79,639	$ 27,112	$ -	$ 2,258,653

September 30, 2024

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 1,356,003	$ 459,245	$ 117,929	$ 129,697	$ 232,706	$ 179,185	$ 282,355	$ 66,529	$ 2,823,649
Loss allowance (Lifetime ECL)	(27,640)	(15,495)	(11,364)	(9,202)	(17,826)	(62,930)	(217,857)	(66,529)	(428,843)
	$ 1,328,363	$ 443,750	$ 106,565	$ 120,495	$ 214,880	$ 116,255	$ 64,498	$ -	$ 2,394,806

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

	For the Nine Months Ended September 30	
	2025	2024
Balance, beginning of period	$ 477,022	$ 438,399
Recognition (Reversal)	55,080	(11,830)
Written off	(881)	(352)
Effects of foreign currency exchange differences	(4,290)	2,626
Balance, end of period	$ 526,931	$ 428,843

Refer to Note 32 for the amount of discounted notes receivable and related terms of the subsidiaries.

Discounted notes receivable by the subsidiaries as collateral for bank borrowings are described in Note 34.

10. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	$ 1,734,713	$ 1,816,225	$ 1,883,996
Supplies	195,631	184,626	179,127
Work-in-progress	1,612,933	1,413,243	1,698,293
Finished goods	534,292	347,164	379,820
Merchandise	69,542	55,132	49,794
Inventory in transit	6,771	1,075	20,629
	$ 4,153,882	$ 3,817,465	$ 4,211,659

The cost of inventories recognized as operating costs for the three months and nine months ended September 30, 2025 and 2024 was NT$931,046thousand, NT$1,189,613 thousand, NT$3,243,220 thousand and NT$3,484,220 thousand, respectively, , which included write-downs of inventories and unallocated manufacturing overhead as follows :

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Inventory write-downs	($ 12,446)	$ 26,550	$ 33,664	$ 135,849

The inventory write-down reversal gain recognized for the three months ended September 30, 2025, was mainly due to fluctuations in market prices.

11. NON-CURRENT ASSETS HELD FOR SALE

	September 30, 2025	December 31, 2024
	2025	2024
Property, plant and equipment	$ -	$ 231,579
Investment property	-	132,437
Total non-current assets held for sale	$ -	$ 364,016

To support future business development and enhance working capital, the Board of Directors, in November 2024, authorized the Chairman to dispose of the real estate of the Luzhu Plant II at a total consideration of NT$1.52 billion and to execute the related sales agreement and associated matters. The signing and disposal procedures were completed in January and April 2025, respectively. A disposal gain of NT$1,155,984 thousand was recognized under "Other Gains and Losses."

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership			
Investor	Investee	Nature of Activities	September 30, 2025	December 31, 2024	September 30, 2024	Remark
Tongtai Machine & Tool Co., Ltd.	Union Top Industrial (Samoa) Limited（Union Top）	General investment	100.00	100.00	100.00	
	Tongfong Auto Tech Co., Ltd. (Tongfong)	Sales of electric automation equipment	100.00	100.00	100.00	
	Asia Pacific Elite Corp. (APEC)	Sales and manufacturing of equipment	99.83	99.83	99.83	
	Quick-Tech Machinery Co., Ltd. (Quick-Tech)	Sales and manufacturing of equipment	99.14	99.14	99.14	
	Tong-Yeh Precision Co., Ltd. (Tong-Yeh)	Manufacturing and processing of metal part	94.58	94.58	94.58	
	POTZU CO., LTD.	Manufacturing and processing of metal part	60.00	-	-	Note 1
	Tongtai Machine & Tool Japan Co., Ltd.（TTJP）	Sales and manufacturing of equipment	100.00	100.00	100.00	
	Tong Tai Machinery Co., Ltd.（TTM）	Sales of customized machine	100.00	100.00	100.00	
	Tongtai Seiki Vietnam Co., Ltd.（TTVN）	Sales of customized machine	100.00	100.00	100.00	
	Tongtai Machine Tool (SEA) Sdn. Bhd.（TTS）	Sales of customized machine	52.00	52.00	52.00	
	Tongtai Machine Tool (MFG) Sdn. Bhd.（TMM）	Sales and manufacturing of equipment	100.00	100.00	100.00	
	TTGroup America Inc.（TTGA）	Sales of equipment	100.00	100.00	100.00	
	Tongtai Mexico S.A.DE C.V.（TTGMx）	Sales and maintenance of machine tools	100.00	100.00	100.00	
	Process Conception Ingenierie-Societe de Construction D'equipments, De Mecanisations Et De Machines （PCI-SCEMM）	Sales, manufacturing and maintenance of equipment	-	100.00	100.00	Note 3
	Tongtai Europe B.V.（TTE）	Sales of merchandise	100.00	100.00	100.00	
	Tongan GmbH（Tongan）	General investment	100.00	100.00	100.00	
	TTGroup Technologies（TTGT）	General investment	100.00	-	-	Note 2
Union Top	Suzhou Tongyu Machine Tool Co., Ltd. (Suzhou Tongyu)	Manufacturing of digital control machine and system	100.00	100.00	100.00	Important subsidiary
	Shanghai Tong-Tai-Shin Trading Co., Ltd. (Shanghai Tong-Tai-Shin)	International trade	100.00	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership September 30, 2025	December 31, 2024	September 30, 2024	Remark
	Tong-Yu Machine Tool (Shanghai) Co., Ltd. (Shanghai Tong-Yu)	Sales and maintenance of machine tools	100.00	100.00	100.00	
	Great Pursuit Limited	General investment	55.00	55.00	55.00	
Great Pursuit Limited	Hao-Tern-Shin Electronics (Shenzhen) Co., Ltd. (Hao-Tern-Shin)	Sales and manufacturing of printed circuit board	100.00	100.00	100.00	
TTJP	SKTD Co., Ltd.（SKTD）	Sales and maintenance of machine tools	98.73	98.73	98.73	
TTGT	Process Conception Ingenierie-Societe de Construction D'equipements, De Mecanisation Et De Machines（PCI）	Sales, manufacturing and maintenance of equipment	100.00	-	-	Note 3
	TTGroup France（TTGF）	Sales of merchandise	100.00	-	-	Note 4
	CERIMATEC	Sales, manufacturing and maintenance of equipment	100.00	-	-	Note 4
PCI-SCEMM	TTGroup France	Sales of merchandise	-	100.00	100.00	Note 4
	CERIMATEC	Sales, manufacturing and maintenance of equipment	-	100.00	100.00	Note 4
Tongan	Mbi-group Beteiligung GmbH（MBI）	General investment	100.00	100.00	100.00	
MBI	Anger Machining GmbH（Anger）	Sales, manufacturing and maintenance of equipment	100.00	100.00	100.00	
Anger	Anger Machining Inc.（Anger - US）	Sales and maintenance of machine tools	100.00	100.00	100.00	
	Anger Service Deutschland GmbH（Anger - DE）	Sales and maintenance of machine tools	100.00	100.00	100.00	

(Concluded)

Note 1: In February 2025, the Company acquired a 60% equity interest in the company (refer to Note 29).

Note 2: In February 2025, the Company invested in TTGT establishment.

Note 3: Considering future operational development needs, the Company transferred its entire equity interest in PCI to TTGT through a corporate reorganization in May 2025.

Note 4: To expand the Group's business in France and enhance operational efficiency, the Company, through a corporate reorganization in May 2025, transferred all equity interests in CERIMATEC and TTGF held by PCI to TTGT.

The financial statements of the non-significant subsidiaries were based on the subsidiaries' financial statements which have not been reviewed for the same periods.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Company and its subsidiaries' investments accounted for using the equity method are all investment-related enterprises. The details are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Material associate			
Honor Seiki Co., Ltd. (Honor Seiki)	$ 756,498	$ 763,109	$ 739,636
Associates that are not individually material	26,991	16,665	16,387
	$ 783,489	$ 779,774	$ 756,023

a. Material associate

Company	Percentage of Ownership and Voting Rights (%)		
	September 30, 2025	December 31, 2024	September 30, 2024
Honor Seiki	39.60%	44.88%	44.88%

In February 2025, the Company did not subscribe to Yung Tien's cash capital increase in proportion to its shareholding, resulting in a decrease in its ownership interest from 44.88% to 39.60%. As the Company's significant influence over Yung Tien was not affected, the transaction was accounted for as an equity transaction. Accordingly, an amount of NT$13,831 thousand was recognized as an adjustment to capital surplus under changes in ownership interests in subsidiaries and associates.

The following is the Level 1 fair value information of associates with publicly quoted market prices:

	September 30, 2025
Honor Seiki (Note)	$ 583,044

Note: Honor Seiki's shares have been listed and traded on the Taipei Exchange (TPEx) since February 2025.

The summarized financial information below represents shown in the financial statements of Honor Seiki, which have been prepared in accordance with the IFRS Accounting Standards and adjusted of the purposes of applying equity method.

Honor Seiki

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	$ 1,423,646	$ 1,442,656	$ 1,440,462
Non-current assets	831,522	830,445	837,623
Current liabilities	(617,073)	(624,670)	(679,270)
Non-current liabilities	(10,184)	(197,329)	(201,338)
Equity	$ 1,627,911	$ 1,451,102	$ 1,397,477
Ownership percentage (%)	39.60	44.88	44.88
Equity attributable to the Company and its subsidiaries	$ 644,701	$ 651,312	$ 627,839
Goodwill	111,797	111,797	111,797
Carrying amount of the investment	$ 756,498	$ 763,109	$ 739,636

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Operating revenues	$ 200,019	$ 433,502	$ 649,977	$1,041,817
Net profit for the year	$ 18,097	$ 42,990	$ 34,866	$ 125,777
Other comprehensive income	-	-	-	-
Total comprehensive income	$ 18,097	$ 42,990	$ 34,866	$ 125,777

b. Material associate

	September 30, 2025	December 31, 2024	September 30, 2024
Printin3d DigiTech Co., Ltd.	$ 9,921	$ 10,211	$ 9,484
Ruei Yang Precision Co., Ltd.	4,875	6,454	6,903
Magdeburger Werkzeugmaschinen & Automation GmbH	12,195	-	-
Cyber Laser Taiwan Co., Ltd.	-	-	-
	$ 26,991	$ 16,665	$ 16,387

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
The Company and its subsidiaries' share of				
Net profit (loss) for the period	($ 2,040)	($ 590)	($ 3,498)	($ 317)
Other comprehensive income	28	-	28	-
Total comprehensive income	($ 2,012)	($ 590)	($ 3,470)	($ 317)

The Company established a joint venture, Ruei Yang Precision Co., Ltd., in March 2024 with an investment of NT$10,000 thousand, holding 20% of the equity. Ruei Yang Precision Co., Ltd. is mainly engaged in the manufacturing and processing of mechanical parts.

The Company recognized fully impairment loss of the associate, Cyber, due to the recoverable amount was lower than the carrying amount, and Cyber was deregistered in May 2023.

In May 2025, the Company's board of directors resolved to participate in the cash capital increase of Magdeburger Werkzeugmaschinen & Automation GmbH. In June 2025, the Company invested NT$13,624 thousand and acquired a 20% equity interest. The investee is primarily engaged in the trading of machine tools and related businesses.

The share of profit or loss and other comprehensive income of associates recognized using the equity method for the nine months ended September 30, 2025 and 2024, except for Honor Seiki, was calculated based on unaudited financial statements.

Names, locations, and related information of associates please refer to Table 7.

14. OTHER FINANCIAL ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Pledged deposits and time deposits (note 34)	$ 65,038	$ 72,128	$ 3,798
Time deposits with original maturities more than three months	-	56,022	16,828
Deposits for projects	7,382	4,621	1,493
Restricted deposit (note 2)	2,297	4,941	2,902
	$ 74,717	$ 137,712	$ 25,021
Non-current			
Pledged deposits and time deposits (note 34)	$ 37,814	$ 94,579	$ 90,617
Deposits for projects	18,508	17,170	16,889
Restricted deposit	988	1,007	534
	$ 57,310	$ 112,756	$ 108,040

15. PROPERTY, PLANT AND EQUIPMENT

The assets used by the Company and its subsidiaries

For the Nine Months Ended September 30, 2025

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1, 2025	$ 346,021	$ 2,120,082	$ 921,853	$ 166,549	$ 148,677	$ 317,289	$ 11,284	$ 4,031,755
Acquisition of a business combination (note 29)	12,370	16,610	213,564	9,023	-	2,739	4,500	258,806
Additions	-	12,437	69,231	2,603	5,183	23,480	18,954	131,888
Disposals	-	(561)	(330,597)	(24,945)	(3,259)	(10,030)	-	(369,392)
Reclassifications	-	(24,106)	3,927	-	-	(3,927)	-	(24,106)
Effects of foreign currency exchange difference	1,806	(4,944)	4,249	(1,116)	3,605	(4,067)	(186)	(653)
Balance at September 30, 2025	360,197	2,119,518	882,227	152,114	154,206	325,484	34,552	4,028,298
Accumulated depreciation and impairment								
Balance at January 1, 2025	-	1,253,118	709,332	143,427	124,435	263,531	-	2,493,843
Acquisition of a business combination (note 29)	-	4,076	39,913	1,902	-	1,296	-	47,187
Depreciation	-	41,710	40,769	5,489	5,398	13,345	-	106,711
Disposals	-	(343)	(273,158)	(16,906)	(2,966)	(9,904)	-	(303,277)
Reclassifications	-	(11,832)	1,622	-	-	(1,622)	-	(11,832)
Effects of foreign currency exchange difference	-	(3,160)	4,015	(822)	2,972	(3,341)	-	(336)
Balance at September 30, 2025	-	1,283,569	522,493	133,090	129,839	263,305	-	2,332,296
Carrying amount at December 31, 2024	$ 346,021	$ 866,964	$ 212,521	$ 23,122	$ 24,242	$ 53,758	$ 11,284	$ 1,537,912
Carrying amount at September 30, 2025	$ 360,197	$ 835,949	$ 359,734	$ 19,024	$ 24,367	$ 62,179	$ 34,552	$ 1,696,002

For the Nine Months Ended September 30, 2024

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress and Equipment to be Inspected	Total
Cost								
Balance at January 1, 2024	$ 345,097	$ 2,575,446	$ 949,160	$ 167,544	$ 178,918	$ 323,960	$ 1,513	$ 4,541,638
Additions	-	7,175	48,441	2,107	5,238	11,256	833	75,050
Disposals	-	-	(21,268)	(5,494)	(15,604)	(3,236)	-	(45,602)
Reclassifications	-	(54,000)	-	-	-	-	-	(54,000)
Effects of foreign currency exchange difference	2,736	38,958	21,907	2,386	6,310	3,946	55	76,298
Balance at September 30, 2024	347,833	2,567,579	998,240	166,543	174,862	335,926	2,401	4,593,384
Accumulated depreciation and impairment								
Balance at January 1, 2024	-	1,374,728	712,975	140,944	153,587	258,634	-	2,640,868
Depreciation	-	64,633	40,353	5,116	5,235	13,479	-	128,816
Disposals	-	-	(20,181)	(5,107)	(15,415)	(3,232)	-	(43,935)
Reclassifications	-	(15,135)	-	-	-	-	-	(15,135)
Effects of foreign currency exchange difference	-	18,709	16,947	1,720	5,224	3,362	-	45,962
Balance at September 30, 2024	-	1,442,935	750,094	142,673	148,631	272,243	-	2,756,576
Carrying amount at June 30, 2024	$ 347,833	$ 1,124,644	$ 248,146	$ 23,870	$ 26,231	$ 63,683	$ 2,401	$ 1,836,808

The subsidiary Anger evaluated that the estimated future cash inflows from machinery and equipment had declined due to unsatisfactory operating conditions, and the estimated recoverable amount was lower than the carrying amount. As a result, the subsidiary Anger has been recognized impairment loss in previous years. The accumulated impairment as of September 30, 2024 was NT$30,119 thousand, respectively. The aforementioned machinery and equipment were fully written off in 2025.

Due to the subsidiary Dongye's operational performance falling short of expectations, the estimated future cash inflows from machinery and other equipment used in production have decreased, resulting in a recoverable amount lower than the carrying amount. An impairment loss of NT$14,727 thousand was recognized in December 2024. The cumulative impairment balance as of both September 30, 2024 and December 31, 2024, was NT$9,231 thousand and NT$14,727 thousand.

The following items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Buildings	
Main structure	35-60 years
Mechanical and electrical facilities	5-35 years
Engineering system, Air conditioning system and decoration	2-35 years
Machinery and equipment	2-13 years
Transportation equipment	2-15 years
Office equipment	3-10 years
Other equipment	2-15 years

Property, plant and equipment pledged by the Company and its subsidiaries as collateral for bank borrowings are described in Note 34.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Land	$ 243,849	$ 504,345	$ 510,156
Buildings	46,565	35,830	39,658
Machinery	616	809	914
Transportation equipment	16,913	18,610	18,850
	$ 307,943	$ 559,594	$ 569,578

	For the Nine Months Ended September 30	
	2025	2024
Additions to right-of-use assets	$ 7,644	$ 39,075
Acquisition of a business combination (note 29)	$ 20,249	$ -

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Depreciation charge for right-of-use assets				
Land	$ 3,854	$ 6,276	$ 14,640	$ 18,827
Buildings	3,767	4,019	10,959	7,051
Machinery	75	76	225	868
Transportation equipment	2,957	3,754	9,124	8,920
	$ 10,653	$ 14,125	$ 34,948	$ 35,666

Except for the aforementioned addition, acquisition of a business combination and recognized depreciation, the Company and its subsidiaries did not have significant sublease or impairment of right-of-use assets during the nine months ended September, 2024 and 2025. Starting from 2024, the land associated with part of the leased factory premises at the Company's Second Plant in Luzhu Science Park has been subleased to other companies under an operating lease arrangement. The related right-of-use asset has been reclassified as investment property. The relevant amounts of right-of-use assets mentioned above do not include those that meet the definition of investment property.

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amounts			
Current	$ 21,820	$ 33,524	$ 35,755
Non-current	$ 297,648	$ 642,990	$ 649,856

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

	September 30, 2025	December 31, 2024	September 30, 2024
Land	2.16	2.16～2.48	2.16～2.48
Buildings	1.45～3.24	1.00～2.00	1.00～2.00
Machinery	1.45	1.45	1.45
Transportation equipment	1.45～2.63	0.69～2.80	0.69～2.80

c. Material lease activities and terms

The Company is leasing the land of Kaohsiung Luke first plant from the management of Southern Taiwan Science Park. The lease period will expire in May 2027. The Company does not have a bargain purchase option to acquire the leased land at the expiration of the lease period.

The subsidiary Suzhou Tong-Yu is leasing land from the China government. The lease is recorded as land use rights with useful life of 50 years until July 2059.

The subsidiary PCI is leasing its location from non-related parties. The lease period will expire in December 2027.

The subsidiary Anger has entered into land and plant lease agreements with non-related parties at its location, and the lease terms will expire successively in November 2038.

The subsidiary Potzu is leasing factory buildings from non-related parties, with lease terms expiring in July 2027 and June 2029.

The Company is leasing the land of Kaohsiung Luke first plant from the management of Southern Taiwan Science Park. The lease period will expire in April 2045.; however, considering operational needs, the Company terminated the lease early in July 2025. As a result, a lease modification gain of NT$3,380 thousand was recognized and recorded under other gains and losses.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases and low-value asset leases	$ 8,676	$ 8,487	$ 25,897	$ 23,191
Total cash outflow for leases			$ 67,600	$ 65,334

The Company and its subsidiaries lease certain buildings, transportation equipment and office equipment which qualify as short-term leases and low-value asset leases. The Company and its subsidiaries have elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

For the Nine Months Ended September 30, 2025

	Land	Buildings	Right-of-use assets	Total
Cost				
Balance at January 1, 2025	$ 252,550	$ 247,654	$ 104,420	$ 604,624
Reclassifications (Note)	-	24,106	(104,420)	(80,314)
Effects of foreign currency exchange differences	-	(4,801)	-	(4,801)
Balance at September 30, 2025	252,550	266,959	-	519,509
Accumulated depreciation				
Balance at January 1, 2025	$ -	$ 123,827	$ 11,853	$ 135,680
Depreciation	-	6,472	582	7,054
Reclassifications (Note)	-	11,832	(12,435)	(603)
Effects of foreign currency exchange differences	-	(1,934)	-	(1,934)
Balance at September 30, 2025	-	140,197	-	140,197
Balance at December 31, 2024	$ 252,550	$ 123,827	$ 92,567	$ 468,944
Carrying amount at September 30, 2025	$ 252,550	$ 126,762	$ -	$ 379,312

Note: The right-of-use asset subleased to a non-related party under an operating lease was derecognized in April 2025 due to the termination of the lease agreement and the disposal of the Luzhu Plant II property (refer to Note 11). Concurrently, the lease agreement with the Southern Taiwan Science Park – Kaohsiung Park Administration was also terminated, resulting in a lease modification gain of NT$13,282 thousand, which was recognized under “Other Gains and Losses.”

For the Nine Months Ended September 30, 2024

	Land	Buildings	Right-of-use assets	Total
Cost				
Balance at January 1, 2024	$ 252,550	$ 385,631	$ -	$ 638,181
Reclassifications (Note)	-	54,000	104,420	158,420
Effects of foreign currency exchange differences	-	4,546	-	4,546
Balance at September 30, 2024	252,550	444,177	104,420	801,147
Accumulated depreciation				
Balance at January 1, 2024	-	153,978	-	153,978
Depreciation		12,192	-	12,192
Reclassifications (Note)	-	15,135	11,313	26,448
Effects of foreign currency exchange differences	-	1,645	-	1,645
Balance at September 30, 2024	-	182,950	11,313	194,263
Carrying amount at September 30, 2024	$ 252,550	$ 261,227	$ 93,107	$ 606,884

The abovementioned investment properties were leased out for 1 to 15 years. The leases do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Year 1	$ 9,995	$ 26,299	$ 52,417
Year 2	5,011	9,080	26,809
Year 3	345	6,740	5,850
Year 4	-	6,143	5,970
Year 5	-	6,120	6,090
Year 6 onwards	-	25,680	27,210
	$ 15,351	$ 80,062	$ 124,346

The above items of investment properties are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	
Main structure	25-60 years
Engineering system	2-5 years
Right-of-use assets	30 years

The investment properties of the Company and its subsidiaries are located at Annan District in Tainan City, Hunei District in Kaohsiung City, Kaohsiung Science Park and Shanghai City in China. The fair value of the investment properties was assessed by the management of the Company and its subsidiaries based on the actual price registration information of nearby area or market evidence of transaction prices categorized as Level 3 input. Professional independent valuators were not involved in the fair value assessment. The fair value as of September 30, 2025, December 31, 2024 and September 30, 2024 are NT$690,815 thousand, NT$697,466 thousand and NT$918,042 thousand.

All of the Company and its subsidiaries' investment properties are held under freehold interests.

Investment properties pledged by the Company and its subsidiaries as collateral for bank borrowings are described in Note 34.

18. INTANGIBLE ASSETS

For the Nine Months Ended September 30, 2025

	Computer Software	Goodwill	Patents	Total
Cost				
Balance at January 1, 2025	$144,586	$ 11,989	$ 1,210	$157,785
Acquisition of a business combination (note 29)	8,123	36,051	-	44,174
Additions	26,602	-	476	27,078
Derecognition	(2,705)	-	-	(2,705)
Effects of foreign currency exchange differences	2,189	-	70	2,259
Balance at September 30, 2025	178,795	48,040	1,756	228,591
Accumulated amortization and impairment				
Balance at January 1, 2025	$ 107,927	$ 11,989	$ 852	$ 120,768
Acquisition of a business combination (note 29)	1,362	-	-	1,362

(Continued)

	Computer Software	Goodwill	Patents	Total
Amortization expenses	17,155	-	75	17,230
Derecognition	(2,705)	-	-	(2,705)
Effects of foreign currency exchange differences	2,066	-	42	2,108
Balance at September 30, 2025	125,805	11,989	969	138,763
Balance at December 31, 2024	$ 36,659	$ -	$ 358	$ 37,017
Carrying amount at September 30, 2025	$ 52,990	$ 36,051	$ 787	$ 89,828

(Concluded)

For the Nine Months Ended September 30, 2024

	Computer Software	Goodwill	Patents	Others	Total
Cost					
Balance at January 1, 2024	$ 278,603	$ 11,989	$ 1,172	$ 8,666	$ 300,430
Additions	11,168	-	33	-	11,201
Derecognition	(120,956)	-	-	(7,254)	(128,210)
Effects of foreign currency exchange differences	3,595	-	49	(69)	3,575
Balance at September 30, 2024	172,410	11,989	1,254	1,343	186,996
Accumulated amortization and impairment					
Balance at January 1, 2024	235,987	11,989	811	7,643	256,430
Amortization expenses	17,437	-	27	2	17,466
Derecognition	(120,956)	-	-	(7,254)	(128,210)
Effects of foreign currency exchange differences	3,436	-	34	(111)	3,359
Balance at September 30, 2024	135,904	11,989	872	280	149,045
Carrying amount at September 30, 2024	$ 36,506	$ -	$ 382	$ 1,063	$ 37,951

The Company acquired Quick-Tech in previous year and recognized goodwill of NT$11,989 thousand. Due to the performance of Quick-Tech did not turn out as expected, and the recoverable amount was lower than the carrying amount, impairment losses of NT$11,989 thousand was recognized.

The above items of intangible assets are amortized on a straight-line basis over the following estimated useful lives:

Computer software	1-10 years
Patents	3-8 years
Others	5-8 years

19. BORROWINGS

a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured loans	$ 2,504,206	$ 2,293,057	$ 2,226,792
Secured borrowings	390,846	336,907	268,817
	$ 2,895,052	$ 2,629,964	$ 2,495,609
Annual interest rate of unsecured loan (%)	1.87～5.15	1.87～5.62	1.855～6.28
Annual interest rate of secured loan (%)	2.075～2.125	1.82～2.125	2.075～2.659

b. Short-term bills payable

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial paper	$ 50,000	$ 50,000	$ 80,000
Less: Unamortized discounts	21	163	-
	$ 49,979	$ 49,837	$ 80,000
Annual interest rate (%)	1.81	1.81	1.78～1.79

The above commercial paper was secured by Mega Bills Finance Corporation, International Bills Finance Corporation, Ta Ching Bill Finance Ltd., Dah Chung Bills Finance Corp. and China Bills Finance Corporation.

c. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Revolving bank loans			
Due on various dates through September 2028, September 2029, and April 2030	$ 281,150	$ 735,669	$ 748,992
Mortgage loans			
Due on various dates through June 2027, August 2028, August 2030, January 2032 and June 2035	1,168,046	606,333	664,083
	1,449,196	1,342,002	1,413,075
Less: Current portion	242,520	478,465	533,651
	$ 1,206,676	$ 863,537	$ 879,424
Annual interest rate of unsecured loan (%)	0.22～2	0.22～1.954	0.22～2.3
Annual interest rate of secured loan (%)	2.25～4.52	1.985～2.272	1.985～2.272

The Subsidiaries MBI and Anger signed a loan contract with E.SUN Commercial Bank, Taishin Commercial Bank and Taipei Fubon Bank. According to the above loan contract, the company and its subsidiaries need to maintain a certain shareholding ratio in Tongan, MBI and Anger during the contract period, and need to maintain and pledge a certain ratio of deposit. The bank will check compliance with the loan agreement once every half year and quarterly, and the consolidated financial statements of the subsidiary for each quarter of 2025 and 2024 did not breach the terms of the aforementioned loan agreements.

In July 2025, the subsidiary Potzu entered into a loan agreement with CTBC Bank. According to the terms of the agreement, semiannual compliance reviews are required, and during the contract period, certain financial ratios and amounts specified in the Company's consolidated financial statements must be maintained.

The subsidiary PCI entered into a debt restructuring agreement with the local government and the lending bank. Under the agreement, PCI is entitled to certain debt reductions upon completion of the restructuring. The restructuring was completed in July 2025, and a debt restructuring gain of NT$61,963 thousand was recognized and recorded under other income.

20. NOTES PAYABLE AND ACCOUNTS PAYABLE

All of the Company and its subsidiaries' notes payable and accounts payable (included related parties) are generated from operating and unsecured to the creditors.

The Company and its subsidiaries have financial risk management policies to ensure that all payables are paid within the agreed credit terms.

21. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries and incentive bonus	$ 241,556	$ 240,964	$ 224,995
Commission and service fee	104,592	51,884	86,008
Employee compensation and remuneration of directors	46,578	1,201	10,560
Insurance	21,573	29,154	44,096
Others	196,809	203,236	187,237
	$ 611,108	$ 526,439	$ 552,896

22. PROVISIONS

	September 30, 2025	December 31, 2024	September 30, 2024
Current			
Warranties	$ 123,972	$ 132,842	$ 132,517

	For the Nine Months Ended September 30	
	2025	2024
Balance, beginning of period	$ 132,842	$ 130,998
Recognized	82,318	106,353
Paid	(91,637)	(109,494)
Effects of foreign currency exchange differences	449	4,660
Balance, end of period	$ 123,972	$ 132,517

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Company and its subsidiaries' obligations for warranties under local sale of goods legislation. The estimate was made on the basis of historical warranty trends and may vary with actual as a result of new materials, altered manufacturing processes or other events affecting product quality.

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Company and its subsidiaries' defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023, the amounts was NT$263 thousand, NT$365 thousand, NT$741 thousand and NT$1,109 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively.

24. EQUITY

a. Ordinary Shares

	September 30, 2025	December 31, 2024	September 30, 2024
Numbers of shares authorized (in thousands)	400,000	400,000	400,000
Amount of shares authorized	$ 4,000,000	$ 4,000,000	$ 4,000,000

(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
Numbers of shares issued and fully paid (in thousands)	254,827	254,827	254,827
Amount of shares issued	$ 2,548,265	$ 2,548,265	$ 2,548,265

(Concluded)

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

	September 30, 2025	December 31, 2024	September 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Additional paid-in capital	$ 960,854	$ 960,854	$ 960,854
Conversion of bonds	222,593	222,593	222,593
The difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	26,569	26,569	26,569
Interest compensation	5,577	5,577	5,577
Expired employee stock warrants	1,234	1,234	1,234
	1,216,827	1,216,827	1,216,827
May be used to offset a deficit only			
Changes in percentage of ownership interests in subsidiaries	3,838	3,838	3,838
Changes in associates recognized using the equity method	13,831	-	-
	$ 1,234,496	$ 1,220,665	$ 1,220,665

Note: The capital surplus could be used to offset a deficit and distributed as cash dividends or transferred to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The Company's dividend policy takes into consideration the entire corporate environment, the growth of industry, long-term financial planning for sustainable development, and stable business development. In the planning of dividend distribution, the Company performs the following steps:

1) Determine the best capital budget.

2) Determine the need for capital loan to satisfy the best capital budget.

3) Determine how much capital could be raised from retained earnings.

4) Determine the funds needed to maintain the profitable operations of the Company. After the operations are funded, dividends could be distributed to shareholders. In principle, cash dividends should not be less than 50% of the total dividends distributed.

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

The appropriations of earnings for 2023 had been approved in the shareholder's meeting in June 2024. The appropriations and dividends per share were as follows:

	Appropriation of Earnings For the Year Ended December 31	Dividend Per Share (NT$)
	2023	2023
Legal reserve	$ 5,717	
Cash dividends	50,965	$ 0.2
	$ 56,682	

As the Company incurred a loss for the year ended December 31, 2024, the Board of Directors proposed in March 2025 that no earnings distribution be made.

d. Special reserve

On the first-time adoption of IFRSs, the Company transferred retained earnings to special reserve due to IFRSs adjustments. The Company reversed special reserve to retained earnings of NT$89,749 thousand.

e. Other equity

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

	For the Nine Months Ended September 30	
	2025	2024
Balance, beginning of period	($ 111,524)	($ 146,157)
Recognized for the period		
Exchange differences on translating foreign operations	(67,268)	53,141
Income tax	21,475	(10,628)
Balance, end of period	($ 157,317)	($ 103,644)

2) Unrealized gain and loss on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2025	2024
Balance, beginning of period	$ 352,787	$ 118,778
Recognized for the period		
Unrealized gain and loss - equity instruments	(74,848)	262,416
Balance, end of period	$ 277,939	$ 381,194

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2025	2024
Balance, beginning of period	$ 1,586	$ 4,271
Share attributable to non-controlling interests		
Share in profit for the period	(10,614)	(842)
Exchange difference on translating foreign operations	345	1,358
Increase in non-controlling interests arising from the acquisition of a subsidiary (note 29)	63,966	-
Balance, end of period	$ 55,283	$ 4,787

g. Treasury Shares

Reason for Repurchase	Shares Transferred to Employees (in thousands)
Balance as of January 1, 2025	-
Increase	3,000
Balance as of September 30, 2025	3,000

To motivate employees and enhance cohesion, the Board of Directors resolved in May 2025 to repurchase 3,000 thousand common shares of the Company from the open market for transfer to employees. The intended repurchase price range was set between NT$16.95 and NT$33.90 per share. If the market price falls below the lower bound of the range, the Company will continue with the repurchase. The repurchase period was from May 12, 2025 to July 11, 2025, and completed on July 2, 2025

In accordance with the Securities and Exchange Act, treasury shares held by the Company may not be pledged and are not entitled to dividends or voting rights. The repurchased shares must be transferred to employees within five years from the date of repurchase. Any shares not transferred within this period shall be deemed unissued by the Company and must be retired and cancelled through registration of capital reduction.

25. OPERATING REVENUE

a. Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes and accounts receivable(include related parties), long-term notes and accounts receivables	$2,150,471	$2,258,653	$2,394,806	$2,709,942
Contract liabilities				
Sales of goods	$ 940,500	$ 897,376	$1,212,891	$ 850,990

b. Disaggregation of revenue

	Reportable Segments			
	Machine Manufacturer	Component Manufacturer	Others	Total
For the Nine Months Ended September 30, 2025				
Revenue from sale of goods	$3,083,256	$ 131,016	$ 86,861	$3,301,133
Revenue from maintenance and rebuilding services	610,930	25	71,297	682,252
	$3,694,186	$ 131,041	$ 158,158	$3,983,385
For the Nine Months Ended September 30, 2024				
Revenue from sale of goods	$2,990,117	$ 157,005	$ 134,670	$3,281,792
Revenue from maintenance and rebuilding services	683,314	35,368	32,108	750,790
	$3,673,431	$ 192,373	$ 166,778	$4,032,582

26. PROFIT BEFORE INCOME TAX

The following items were included in profit before income tax:

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Rental income	$ 6,279	$ 19,391	$ 31,864	$ 58,213
Dividend income	5,005	6,121	5,980	7,007
Government subsidy income	848	2,245	2,622	3,492
Investment Property's income from electricity sales	-	-	64,028	10,862
Value-added tax refund	-	263	4,334	6,956
Debt restructuring gain (Note 19)	61,963	-	61,963	-
Recovery of accounts previously written off	-	10,303	-	10,303
Others	7,518	15,702	16,405	24,052
	$ 81,613	$ 54,025	$ 187,196	$ 120,885

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net foreign exchange profit (loss)	$ 84,781	$ 12,192	($ 38,515)	$ 64,230
Gain on financial instruments at fair value through profit or loss	-	10	-	399
Depreciation expense	(2,864)	(4,792)	(9,072)	(13,590)
Gain (loss) on disposal of investment	-	-	-	857

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Gain (loss) on disposal of property, plant and equipment	195	(148)	(3,342)	(360)
Disposal of Interests in Non-current Assets Held for Sale (Note 11)	-	-	1,155,984	-
Gain on Lease Modification (Notes 16 and 17)	3,380	-	16,662	-
Others	(19,512)	(2,096)	(30,920)	(7,452)
	$ 65,980	$ 5,166	$1,090,797	$ 44,084

(Concluded)

The components of net foreign exchange gain were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Foreign exchange gain	$ 29,620	$ 14,685	$ 92,958	$ 70,417
Foreign exchange loss	55,161	(2,493)	(131,473)	(6,187)
Net foreign exchange gain (loss)	$ 84,781	$ 12,192	($ 38,515)	$ 64,230

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Interest on bank loans	$ 25,514	$ 26,385	$ 79,650	$ 82,178
Interest on lease liabilities	1,994	3,991	8,690	11,890
Others	379	-	2,885	-
	$ 27,887	$ 30,376	$ 91,225	$ 94,068

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Depreciation and amortization expenses				
Property, plant and equipment	$ 34,483	$ 40,892	$ 106,711	$ 128,816
Right-of-use assets	10,653	14,125	34,948	35,666
Investment properties	2,222	4,326	7,054	12,192
Intangible assets	$ 5,676	$ 5,783	$ 17,230	$ 17,466
Others	3,134	3,635	9,165	11,100
	$ 56,168	$ 68,761	$ 175,108	$ 205,240
An analysis of depreciation by function				
Operating costs	$ 23,242	$ 26,795	$ 74,027	$ 79,232
Operating expenses	21,252	27,756	65,614	83,852
Non-operating expenses	2,864	4,792	9,072	13,590
	$ 47,358	$ 59,343	$ 148,713	$ 176,674

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
An analysis of amortization by function				
Operating costs	$ 3,818	$ 4,925	$ 12,431	$ 15,077
Operating expenses	4,992	4,493	13,964	13,489
	$ 8,810	$ 9,418	$ 26,395	$ 28,566

(Concluded)

e. Operating expenses directly related to investment properties

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Direct operating expenses of investment properties that generated rental income	$ 2,221	$ 4,326	$ 7,741	$ 15,397

f. Employee benefits

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 346,683	$ 377,478	$1,117,387	$1,159,767
Post-employment benefits				
Defined contribution plans	16,703	18,854	56,643	56,459
Defined benefit plans (Note 23)	263	365	741	1,109
	16,966	19,219	57,384	57,568
	$ 363,649	$ 396,697	$1,174,771	$1,217,335
Analysis of employee benefits by function				
Operating costs	$ 234,123	$ 273,472	$ 744,260	$ 830,119
Operating expenses	129,526	123,225	430,511	387,216
	$ 363,649	$ 396,697	$1,174,771	$1,217,335

To be in compliance with the Company Act, the Company distributed employees' compensation and remuneration of directors and supervisors at the rates no less than 1% and no higher than 5%, respectively, of the pre-tax profit before deduction for employees' compensation and remuneration of directors. Pursuant to the amendment of the Securities and Exchange Act in August 2024, the Company plans to approve an amendment to its Articles of Incorporation at the shareholders' meeting in June 2025, stipulating that no less than 40% of the allocated employee remuneration shall be distributed to grassroots employees.

Employees' compensation and directors' remuneration for the three-month and nine-month periods ended September 30, 2025, were estimated as follows:

	For the Three Months Ended September 30	For the Nine Months Ended September 30
Employees' compensation	$ 2,665	$ 28,768
Remuneration of directors and supervisors	808	8,718

For the nine months ended September 30, 2024, no employee compensation or director

remuneration was estimated due to the loss incurred during the period.

The employees' compensation and remuneration of directors and supervisors for 2023 had been approved by the Board of Director in March, 2024, as illustrated below:

	For the Year Ended December 31, 2023
In Cash	
Employees' compensation	$ 853
Remuneration of directors and supervisors	258

The estimated employees' compensation and remuneration of directors and supervisors for 2023 and 2022 was the same as the amount approved by the Company's board of directors in March 2024 and 2023, and paid in cash.

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

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

27. INCOME TAX

a. Major components of income tax expense (benefit) recognized in profit or loss are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current year	($ 10,271)	$ 331	$ 136,338	$ 516
Additional Tax on Undistributed Earnings	(25)	(2,198)	4,912	9,018
Adjustments for prior years	-	-	2,147	-
	(10,296)	(1,867)	143,397	9,534
Deferred tax				
In respect of the current year	21,313	12,355	60,976	(26,446)
Adjustments for prior years	-	-	(55,706)	(11,307)
	$ 11,017	$ 10,488	$ 148,667	($ 28,219)

b. Income tax Expense (Benefit) recognized directly in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Deferred tax				
In respect of the current period				
Translation of foreign operations	$ -	$ 6,110	($ 21,475)	$ 10,628

c. Income tax assessments

The income tax returns of the Company the subsidiary POTZU, APEC, Quick-Tech, Tongfong and Tong-Yeh through 2023 have been assessed by the tax authorities.

28. EARNINGS (LOSSES) PER SHARE

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

Net profit (loss) for the period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Attributable to owners of the Company	$ 11,469	($ 140,193)	$ 663,079	($ 386,838)

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Weighted-average number of ordinary shares outstanding	254,827	254,827	254,827	254,827
Less: treasury shares	2,986	-	1,200	-
Weighted-average number of ordinary shares in computation of basic earnings per share	251,841	254,827	253,627	254,827
Effect of potentially dilutive potential ordinary shares:				
Employees' compensation	206	-	610	-
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	252,047	254,827	254,237	254,827

For the three-month and nine-month periods ended September 30, 2024, the Company incurred a net loss. The calculation of diluted loss per share would have resulted in an anti-dilutive effect; therefore, diluted loss per share was not presented.

Since the Company offered to settle the compensation paid to employees by cash or shares, the Company assumed that the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the shares have a dilutive effect. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

29. BUSINESS COMBINATION

a. Acquisition of a subsidiary

	Principal Business Activity	Acquisition Date	Ownership interest with voting rights (%)	Transfer of consideration
POTZU CO., LTD.	Manufacturing and processing of mechanical parts	February 2025	60	$132,000

The acquisition of Puzi Potzu Co., Ltd. in February 2025 was made to further expand the Group's scale of operations and diversify its product portfolio.

b. Transfer of consideration

	POTZU
Cash	$ 132,000

c. Assets acquired and liabilities assumed at the acquisition date

	POTZU
Current Assets	
Cash	$ 60,325
Notes receivable	1,688
Accounts receivable	36,239
Other receivables	748
Inventory	25,968
Other current assets	4,169
Non-current Assets	
Property, plant and equipment	211,619
Right-of-use assets	20,249
Intangible assets	6,761
Other non-current assets	18,518
Current Liabilities	
Short-term borrowings	(57,917)
Notes payable	(26,773)
Accounts payable	(9,314)
Other payables	(14,561)
Current income tax liabilities	(50)
Lease liabilities – current	(5,143)
Other current liabilities	(457)
Non-current Liabilities	
Long-term borrowings	(96,860)
Lease liabilities – non-current	(15,294)
	$ 159,915

d. Non-controlling interest

The non-controlling interest (representing a 40% ownership) in the Potzu subsidiary is measured as the proportionate share of the recognized amount of the acquiree's identifiable net assets.

e. Goodwill Arising from Acquisition

	POTZU
Consideration Transferred	$ 132,000
Add: Non-controlling Interest	63,966
Less: Fair Value of Identifiable Net Assets Acquired	(159,915)
Goodwill Arising from Acquisition	$ 36,051

The goodwill arising from the acquisition of the Puzi subsidiary primarily results from a control premium. However, the accounting treatment as of the balance sheet date is provisional, as market valuation and allocation of the acquisition premium are yet to be finalized.

The goodwill generated from the business combination is not expected to be deductible for tax purposes.

f. Net Cash Outflow for Acquisition of Subsidiary

	February 14, 2025 (Acquisition Date)
Cash Consideration Paid	$ 132,000
Less: Cash Balance Acquired	(60,325)
	$ 71,675

g. Impact of Business Combination on Operating Results

From the acquisition date, the operating results contributed by the acquiree are as follows:

	POTZU
Revenue	$ 84,291
Net Loss	($ 22,105)

If the acquisition of Puzi Subsidiary had occurred on January 1, 2025, the pro forma consolidated revenue and net loss of the Company and its subsidiaries for the nine months ended September 30, 2025, would have been $3,995,667 thousand and $645,992 thousand, respectively.

These amounts do not reflect the actual results the Company and its subsidiaries would have achieved had the business combination been completed at the beginning of the acquisition year, and therefore should not be used as an indicator of future operating performance.

30. NON-CASH TRANSACTIONS

For the nine months ended September 30, 2025 and 2024, the Company and its subsidiaries entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

	For the Nine Months Ended September 30	
	2025	2024
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	$ 131,888	$ 75,050
Inventory transferred to property, plant, and equipment for own use	(3,528)	-
Decrease (increase) in payables for equipment	(2,418)	3,627
Increase (Decrease) in prepayments for equipment	43,356	(3,216)
Cash paid	$ 169,298	$ 75,461
Investing activities affecting both cash and non-cash items		
Acquisition of intangible assets	$ 27,078	$ 11,201
Increase in prepaid expenses	8,415	-
Cash paid	$ 35,493	$ 11,201

31. CAPITAL MANAGEMENT

The Company and its subsidiaries manage their capital to ensure that, as a whole, they will be able to continue as going concerns; they use operating capital effectively and optimize debt and equity balance.

The key management personnel of the Company and its subsidiaries reviews the capital structure periodically. As part of the review, the key management personnel considers the cost of capital and

the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company and its subsidiaries may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

The capital structure of the Company and its subsidiaries consists of net debt and equity. It is the policy of the Company and its subsidiaries to monitor and comply with the terms of loan agreements (refer to Note 19).

32. FINANCIAL INSTRUMENTS

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

Except as detailed in the following table, the Company and its subsidiaries believe the carrying amounts of financial asset and liabilities recognized in the consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
September 30, 2025				
Financial assets at FVTOCI - non-current				
Domestic listed shares	$ 308,754	$ -	$ -	$ 308,754
Domestic unlisted shares	-	-	341,350	341,350
	$ 308,754	$ -	$ 341,350	$ 650,104
December 31, 2024				
Financial assets at FVTOCI - non-current				
Domestic listed shares	$ 380,878	$ -	$ -	$ 380,878
Domestic unlisted shares	-	-	30,454	30,454
	$ 380,878	$ -	$ 30,454	$ 411,332
September 30, 2024				
Financial assets at FVTOCI - non-current				
Domestic listed shares	$ 409,787	$ -	$ -	$ 409,787
Domestic unlisted shares	-	-	29,952	29,952
	$ 409,787	$ -	$ 29,952	$ 439,739

There was no transfer between Level 1 and Level 2 for the nine months ended September 30, 2025 and 2024.

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

For the nine months ended September 30, 2025

	Equity Instruments Financial Assets at FVTOCI
Financial assets	
Balance, beginning of period	$ 30,454
Purchase	313,619
Change in fair value recognized in other comprehensive income	(2,723)
Balance, end of period	$ 341,350

For the nine months ended September 30, 2024

	Equity Instruments Financial Assets at FVTOCI
Financial assets	
Balance, beginning of period	$ 32,084
Change in fair value recognized in other comprehensive income	(2,132)
Balance, end of period	$ 29,952

3) Valuation techniques and input applied for the purpose of measuring Level 2 fair value measurement.

Derivative instruments used the quoted price of bank as the basis of the fair values.

4) Valuation techniques and assumptions applied for the purpose of measuring Level 3 fair value measurement.

If there are no market price for reference, fair values were estimated by assessment approach.

For unlisted shares, fair values were determined based on the net worth of companies. For CNY floating rate financial products, fair values were estimated on the basis of expected rate of return. For financial products, the return is calculated based on the expected yield specified in the contract.

c. Categories of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets			
Financial assets at amortized cost (1)	$ 4,007,989	$ 3,534,672	$ 3,688,576
Financial assets at FVTOCI			
Equity instruments	650,104	411,332	439,739
Financial liabilities			
Financial liabilities at amortized cost (2)	6,354,791	5,962,654	5,762,264

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, other financial assets (current and non-current), refundable deposits, and long-term notes and accounts receivable.

2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes and accounts payable (including related parties), other payables, long-term borrowings (including those due in one year) and deposits received.

d. Financial risk management objectives and policies

The Company and its subsidiaries' major financial instruments include equity investments, notes and accounts receivable, long-term notes and accounts receivable, notes and accounts payable, short-term and long-term borrowings, short-term bills payable and lease liabilities. The Finance Department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company and its subsidiaries through internal risk reports which analyze exposures by degree and magnitude of risks. These risks are market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

1) Market risk

The Company and its subsidiaries' activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below), interest rates (refer to (b) below) and other price (refer to (c) below).

There has been no change to the Company and its subsidiaries' exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company and its subsidiaries are exposed to foreign currency risk due to sales, purchases, capital expenditures and equity investments denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilizing cross-currency swap contract and foreign exchange forward contracts.

The carrying amounts of significant foreign currency monetary assets and liabilities at the balance sheet date are disclosed in Note 36.

The Company and its subsidiaries are mainly exposed to the USD, CNY and EUR. The following table details the Company and its subsidiaries' sensitivity to a 3% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 3%. The sensitivity analysis included only outstanding foreign currency denominated monetary items.

	USD Impact		**CNY Impact**		**EUR Impact**	
	For the Nine Months Ended September 30					
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Pre-tax profit or loss (Note)	($26,249)	($10,546)	($17,254)	($14,738)	($17,260)	($13,227)

Note: These were mainly attributable to the exposure of the USD, CNY and EUR (including cash and cash equivalent, Financial assets measured at amortized cost – non-current ,accounts receivable and payable (including related parties), other receivable, other payable and short-term and long-term borrowings), which were not hedged at the balance sheet date.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the period. Foreign currency sales change according to customer order and business cycle.

b) Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk because the Company and its subsidiaries borrowed funds at both fixed and floating interest rates. The risk is managed by the Company and its subsidiaries by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Company and its subsidiaries' financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial assets	$ 50,956	$ 51,442	$ 46,767
Financial liabilities	392,778	796,183	763,776
Cash flow interest rate risk			
Financial liabilities	4,094,191	3,787,085	3,410,041

The sensitivity analysis below was determined based on the Company and its subsidiaries' exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. The interest rates change of 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.

If interest rates of financial liabilities had been 1% higher/lower and all other variables were held constant, the Company and its subsidiaries' pre-tax profit would have been higher/lower by NT$30,706 thousand and NT$25,575 thousand for the nine months ended September 30, 2025 and 2024, respectively.

c) Other price risk

The Company and its subsidiaries are exposed to equity price risk through their investments in mutual funds, and domestic listed shares. If domestic listed shares equity prices and mutual funds had been 1% higher/lower, the pre-tax other comprehensive income for the nine months ended September 30, 2025 and 2024 would have been higher/lower by NT$3,088 thousand and lower/higher NT$4,098 thousand, as a result of the changes in fair value of financial assets at FVTOCI respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company and its subsidiaries. As of the balance sheet date, the Company and its subsidiaries' maximum exposure to credit risk is the carrying amount of the financial assets on the consolidated balance sheets.

The Company and its subsidiaries adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company and its subsidiaries' exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company and its subsidiaries did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

3) Liquidity risk

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

The following table details the Company and its subsidiaries' remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company and its subsidiaries can be required to pay. The table included 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 repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate at the end of the balance sheet date.

September 30, 2025

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$1,955,699	$ 4,865	$ -	$1,960,564
Interest bearing liabilities	3,260,459	1,026,237	234,691	4,521,387
Finance lease liabilities	30,095	92,651	227,533	350,279
	$5,246,253	$1,123,753	$ 462,224	$6,832,230

Further information for maturity analysis of lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 30,095	$ 92,651	$ 87,191	$ 84,760	$ 55,582	$ -

December 31, 2024

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$1,932,002	$ 8,849	$ -	$1,940,851
Interest bearing liabilities	3,219,322	695,363	101,187	4,015,872
Finance lease liabilities	53,382	176,112	691,411	920,905
	$5,204,706	$ 880,324	$ 792,598	$6,877,628

Further information for maturity analysis of lease liabilities was as follows:：

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 53,382	$ 176,112	$ 179,331	$ 173,093	$ 139,648	$ 199,339

September 30, 2024

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$1,732,884	$ 40,696	$ -	$1,773,580
Interest bearing liabilities	3,136,477	819,916	107,594	4,063,987
Finance lease liabilities	49,751	165,780	688,781	904,312
	$4,919,112	$1,026,392	$ 796,375	$6,741,879

Further information for maturity analysis of lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 49,751	$165,780	$170,693	$170,573	$145,994	$201,521

e. Financial assets transfer information

The subsidiary Suzhou Tongyu signed a discounted notes receivable contract with the bank. According to the contract, if the bank acceptance receivable cannot be collected when expires, the assignee has the right to require the subsidiary Suzhou Tongyu to pay the outstanding balance. Therefore, the subsidiary Suzhou Tongyu did not transfer the significant risks and rewards of the bank acceptance receivable, and continued to recognize all bank acceptance receivable and used the transferred bank acceptance receivable as collateral for borrowings.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the carrying amounts of the un-derecognition transferred bank acceptance receivable were NT$126,457 thousand,

NT$43,712 thousand and NT$44,151 thousand, respectively, and the carrying amounts of related liabilities were NT$126,457 thousand NT$43,712 thousand and NT$44,151 thousand, respectively.

33. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and its subsidiaries and other related parties are disclosed below:

a. The name of the related parties and their relationships with the Company and its subsidiaries

Related Party Name	Relationship
Contrel Technology Co., Ltd.	Other related parties
F.S.E Corporation	Other related parties
Shiang Jen Co., Ltd. (Shiang Jen)	Other related parties
Honor Seiki Co., Ltd. (Honor Seiki)	Other related parties (lost control in November 2023)
Ruei Yang Precision Co., Ltd. (Ruei Yang)	Other related parties
Printin3d DigiTech Co., Ltd.	Other related parties
San Shin Co., Ltd. (San Shin)	Other related parties
Sheng Li Machine Industry Co., Ltd.	Other related parties
Pt Tong - Tai Seikindo Utama	Substantial related party
Lerinc Werkzeugmaschinen & Automation GmbH（LWA）	Substantial related party
IAMECH TECHNOLOGY INC.	Substantial related party
Yen Cheng Shih	Other related parties

b. Sales of goods

		For the Three Months Ended September 30		For the Nine Months Ended September 30	
Account Item	Related Party Type	2025	2024	2025	2024
Revenues from sales	Other related parties	$ 5,080	$ 5,999	$ 20,570	$ 46,448

Sales to related parties are made at arm's length and the collection terms have no material difference with unrelated parties.

c. Purchase of goods

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Type	2025	2024	2025	2024
Other related parties	$ 30,003	$ 108,766	$ 77,878	$ 161,591

The purchase prices and payment term have no material difference with unrelated parties.

d. Receivables from related parties (Not including loans to related parties)

Account Item	Related Party Type	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable - related parties	Other related parties	$ 9,664	$ 12,527	$ 11,186
Other accounts receivable	Other related parties - Honor	$ 1,176	$ 5,629	$ 571
	Other related parties - Other	2,408	1,823	871
		$ 3,584	$ 7,452	$ 1,442

e. Loans to Related Parties

Account Item	Related Party Type	September 30, 2025
Other accounts receivable	De facto related party－LWA	$ 42,924

	Related Party Type	For the Three Months Ended September 30, 2025	For the Nine Months Ended September 30, 2025
Interest revenue	De facto related party－LWA	$ 568	$ 634

f. Payables to related parties

Account Item	Related Party Type	September 30, 2025	December 31, 2024	September 30, 2024
Notes payable - related parties	Other related parties	$ 210	$ 8,879	$ -
Accounts payable - related parties	Other related parties			
	Honor	$ 425	$ 109,772	$ 52,986
	Shiang Jen	26,542	28,350	22,014
	Shan Shin	18,879	14,475	13,819
	Other	1,029	7,718	1,334
		$ 46,875	$ 160,315	$ 90,153
Other accounts payable	Other related parties	$ 303	$ 277	$ 237

g. Contract liabilities

Account Item	Related Party Type	September 30, 2025	December 31, 2024	September 30, 2024
Contract liabilities - current	Other related parties	$ 3,840	$ 3,514	$ 1,750

h. Prepayments

Account Item	Related Party Type	September 30, 2025	December 31, 2024	September 30, 2024
dvance Payments for Goods	Other related parties	$ 18,535	$ 15,390	$ 41,837

i. Acquisition of Property, Plant and Equipment

In February 2025, the subsidiary Potzu made a land prepayment of NT$30,000 thousand to related party Mr. Yen Cheng-Shih (recorded under other non-current assets). The transaction resulted from both parties' price negotiation in October 2024 to purchase the land at a total price of NT$150,000 thousand. Subsequently, in October 2025, both parties signed an agreement to cancel the transaction and agreed that the prepayment would be recovered by the end of December 2025.

j. Other transactions with related parties

1) Service fee (recognized as selling and marketing expenses)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Type	2025	2024	2025	2024
Other related parties	$ 85	$ 299	$ 85	$ 782

2) Commission expense (recognized as selling and marketing expenses)

Related Party Type	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Other related parties	$ 82	$ 58	$ 82	$ 481

3) Rental income

Related Party Type/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Other related parties				
Shiang Jen	$ 1,410	$ 1,380	$ 4,230	$ 4,140
Contrel Technology	95	-	571	-
	$ 1,505	$ 1,380	$ 4,801	$ 4,140

The above rent was determined by negotiation and collected according to the contract. The contract price is comparable to the prices of similar contracts in the area.

k. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 3,426	$ 2,747	$ 9,691	$ 8,352
Post-employment benefits	81	121	245	365
	$ 3,507	$ 2,868	$ 9,936	$ 8,717

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Company and its subsidiaries' assets mortgaged or pledged as collateral for financial derivatives, short-term and long-term borrowings, lease of land at Southern Science Industrial Park, banker's guarantee and discount were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Discounted notes receivable	$ 126,457	$ 43,712	$ 44,151
Property, plant and equipment	901,708	801,436	1,037,209
Investment properties	133,756	123,044	258,114
Other financial assets (including current and noncurrent portion)	102,852	166,707	94,415
	$ 1,264,773	$ 1,134,899	$ 1,433,888

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Note 16, significant commitments and contingencies of the Company and its subsidiaries as of September 30, 2025 were as follows:

a. Unused letters of credit in the amount of NT$8,843 thousand.

b. For sales, bidding, export tariff, commodity tax and bank loan, the Company and its subsidiaries entered into credit facility agreements with banks for commitment amount of NT$179,549 thousand.

c. The total contract amount for the signed land purchase agreement is NT$150,000 thousand, with an outstanding commitment of NT$120,000 thousand. However, the transaction was canceled through an agreement signed by both parties in October 2025. Refer to Note 33.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
September 30, 2025				
Monetary foreign currency assets				
USD	$ 37,372	30.445	(USD:NTD)	$ 1,137,791
USD	260	0.85	(USD:EUR)	7,916
USD	506	4.370	(USD:MYR)	15,405
USD	1,893	7.128	(USD:CNY)	57,632
EUR	21,011	35.77	(EUR:NTD)	751,563
CNY	138,950	4.271	(CNY:NTD)	593,455
Non-monetary foreign currency assets				
Investment accounted for using the equity method				
MYR	7,458	6.9675	(MYR:NTD)	51,962
JPY	122,483	0.2058	(JPY:NTD)	25,207
USD	44	30.445	(USD:NTD)	1,349
Monetary foreign currency liabilities				
USD	7,574	30.445	(USD:NTD)	230,590
USD	2,682	0.85	(USD:EUR)	81,653
USD	989	4.370	(USD:MYR)	30,110
USD	47	7.128	(USD:CNY)	1,431
EUR	4,927	35.77	(EUR:NTD)	176,239
CNY	4,292	4.271	(CNY:NTD)	18,331
Monetary foreign currency liabilities				
Investment accounted for using the equity method				
EUR	6,399	35.77	(EUR:NTD)	228,880
December 31, 2024				
Monetary foreign currency assets				
USD	24,742	32.785	(USD: NTD)	811,166
USD	90	0.96	(USD: EUR)	2,951
USD	492	4.64	(USD: MYR)	16,130
USD	2,723	7.321	(USD:CNY)	89,274
CNY	137,671	4.478	(CNY:NTD)	616,491
EUR	15,613	34.14	(EUR:NTD)	533,028
Non-monetary foreign currency assets				
Investment accounted for using the equity method				
MYR	7,748	7.066	(MYR: NTD)	54,743
JPY	118,674	0.2099	(JPY: NTD)	24,910

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Monetary foreign currency liabilities				
USD	$ 8,351	32.785	(USD: NTD)	$ 273,788
USD	2,586	0.96	(USD: EUR)	84,782
USD	63	4.64	(USD:MYR)	2,065
USD	1	7.321	(USD:CNY)	33
CNY	3,713	4.478	(CNY: NTD)	16,627
EUR	2,658	34.14	(EUR: NTD)	90,744
Non-monetary foreign currency liabilities				
Investment accounted for using the equity method				
USD	139	32.785	(USD:NTD)	4,570
EUR	6,152	34.14	(EUR: NTD)	210,016
September 30, 2024				
Monetary foreign currency assets				
USD	23,615	31.65	(USD:NTD)	747,415
USD	89	31.65	(USD:EUR)	2,817
EUR	15,171	35.38	(EUR:NTD)	536,750
CNY	116,504	4.523	(CNY:NTD)	526,948
Non-monetary foreign currency assets				
Investment accounted for using the equity method				
MYR	7,746	7.421	(MYR:NTD)	57,481
JPY	116,880	0.2223	(JPY:NTD)	25,983
USD	126	31.65	(USD:NTD)	3,982
Monetary foreign currency liabilities				
USD	$ 8,822	31.65	(USD:NTD)	$ 279,216
USD	3,775	31.65	(USD: EUR)	119,479
EUR	2,709	35.38	(EUR:NTD)	95,844
CNY	7,889	4.523	(CNY:NTD)	35,682
Monetary foreign currency liabilities				
Investment accounted for using the equity method				
EUR	3,138	35.38	(EUR:NTD)	111,039

(Concluded)

For the three months and nine months ended September 30, 2025 and 2024, net foreign exchange gains and losses were gains of NT$84,781 thousand, gains of NT$12,192 thousand, loss of NT$38,515 thousand and gains of NT$64,230 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transaction and functional currencies.

37. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the Securities and Futures Bureau for the Company:

1) Financial provided: Please see Table 1 attached;

2) Endorsement/guarantee provided: Please see Table 2 attached;

3) Marketable securities held (excluding investments in subsidiaries, associates and joint

venture): Please see Table 3 attached;

4) Total purchase from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Please see Table 4 attached;

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

6) Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 6 attached;

b. Information about Subsidiaries: Please see Table 7.

c. Information on investment in Mainland China

1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 8 attached;

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:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None;

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please see Table 4 attached;

c) The amount of property transactions and the amount of the resultant gains or losses: None;

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None;

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Please see Table 1 attached;

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Reported segments of the Company and its subsidiaries were as follows:

- Machine Manufacturer Segment: Including the Company, Suzhou Tongyu, APEC, PCI-SCEMM, CERIMATEC and Anger, which are engaging in the manufacturing and selling of machine tools and after-sales service.
- Component Manufacturer Segment: Including Tongfong, Tong-Yeh, Potzu and SKTD, mainly engage in sales and manufacturing of parts, mold and maintenance of machine tool.
- Others: Apart from the aforementioned segments, mainly engage in sales of machines, and holding investment and so on.

a. Segment revenues and operating results

	Machine Manufacturer	Component Manufacturer	Others	Adjustment and Elimination	Total
For the Nine Months Ended September 30, 2025					
Revenues from external customers	$ 3,694,186	$ 131,041	$ 158,158	$ -	$ 3,983,385
Inter-segment revenues	242,447	84,841	50,192	(377,480)	-
Segment revenues	$ 3,936,633	$ 215,882	$ 208,350	($ 377,480)	$ 3,983,385
Segment profit (loss)	(412,017)	(13,366)	(11,786)	21,198	(415,971)
Interest income	32,390	177	5,755	(19,664)	18,658
Financial costs	(89,443)	(4,681)	(16,765)	19,664	(91,225)
Share of the profit (loss) of associates and subsidiaries	11,677	-	-	-	11,677
Other non-operating income and expenses	1,291,768	7,428	(1,840)	(19,363)	1,277,993
Profit (loss) before income tax	834,375	(10,442)	(24,636)	1,835	801,132
Income tax expense (benefit)	144,741	203	3,723	-	148,667
Net profit (loss) for the period	$ 689,634	($ 10,645)	($ 28,359)	$ 1,835	$ 652,465
For the Nine Months Ended September 30, 2024					
Revenues from external customers	$ 3,673,431	$ 192,373	$ 166,778	$ -	$ 4,032,582
Inter-segment revenues	235,415	81,088	73,673	(390,176)	-
Segment revenues	$ 3,908,846	$ 273,461	$ 240,451	($ 390,176)	$ 4,032,582
Segment profit (loss)	($ 526,982)	($ 44,426)	($ 2,177)	$ 19,869	($ 553,716)
Interest income	31,172	76	5,816	(26,881)	10,183
Financial costs	(94,711)	(3,288)	(22,950)	26,881	(94,068)
Share of the profit (loss) of associates and subsidiaries	56,733	-	-	-	56,733
Other non-operating income and expenses	163,368	6,674	12,183	(17,256)	164,969
Profit (loss) before income tax	(370,420)	(40,964)	(7,128)	2,613	(415,899)
Income tax expense (benefit)	(29,070)	651	200	-	(28,219)
Net profit (loss) for the period	($ 341,350)	($ 41,615)	($ 7,328)	$ 2,613	($ 387,680)

Segment profit represented the profit from operations earned by each segment and was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Segment assets			
Machine Manufacturer	$ 14,494,264	$ 13,897,665	$ 14,212,505
Component Manufacturer	509,101	354,384	537,886
Others	1,528,826	1,791,266	1,892,126
Adjustment and Elimination	(3,561,135)	(3,736,251)	(3,728,727)
	$ 12,971,056	$ 12,307,064	$ 12,913,790
Segment liabilities			
Machine Manufacturer	$ 8,372,927	$ 8,277,351	$ 7,957,172
Component Manufacturer	333,906	312,512	484,089
Others	785,916	639,672	645,214
Adjustment and Elimination	(1,478,726)	(1,346,454)	(1,139,262)
	$ 8,014,023	$ 7,883,081	$ 7,947,213

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 5)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
0	Tongtai Machine & Tool Co., Ltd.	PCI-SCEMM	Other receivables - related party	Yes	$ 155,776	$ 13,848	$ 13,848	4	Note 1	$ -	Operating capital	$ -	-	$ -	$ 490,175	$ 980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Machinery Co., Ltd.	Other receivables - related party	Yes	68,922	30,445	28,923	4.2	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	Other receivables - related party	Yes	305,760	300,468	300,468	3.022～3.448	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Other receivables - related party	Yes	153,620	73,068	73,068	4.2	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd.	Other receivables - related party	Yes	91,460	85,420	85,420	1.95	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	CERIMATEC	Other receivables - related party	Yes	169,670	100,156	100,156	2.036-2.44	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	TTGroup France	Other receivables - related party	Yes	7,280	7,154	7,154	2.07	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	Other receivables - related party	Yes	91,000	89,425	89,425	2.07	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Industury Co., Ltd.	Other receivables - related party	Yes	40,000	20,000	12,100	1.9	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	POTZU CO., LTD.	Other receivables - related party	Yes	20,000	20,000	14,000	2.22	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
0	Tongtai Machine & Tool Co., Ltd.	PT TONG-TAI SEIKINDO	Other receivables - related party	Yes	2,084	2,074	1,761	4	Note 1	-	Operating capital	-	-	-	490,175	980,350	Note 2
1	Union Top Industrial (Samoa) Limited	Mbi-group Beteiligung GmbH	Other receivables - related party	Yes	36,400	35,770	35,770	4.7	Note 1	-	Operating capital	-	-	-	89,029	178,059	Note 3
1	Union Top Industrial (Samoa) Limited	PCI-SCEMM	Other receivables - related party	Yes	36,400	-	-	-	Note 1	-	Operating capital	-	-	-	89,029	178,059	Note 3
1	Union Top Industrial (Samoa) Limited	TTGroup America, Inc.	Other receivables - related party	Yes	14,942	13,700	13,700	6.5	Note 1	-	Operating capital	-	-	-	89,029	178,059	Note 3
1	Union Top Industrial (Samoa) Limited	LWA	Other receivables - related party	Yes	42,924	42,924	42,924	5.26	Note 1	-	Operating capital	-	-	-	89,029	178,059	Note 3
1	Union Top Industrial (Samoa) Limited	CERIMATEC	Other receivables - related party	Yes	17,885	17,885	17,885	3.1	Note 1	-	Operating capital	-	-	-	89,029	178,059	Note 3
1	Union Top Industrial (Samoa) Limited	TTGroup France	Other receivables - related party	Yes	7,154	7,154	7,154	3.1	Note 1	-	Operating capital	-	-	-	89,029	178,059	Note 3
2	TTGroup Technologies	PCI-SCEMM	Other receivables - related party	Yes	18,200	-	-	-	Note 1	-	Operating capital	-	-	-	17,985	35,970	Note 3
3	PCI-SCEMM	CERIMATEC	Other receivables - related party	Yes	36,400	-	-	-	Note 1	-	Operating capital	-	-	-	24,587	49,175	Note 3
3	PCI-SCEMM	TTGroup France	Other receivables - related party	Yes	7,280	-	-	-	Note 1	-	Operating capital	-	-	-	24,587	49,175	Note 3

Note 1: The need for short-term financing.

Note 2: According to the “Procedures for Lending Funds to Other Parties” established by the Company, the aggregate lending amount and the amount lending to any individual entity having business relationship with the Company shall not exceed the total transaction amount between the parties during the period of 12 months prior to the time of lending and shall not exceed 20% of the net worth of the Company. The aggregate lending amount and the amount lending to any individual entity for short-term financing shall not exceed 20% and 10% of the net worth of the Company.

Note 3: According to the “Procedures for Lending Funds to Other Parties” established by the subsidiaries, the aggregate lending amount and the amount lending to any individual entity having business relationship with the Company shall not exceed the total transaction amount between the parties during the period of 12 months prior to the time of lending and shall not exceed 20% of the net worth of the Company. The aggregate lending amount and the amount lending to any individual entity for short-term financing shall not exceed 20% and 10% of the net worth of the Company.

Note 4: All the transactions had been eliminated when preparing consolidated financial statements.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement /Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	Tongtai Machine & Tool Co., Ltd.	Union Top Industrial (Samoa) Limited	The Company owns directly or indirectly over 50% ownership of the investee company	$ 1,470,525	$ 512,353	$ 469,766	$ 341,710	$ -	9.58	$ 2,450,875	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	A company in which more than 50% of the voting shares are directly or indirectly held by the Company	1,470,525	786,240	772,632	482,895	-	15.76	2,450,875	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Asia Pacific Elite Corp.	The Company owns directly or indirectly over 50% ownership of the investee company	1,470,525	235,000	235,000	91,920	-	4.79	2,450,875	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Quick-Tech Machinery Co., Ltd.	The Company owns directly or indirectly over 50% ownership of the investee company	1,470,525	57,820	-	-	-	-	2,450,875	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Co., Ltd.	The Company owns directly or indirectly over 50% ownership of the investee company	1,470,525	25,000	25,000	15,500	-	0.51	2,450,875	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Machine Tool (SEA) Sdn. Bhd.	The Company owns directly or indirectly over 50% ownership of the investee company	1,470,525	33,205	30,445	-	-	0.62	2,450,875	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	POTZU CO., LTD.	The Company owns directly or indirectly over 50% ownership of the investee company	1,470,525	310,000	280,000	93,654	-	5.71	2,450,875	Y	-	-	

Note: According to the “Procedures for Making Endorsements and Guarantees” established by the Company, the ceilings on the amounts to make endorsements/guarantees are as follows,

1. For Tongtai Machine & Tool Co., Ltd.,
   (1) The ceilings on the amounts for the aggregate amounts to the entities shall not exceed 50% of the net worth of the Company.
   (2) The ceilings on the amounts for any individual entity to the entities shall not exceed 30% of the net worth of the Company.
2. For Tongtai Machine & Tool Co., Ltd. and subsidiaries,
   (1) The ceilings on the amounts for the aggregate amounts to the entities shall not exceed 50% of the net worth of the Company.
   (2) The ceilings on the amounts for any individual entity to the entities shall not exceed 30% of the net worth of the Company.
   (3) Except for (1) and (2), the total amount of endorsement/guarantee provided by the Company to any individual entity deriving from business relations shall not exceed the total business amount between such party and the Company for the twelve-month period immediately before the extension of endorsement/guarantee (the business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher).

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities	Relationship with The Company	Financial Statement Account	SEPTEMBER 30, 2025				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Tongtai Machine & Tool Co., Ltd.	Common stock							
	Contrel Technology Co., Ltd.	Same president	Financial assets at fair value through other comprehensive income - non current	6,849,178	$ 293,830	4	$ 293,830	
	SHIANG JEN CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income - non current	1,520,000	8,505	19	8,505	
	World Known MFG (Cayman) Limited	-	Financial assets at fair value through other comprehensive income - non current	280,000	14,924	1	14,924	
	USYNC INC.	-	Financial assets at fair value through other comprehensive income - non current	295,371	12,738	4	12,738	
	WORLD KNOWN MFG. CO., LTD.	-	Financial assets at fair value through other comprehensive income - non current	229,729	6,488	1	6,488	
	YEONG CHIN MACHINERY INDUSTRIES CO., LTD.		Financial assets at fair value through other comprehensive income - non current	5,667,800	313,619	10	313,619	
					$ 650,104		$ 650,104	
	Financial bond							
	CATLIF_5.8_050934		Financial assets at amortized cost - non-current		$ 30,445		$ 30,445	

TABLE 4

TONGTAI MACHINE & TOOL 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
SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer (Seller)	Related Party	Related Party	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Purchase/Sale Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd.	Subsidiary	Sales	($ 110,404)	7.38	Comparable with ones of non-related party transactions	$ -	-	$ 77,202	9.60	Note

Note: All the transactions had been eliminated when preparing consolidated financial statements.

TONGTAI MACHINE & TOOL 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 NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 4)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Amount		
Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd.	Subsidiary	$ 163,533(Note 1)	1.22	$ -	-	$ 5,857	$ -
	Anger Machining GmbH	Subsidiary	310,350(Note 2)	2.55	-	-	-	-
	CERIMATEC	Subsidiary	100,722(Note 3)	-	-	-	-	-

Note 1: Including accounts receivable amounted of NT$77,202 thousand and other receivable amounted of NT$86,331 thousand. Other receivable was excluded in the calculation turnover rate.

Note 2: Including accounts receivable amounted of NT$3,771 thousand and other receivable amounted of NT$306,579 thousand. Other receivable was excluded in the calculation turnover rate.

Note 3: All are classified as other receivables; therefore, the turnover ratio is not applicable.

Note 4: All the transactions had been eliminated when preparing consolidated financial statements.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues or Assets
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd	Parent to subsidiary	Accounts receivable	$ 77,202	Based on contracts	0.60
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd	Parent to subsidiary	Other receivable	86,331	Based on contracts and BOD resolution	0.67
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd	Parent to subsidiary	Sales	110,404	Based on contracts	2.77
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	Parent to subsidiary	Other receivable	306,579	Based on contracts and BOD resolution	2.36
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Parent to subsidiary	Other receivable	75,296	Based on contracts and BOD resolution	0.58
0	Tongtai Machine & Tool Co., Ltd.	CERIMATEC	Parent to subsidiary	Other receivable	100,722	Based on contracts and BOD resolution	0.78
0	Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	Parent to subsidiary	Other receivable	90,100	Based on contracts and BOD resolution	0.69
1	Tongfong Auto Tech Co., Ltd.	Tongtai Machine & Tool Co., Ltd.	Subsidiary to parent	Sales	52,011	Based on contracts	1.31
2	Union Top Industrial (Samoa) Limited	Mbi-group Beteiligung GmbH	Subsidiary to subsidiary	Other receivable	37,027	Based on contracts and BOD resolution	0.29

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
Tongtai Machine & Tool Co., Ltd.	Union Top Industrial (Samoa) Limited	Samoa	General investment	$ 560,867	$ 560,867	16,465,400	100.00	$ 888,448	($ 24,342)	($ 24,342)	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongfong Auto Tech Co., Ltd.	Kaohsiung City	Sales of electric automation equipment	14,005	14,005	1,500,000	100.00	28,173	699	699	Note 1
Tongtai Machine & Tool Co., Ltd.	Asia Pacific Elite Corp.	Taichung City	Sales and manufacturing of equipment	409,240	409,240	14,515,634	99.83	218,822	24,057	24,793	Note 1
Tongtai Machine & Tool Co., Ltd.	Quick-Tech Machinery Co., Ltd.	Kaohsiung City	Sales and manufacturing of equipment	197,989	197,989	11,896,891	99.14	101,644	2,260	2,725	Note 1
Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Co., Ltd.	Kaohsiung City	Sales, manufacturing and processing of machine component	28,020	28,020	1,659,790	94.58	(6,922)	12,034	11,382	Note 1
Tongtai Machine & Tool Co., Ltd.	Potzu Co., LTD.	Chiayi County	Sales, manufacturing and processing of machine component	132,000	-	45,000	60.00	118,086	(28,578)	(12,914)	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongtai Machine & Tool Japan Co., Ltd.	Japan	Sales and manufacturing of equipment	31,561	31,561	889	100.00	25,207	803	803	Note 1
Tongtai Machine & Tool Co., Ltd.	Tong Tai Machinery Co., Ltd.	Thailand	Sales of customized machine	5,854	5,854	999,998	100.00	30,168	2,426	2,426	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongtai Seiki Vietnam Co., Ltd.	Vietnam	Sales of customized machine	9,054	9,054	631,080	100.00	21,996	1,465	1,465	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongtai Machine Tool (SEA) Sdn. Bhd.	Malaysia	Sales of customized machine	5,107	5,107	520,000	52.00	14,007	(4,386)	(2,281)	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongtai Machine Tool (MFG) Sdn. Bhd.	Malaysia	Sales and manufacturing of equipment	71,952	71,952	8,500,000	100.00	37,955	266	266	Note 1
Tongtai Machine & Tool Co., Ltd.	TTGroup America, Inc.	USA	Sales of merchandise	71,667	71,667	-	100.00	1,349	5,735	5,735	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongtai Mexico ,S.A. DE C.V.	Mexico	Sales and maintenance of machine tools	10,155	10,155	65,999	100.00	3,025	89	89	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Netherlands	Sales of merchandise	96,221	96,221	9,000	100.00	(71,386)	4,340	4,340	Note 1
Tongtai Machine & Tool Co., Ltd.	Tongan GmbH	Austrian	General investment	981,154	981,154	35,000	100.00	(265,785)	(184,036)	(184,036)	Note 1
Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	France	General investment	171,600	-	5,000,000	100.00	96,096	26,025	26,025	Note 1
Tongtai Machine & Tool Co., Ltd.	Honor Seiki Co., Ltd.	Kaohsiung City	Sales and manufacturing of equipment	60,618	60,618	15,485,893	39.60	756,498	34,866	15,175	
Tongtai Machine & Tool Co., Ltd.	Ruei Yang Precision Co., Ltd.	Tainan City	Sales, manufacturing and processing of machine component	10,000	10,000	1,000,000	20.00	4,875	(9,761)	(1,952)	
Tongtai Machine & Tool Co., Ltd.	Printin3d DigiTech Co., Ltd.	Taoyuan City	Development of 3D printer of digital Implantology	10,000	10,000	1,000,000	40.00	9,921	(224)	(89)	
Tongtai Machine & Tool Co., Ltd.	Cyber Laser Taiwan Co., Ltd.	Tainan City	Machine and manufacturing of electronic component	20,000	20,000	2,000,000	33.00	-	-	-	
Tongtai Machine & Tool Co., Ltd.	Magdeburger Werkzeugmaschinen & Automation GmbH	Austrian	Sales of equipment	13,624	-	1	20.00	12,195	(105,334)	(1,457)	
Union Top Industrial (Samoa) Limited	Great Pursuit Limited	Samoa	General investment	40,054	40,054	-	55.00	-	-	-	Note 1
Tongtai Machine & Tool Japan Co., Ltd.	SKTD Co., Ltd.	Japan	Design and development of machine tools	23,203	23,203	780	98.73	17,390	(1,273)	(1,257)	Note
TTGroup Technologies	PCI-SCEMM	France	Sales, manufacturing and maintenance of machine tools	$ 398,416	$ -	2,050,000	100.00	$ 224,808	$ 60,062	$ 60,062	Notes 1 and 2
TTGroup Technologies	TTGroup France	France	Sales of merchandise	1,076	-	30,000	100.00	(16,677)	(5,107)	(5,107)	Notes 1 and 2
TTGroup Technologies	CERIMATEC	France	Sales of machine tools	9,816	-	300,000	100.00	(51,392)	(25,607)	(25,607)	Notes 1 and 2
Tongan GmbH	Mbi-group Beteiligung GmbH	Austrian	General investment	946,577	946,577	-	100.00	(267,212)	(184,033)	(184,033)	Note 1
Mbi-group Beteiligung GmbH	Anger Machining GmbH	Austrian	Sales, manufacturing and maintenance of machine tools	991,615	991,615	-	100.00	(199,644)	(178,496)	(178,496)	Note 1
Anger Machining GmbH	Anger Machining Inc.	USA	Sales and maintenance of machine tools	122	122	60,000	100.00	257	-	-	Note 1
Anger Machining GmbH	Anger Service Deutschland GmbH	Germany	Sales and maintenance of machine tools	868	868	-	100.00	5,895	812	812	Note 1
Tongtai Machine & Tool Co., Ltd.	PCI-SCEMM	France	Sales, manufacturing and maintenance of machine tools	-	182,200	-	-	-	(39,542)	(39,542)	Notes 1 and 2

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
PCI-SCEMM	TTGroup France	France	Sales of merchandise	-	1,076	-	-	-	(10,458)	(10,458)	Notes 1 and 2
PCI-SCEMM	CERIMATEC	France	Sales of machine tools	-	9,816	-	-	-	(39,350)	(39,350)	Notes 1 and 2

Note 1: All the transactions had been eliminated when preparing consolidated financial statements.

Note 2: Refers to Note 12.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) （Note 2）	Carrying Amount as of September 30, 2025	Accumulated Repatriation of Investment Income as of September 30, 2025	Note
					Outward	Inward							
Tong-Yu Machine Tool (Shanghai) Co., Ltd.	Sales and maintenance of machine tools	$ 73,312	Investments through a holding company registered in a third region	$ 73,312	$	$	$ 73,312	($ 3,772)	100.00	($ 3,772)	$ 74,036	$ -	Note 4
Suzhou Tongyu Machine Tool Co., Ltd.	Manufacturing of digital control machine and system	761,125	Investments through a holding company registered in a third region	761,125			761,125	(27,406)	100.00	(27,406)	1,005,554	-	Note 4
Shanghai Tong-Tai-Shin Trading Co., Ltd.	International trade	6,089	Investments through a holding company registered in a third region	6,089			6,089	(64)	100.00	(64)	9,488	-	Note 4
Hao-Tern-Shin Electronics (Shenzhen) Co., Ltd.	Sales and manufacturing of printed circuit board	76,113	Investments through a holding company registered in a third region	41,862			41,862	-	55.00	-	-	-	Note 4

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2025 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Tongtai Machine & Tool Co., Ltd.	$ 882,388	$ 882,388	$ 2,941,050

Note 1: The amounts were calculated based on the foreign exchange rate as of September 30, 2025.

Note 2: The basis for recognition of investment income (loss) of Suzhou Tongyu Machine Tool Co., Ltd. was based on the financial statements reviewed and attested by R.O.C. parent company's CPA while the others were based on the financial statements which have not been reviewed for the same periods.

Note 3: The limit on investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" shall not exceed 60% of their net worth.

Note 4: All the transactions had been eliminated when preparing consolidated financial statements.