Tongtai Machine & Tool Co., Ltd.

Standalone Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying standalone financial statements of Tongtai Machine & Tool Co., Ltd. (the "Company"), which comprise the standalone balance sheets as of December 31, 2025 and 2024, the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports issued by other independent auditors (refer to Other Matter paragraph below), the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2025 and 2024, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

Basis for Opinion

We conducted our audits of the standalone financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in the Company's standalone financial statements for the year ended December 31, 2025 are as follows:

Revenue recognition

Specific machine types sold to certain newly added customers involve varying levels of customization based on customer requirements, and the Company recognizes revenue depending on the trade terms of each individual sales transaction. The related sales revenue and gross profit are relatively significant. As revenue recognition is presumed to be a significant risk under auditing standards, we have therefore identified revenue recognition as one of the key audit matters.

Refer to Note 4 to the standalone financial statements for the related accounting policies and disclosures on revenue recognition.

1. Obtain an understanding of, and test the design and operating effectiveness of, the internal

controls relevant to the recognition of such sales revenue.

2. We performed test of details of recorded revenue against the supporting documents including the approved reports on completion of installation signed by end customer, export-related documents, and acceptance receipts.
3. Reviewing and analyzing the reason for significant sales returns and allowances that took place after the balance sheet date to assess the reasonableness of the related accrued sales returns and allowances.

Inventory valuation

Inventory is material to the Company. As of December 31, 2025, inventory amounted to NT$2,381,879 thousand, representing 25% of the Company's total assets. In addition, inventory valuation involves critical accounting estimates. Therefore, we identified the inventory valuation as one of the key audit matters. Refer to Notes 4, 5 and 10 to the standalone financial statements for the related accounting policies and disclosures on inventory valuation.

The key audit procedures performed in respect of the above key audit matter included the following:

1. We participated in the physical count of inventory, and observed the physical condition of inventory and checked against the records for any identified obsolete and slow-moving inventory.
2. We obtained inventory aging report, tested the accuracy of inventory aging and evaluated compliance with the inventory accounting policies.
3. We obtained details of inventory valuation and confirmed that inventory items were stated at the lower of cost or net realizable value. We test-checked the cost and market value of inventory against the supporting documents.

Other Matter

Certain investments in subsidiaries accounted for using the equity method were included in the standalone financial statements as of December 31, 2025 and 2024 and for the years then ended based on financial statements audited by other independent auditors. The total of such investments amounted to NT$247,511 thousand and NT$126,393 thousand, representing 3% and 1% of the Company's total assets as of December 31, 2025 and 2024, respectively, and the Credit balance for investments accounted for using the equity method amounted to NT$5,988 thousand and NT$60,374 thousand, representing 1% and 1% of the Company's total liabilities as of December 31, 2025 and 2021, respectively, and the total share of loss of subsidiaries and associates amounted to NT$949 thousand and NT$(83,290) thousand, representing 1% and 8% of the Company's total profit (loss) before income tax for the years ended December 31, 2025 and 2024, respectively.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the audit of the Company. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2026

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone 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 audit such standalone financial statements are those generally applied in the Republic of China.

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

TONGTAI MACHINE & TOOL CO., LTD

STANDALONE BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
ASSETS	**Amount**	%	**Amount**	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 504,342	5	$ 94,072	1
Notes receivable, net (Notes 5 and 9)	35,866	-	48,915	1
Accounts receivable, net (Notes 4, 5 and 9)	648,450	7	387,478	4
Accounts receivable - related parties (Notes 4, 5, 9 and 32)	159,291	2	210,192	2
Other receivables	16,498	-	10,959	-
Other receivables - related parties (Note 32)	769,517	8	664,221	7
Current tax assets（Notes 4 and 26）	6,583	-	11,520	-
Inventories (Notes 4, 5 and 10)	2,381,879	25	2,097,992	24
Assets held for sale（Notes 4 and 11）	-	-	364,016	4
Other financial asses - current (Notes 13 and 33)	38,102	1	76,749	1
Other current assets (Note 13)	62,248	1	53,703	1
Total current assets	4,622,776	49	4,019,817	45
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	702,183	7	411,332	5
Non-current financial assets at amortised cost (Notes 4 and 8)	31,430	-	52,785	1
Investments accounted for using the equity method (Notes 4 and 12)	2,420,306	25	2,193,228	25
Property, plant and equipment (Notes 4, 14 and 33)	578,692	6	651,960	7
Right-of-use assets (Notes 4 and 15)	240,416	3	506,174	6
Investment properties (Notes 4, 16 and 33)	343,349	4	429,360	5
Computer software (Notes 4 and 17)	20,022	-	22,834	-
Deferred tax assets (Notes 4 and 26)	442,896	5	441,231	5
Refundable deposits	8,731	-	3,563	-
Long-term notes and accounts receivable (Note 9)	3,828	-	7,035	-
Other financial assets - non-current (Notes 13 and 33)	38,439	-	94,579	1
Other non-current assets (Notes 9 and 13)	62,799	1	22,517	-
Total non-current assets	4,893,091	51	4,836,598	55
TOTAL	$ 9,515,867	100	$ 8,856,415	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 33)	$ 1,567,000	17	$ 1,470,000	17
Contract liabilities - current (Notes 4, 24 and 32)	341,769	4	292,741	4
Notes payable (Note 19)	59	-	59	-
Notes payable - related parties (Notes 19 and 32)	-	-	8,879	-
Accounts payable (Note 19)	566,438	6	381,110	4
Accounts payable - related parties (Notes 19 and 32)	64,583	1	98,503	1
Other payables (Notes 20 and 32)	216,497	2	200,668	2
Current tax liabilities (Notes 4 and 26)	102,496	1	-	-
Provisions - current (Notes 4 and 21)	18,975	-	12,200	-
Lease liabilities - current (Notes 4 and 15)	14,564	-	23,583	-
Current portion of long-term bank borrowings (Notes 18 and 33)	216,571	2	450,000	5
Other current liabilities	10,586	-	10,010	-
Total current liabilities	3,119,538	33	2,947,753	33
NON-CURRENT LIABILITIES				
Long-term bank borrowings (Notes 18 and 33)	840,500	9	566,000	6
Deferred tax liabilities (Notes 4 and 26)	62,211	1	61,301	1
Lease liabilities -noncurrent (Notes 4 and 15)	241,697	2	604,274	7
Net defined benefit liabilities (Notes 4 and 22)	1,093	-	17,256	-
Guarantee deposits received	1,300	-	4,545	-
Credit balance for investments accounted for using the equity method (Notes 4 and 12)	461,193	5	232,889	3
Total non-current liabilities	1,607,994	17	1,486,265	17
Total liabilities	4,727,532	50	4,434,018	50
EQUITY (Note 23)				
Ordinary shares	2,548,265	27	2,548,265	29
Capital surplus	1,234,496	13	1,220,665	14
Retained earnings				
Legal reserve	759,548	8	759,548	8
Special reserve	89,749	1	89,749	1
Unappropriated earnings (Accumulated deficit)	22,223	-	(437,093)	(5)
Total retained earnings	871,520	9	412,204	4
Other equity	210,970	2	241,263	3
Treasury stock	(76,916)	(1)	-	-
Total equity	4,788,335	50	4,422,397	50
TOTAL	$ 9,515,867	100	$ 8,856,415	100

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

(With Deloitte & Touche auditors' report dated March 23, 2026)

TONGTAI MACHINE & TOOL CO., LTD.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 24 and 32)	$ 1,915,734	100	$ 1,930,708	100
OPERATING COSTS (Notes 10, 22, 25 and 32)	1,744,935	91	2,057,839	107
GROSS PROFIT (LOSS)	170,799	9	(127,131)	(7)
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	-	-	(9,968)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	7,917	-	1,084	-
REALIZED GROSS PROFIT (LOSS)	178,716	9	(136,015)	(7)
OPERATING EXPENSES (Notes 9, 22, 25 and 32)				
Selling and marketing expenses	261,390	14	286,439	15
General and administrative expenses	211,249	11	238,866	12
Research and development expenses	92,088	5	151,697	8
Loss (reversal) of expected credit loss	10,102	-	33,131	2
Total operating expenses	574,829	30	710,133	37
PROFIT (LOSS) FROM OPERATIONS	(396,113)	(21)	(846,148)	(44)
NON-OPERATING INCOME AND EXPENSES (Notes 12, 25 and 32)				
Interest income	32,606	2	36,482	2
Other income	127,968	7	106,971	6
Other gains and losses	1,166,819	61	41,562	2
Finance costs	(64,446)	(3)	(62,624)	(3)
Share of profit of subsidiaries and associates	(279,393)	(15)	(263,960)	(14)
Total non-operating income and expenses	983,554	52	(141,569)	(7)
PROFIT(LOSS) BEFORE INCOME TAX	587,441	31	(987,717)	(51)
INCOME TAX EXPENSE (Notes 4 and 26)	128,433	7	(80,881)	(4)
NET PROFIT(LOSS) FOR THE YEAR	459,008	24	(906,836)	(47)

(Continued)

TONGTAI MACHINE & TOOL CO., LTD.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan	$ 7,723	-	$ 11,851	1
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(47,274)	(2)	234,009	12
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method	3,535	-	7,411	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,545)	-	(2,370)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(17,048)	(1)	3,266	-
Share of the other comprehensive (loss) income of subsidiaries accounted for using the equity method	3,149	-	40,025	2
Income tax relating to items that may be reclassified subsequently to profit or loss	21,475	1	($ 8,658)	-
Other comprehensive loss for the year, net of income tax	(29,985)	(2)	285,534	15
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 429,023	22	($ 621,302)	(32)
EARNINGS PER SHARE (Note 27)				
Basic	$ 1.81		($ 3.56)	
Diluted	1.81		(3.56)	

(Concluded)

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

(With Deloitte & Touche auditors' report dated March 23, 2026)

TONGTAI MACHINE & TOOL CO., LTD.

STANDALONE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Treasury stock	Total Equity
BALANCE AT DECEMBER 31, 2024	$ 2,548,265	$ 1,220,665	$ 753,831	$ 89,749	$ 509,533	($ 146,157)	$ 118,778	($ 27,379)	$ -	$ 5,094,664
Appropriation of 2023 earnings (Note 23)										
Legal reserve	-	-	5,717	-	(5,717)	-	-	-	-	-
Cash dividends	-	-	-	-	(50,965)	-	-	-	-	(50,965)
	-	-	5,717	-	(56,682)	-	-	-	-	(50,965)
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	(906,836)	-	-	-	-	(906,836)
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	16,892	34,633	234,009	268,642	-	285,534
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	(889,944)	34,633	234,009	268,642	-	(621,302)
BALANCE AT DECEMBER 31, 2024	2,548,265	1,220,665	759,548	89,749	(437,093)	(111,524)	352,787	241,263	-	4,422,397
Net profit (loss) for the year ended December 31, 2025	-	-	-	-	459,008	-	-	-	-	459,008
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	9,713	7,576	(47,274)	(39,698)	-	(29,985)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	468,721	7,576	(47,274)	(39,698)	-	429,023
Share of changes in associates accounted for using the equity method (Note 12)	-	13,831	-	-	-	-	-	-	-	13,831
Disposal of equity instruments measured at fair value through other comprehensive income (Note 23)	-	-	-	-	(9,405)	-	9,405	9,405	-	-
Repurchase of treasury stock (Note 23)	-	-	-	-	-	-	-	-	(76,916)	(76,916)
BALANCE AT DECEMBER 31, 2025	$ 2,548,265	$ 1,234,496	$ 759,548	$ 89,749	$ 22,223	($ 103,948)	$ 314,918	$ 210,970	($ 76,916)	$ 4,788,335

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

(With Deloitte & Touche auditors' report dated March 23, 2026)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

STANDALONE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 587,441	($ 987,717)
Adjustments for:		
Depreciation expense	76,303	128,702
Amortization expense	24,334	30,623
Expected credit loss (reversal gain)	10,102	33,131
Finance costs	64,446	62,624
Interest income	(32,606)	(36,482)
Dividend income	(5,980)	(7,007)
Share of loss of associates	279,393	263,960
Gain on disposal of property, plant and equipment	(958)	-
Gain on disposal of non-current assets held for sale	(1,155,984)	-
Loss (gain) on disposal of investments	-	(857)
Impairment loss recognized on nonfinancial assets	60,829	379,309
Unrealized intercompany profit on sales	-	8,884
Realized intercompany profit on sales	(7,917)	-
Unrealized Foreign Exchange Gain	(39,059)	(1,342)
Recognition of provisions	19,120	19,609
Gain on lease modification	(16,662)	-
Inventory write-off loss	36,460	-
Changes in operating assets and liabilities		
Notes receivable and long-term notes receivable	16,256	23,562
Notes receivable - related parties	-	245
Accounts receivable	(262,821)	34,506
Accounts receivable - related parties	56,566	(44,828)
Other receivables	(4,223)	(3,409)
Other receivables - related parties	1,422	854
Inventories	(371,080)	167,709
Other current assets	(8,545)	163
Contract liabilities	49,028	24,449
Notes payable	-	(1,854)
Notes payable - related parties	(8,879)	8,879
Accounts payable	185,219	60,959
Accounts payable - related parties	(34,277)	1,235
Other payables	11,508	(12,559)
Provisions	(12,345)	(25,133)
Other current liabilities	576	4,376
Net defined benefit liabilities	(8,440)	(13,761)
Cash generated from operations	(490,773)	118,830
Interest received	30,836	47,059
Dividend received	5,980	7,007
Interest paid	(63,947)	(62,976)
Income taxes paid	(1,825)	(25,674)
Net cash generated from operating activities	(519,729)	84,246

(Continued)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

STANDALONE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
FVOCI	($ 343,919)	$ -
Disposal of financial assets measured at amortized cost	20,000	-
Financial assets at amortized cost	-	(31,443)
Acquisition of investments accounted for using the equity method	(317,224)	(10,000)
Disposal of investments accounted for using the equity method	-	28,642
Increase in prepayments for investments	(20,000)	-
Proceeds from capital reduction of investments accounted for using equity method	1,520,000	-
Acquisition of property, plant and equipment	(23,361)	(28,168)
Proceeds from disposal of property, plant and equipment	39,945	-
Increase in refundable deposits paid	(5,168)	-
Decrease in refundable deposits paid	-	130
Decrease in other receivables - related parties	(73,125)	-
Increase in other receivables - related parties	-	212,591
Acquisition of computer software	(19,549)	(7,219)
Increase in other financial assets	-	(63,468)
Decrease in other financial assets	94,787	-
Increase in other non-current assets	(18,170)	(8,316)
Dividends received from subsidiaries and affiliates	36,817	32,472
Net cash generated from (used in) financing activities	891,033	125,221
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,165,000	410,000
Decrease in short-term borrowings	(1,068,000)	(230,000)
Decrease in short-term bills payable	550,000	1,066,000
Repayments of long-term bank borrowings	(508,929)	(1,143,333)
Increase in refundable deposits	-	1,093
Decrease in refundable deposits	(3,245)	-
Repayment of principle of lease liabilities	(18,944)	($ 23,747)
Cash dividends paid	-	(50,965)
Acquisition of ownership interests in subsidiaries	-	(383,384)
Disposal of ownership interests in subsidiaries	(76,916)	-
Net cash used in financing activities	38,966	(354,336)
NET DECREASE IN CASH AND CASH EQUIVALENTS	410,270	(144,869)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	94,072	238,941
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 504,342	$ 94,072

(Concluded)

The accompanying notes are an integral part of the standalone financial statements.
(With Deloitte & Touche auditors' report dated March 23, 2026)

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

2. APPROVAL OF FINANCIAL STATEMENTS

The standalone financial statements were approved by the Company's board of directors and authorized for issue on March 12, 2026

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to 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 amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of the Company.

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 the Application Guidelines on the Classification of Financial Assets Related to the Amendments to IFRS 9 and IFRS 7	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 amendments in 2020 and 2021)	January 1, 2023

As of the date the standalone financial statements were authorized by the board of directors for issue, the Company has assessed that amendments to other standards will not have a material impact on its financial position or financial performance.

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"	January 1, 2027
Amendments to IFRS 9 and IFRS 7 "Translation into the presentation currency of a hyperinflationary economy"	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: The Financial Supervisory Commission announced on September 25, 2025, that domestic enterprises shall apply IFRS 18 starting January 1, 2028, and may elect early adoption after IFRS 18 is endorsed by the Financial Supervisory Commission.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

1) The Company shall assess whether it has specific primary business activities involving investment in particular types of assets and the provision of financing to customers, and accordingly classify the income and expense items in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories.

2) 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.

3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Company 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 Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as 'other' only if it cannot find a more informative label.

4) Disclosures on Management-defined Performance Measures (MPMs): When the Company engages in public communications outside the financial statements and communicates management's view of a particular aspect of the Company's overall financial performance to users of the financial statements, it shall disclose related information about its MPMs in a single note to the financial statements, including a description of such measures, how they are calculated, reconciliations to subtotals or totals specified by IFRS Accounting Standards, and the income tax and non-controlling interests effects of the related reconciling items.

In addition, IAS 7 "Statement of Cash Flows" has been amended with the following consequential changes:

1) When the Company prepares cash flows from operating activities using the indirect method, operating profit or loss shall be used as the starting point for the

reconciliation.

2) Interest and dividends received by the Company shall be classified as investing activities, and interest and dividends paid shall be classified as financing activities.

Except for the above impact, as of the date the standalone financial statements were approved by the Company's board of directors and authorized for issue, the Company is 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 standalone financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of Preparation

The standalone financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value and net defined benefit assets and liabilities which are measured at the present value of the defined benefit obligation less the fair value of the plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

When preparing its standalone financial statements, the Company used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the standalone financial statements to be the same with the amounts attributable to the owner of the Company in its standalone financial statements, adjustments arising from the differences in accounting treatment between standalone basis and consolidated basis were made to investments accounted for using equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in the standalone financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets are realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being used for an

exchange or used to settle a liability for more than 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities expected to be settled within twelve months after the reporting period; and
3) Liabilities for which the entity does not have a substantive right to defer settlement for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are stated at the historical translated amount.

For the purpose of presenting standalone financial statements, the functional currencies of the entities associated with the Company (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: assets and liabilities are translated at the exchange rates prevailing at the end of the balance sheet date; income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

Goodwill and fair value adjustments on identifiable assets and liabilities recognized on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of balance sheet date. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

Inventories consisting of raw materials, supplies, work-in-progress and finished goods are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Raw materials and supplies are recorded at the moving-average cost, and the work-in-progress and finished goods are

recorded at cost by the specific identification method.

f. Investments accounted for equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investments in subsidiaries

Subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the share of other equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transaction. Any difference between the carrying amount of the investment and the fair value of consideration paid or received is directly recognized in equity.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investment and the carrying amount is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the standalone financial statements. Profits and losses on transactions with subsidiaries other than downstream are recognized in standalone financial statements only to the extent of interests in the subsidiary that are not related to the Company

2) Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates. Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and

other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the associate. The Company should record such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to non-subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is deducted from retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company will discontinue recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.
Investment in associate is tested for impairment by treating the entire carrying amount of the investment (including goodwill) as a single asset and then compare that carrying amount with the estimated recoverable amount. Any impairment loss recognized is deducted from investment and the carrying amount of the investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

Gains and losses resulting from upstream, downstream and sidestream transactions between and among the Company and its associates are recognized in the standalone financial statements only to the extent of interests in the associate of entities that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for the land is not depreciated, other depreciation of property, plant and equipment is recognized using the straight-line method.

Each significant part is depreciated separately. The estimated useful lives, residual

values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Computer Software

Computer software with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

j. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right - of use assets, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

k. Non-current Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. To be classified as held for sale, the asset must be available for immediate sale in its

present condition and the sale must be highly probable. A sale is considered highly probable when management with the appropriate level of authority is committed to a plan to sell the asset and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation is no longer charged on these assets once they are classified as held for sale.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: financial assets at amortized cost and investments in equity instruments at FVTOCI.

i Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, other financial assets, refundable deposits and long-term notes and accounts receivable, are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income

is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivables).

The Company always recognizes lifetime Expected Credit Losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a

financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i Internal or external information show that the debtor is unlikely to pay its creditors.

ii When a financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognize a financial asset only when the contractual rights to the cash flows from the asset expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

When the Company repurchases issued ordinary shares as treasury shares, the cost paid is recognized as treasury shares, a deduction from equity. When such shares are subsequently reissued, any difference between the consideration received, net of any directly attributable incremental costs and income tax effects, and the carrying amount is recognized as an adjustment to equity.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are carried at amortized cost using the effective interest method:

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on the financial liability.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are measured at the best estimate of the cash flows required to settle the present obligation at the end of the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products at the Company's best estimate of the expenditure required to settle the obligations.

n. Revenue recognition

The Company identifies contracts with customers, allocate the transaction price to the performance obligations and recognize revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of machine. Revenue from domestic sales is recognized when the installation of machine or tool is completed. Revenue from export sales is recognized according to the trade conditions or the completion date of machine installation. The customer has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

Revenue from maintenance and rebuilding are recognized when services are provided.

o. Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented on a separate line in the standalone balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the standalone balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in

the year in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the year in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Company's defined benefit plans.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Current tax is the amount of tax at statutory rate calculated on the taxable profit (loss) at the balance sheet date.

According to the Income Tax Law in the ROC, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences, loss carryforwards and research and development expenditure to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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.

Key sources of estimation uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, refer to Note 9. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgment and estimate to determine the net realizable value of inventory at the end of the reporting period. Since the net realizable value of inventory is mainly determined on the basis of future selling price, it might be adjusted significantly.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	**2024**
Cash on hand	$ 606	$ 443
Deposits in transit	3,675	-
Checking accounts and demand deposits	252,916	89,695
Cash equivalents		
Time deposits with original maturities of less than three months	247,145	3,934
	$ 504,342	$ 94,072

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

	December 31	
	2025	2024
Investment in equity instruments		
Domestic investments		
Listed shares	$ 338,442	$ 380,878
Unlisted shares	363,741	30,454
	$ 702,183	$ 411,332

8. FINANCIAL ASSETS AT AMORTIZED COST – NON-CURRENT

	December 31	
	2025	2024
Unlisted Preference shares	$ 31,430	$ 20,000
Cathay Pacific bank's subordinated bond	-	32,785
Less: Allowance for impairment loss	-	-
	$ 31,430	$ 52,785

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%. In January 2025, the issuer fully redeemed and cancelled the instruments at par value.

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, LONG-TERM NOTES AND ACCOUNTS RECEIVABLE, AND OVERDUE RECEIVABLE, NET

	December 31	
	2025	2024
Notes receivable (operating)		
Gross carrying amount at amortized cost	$ 43,225	$ 50,224
Less: Unrealized interest revenue	7,359	1,309
	$ 35,866	$ 48,915
Accounts receivable		
Gross carrying amount at amortized cost	$ 853,000	$ 586,585
Less: Allowance for impairment loss	204,550	199,107
	$ 648,450	$ 387,478
Accounts receivable - related parties		
Gross carrying amount at amortized cost	$ 159,291	$ 210,192
Long-term notes and accounts receivable (operating)		
Gross carrying amount at amortized cost	$ 3,828	$ 7,035

(Continued)

	December 31	
	2025	2024
Overdue receivable (included in other noncurrent assets)		
Gross carrying amount at amortized cost	$ 10,308	$ 17,458
Less: Allowance for impairment loss	10,308	17,458
	$ -	$ -

(Concluded)

The credit period of the Company's receivables depends on customer classification and product category. The Company makes 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 has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews 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's credit risk were significantly reduced.

The Company applies the simplified approach to providing for expected credit losses 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's 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's different customer base.

The Company writes 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 continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2025

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 545 Days	546 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 744,951	$ 66,402	$ 16,823	$ 21,114	$ 20,23	$ 8,357	$ 7,315	$ 166,790	$ 10,308	$ 1,062,293
Loss allowance (Lifetime ECL)	(8,906)	(6,111)	(2,276)	(3,830)	(9,70	(3,951)	(3,790)	(165,982)	(10,308)	(214,858)
Amortized cost	$ 736,045	$ 60,291	$ 14,547	$ 17,284	$ 10,52	$ 4,406	$ 3,525	$ 808	$ -	$ 847,435

December 31, 2024

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 545 Days	546 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 617,939	$ 11,731	$ 10,380	$ 3,326	$ 10,70	$ 28,656	$ 39,347	$ 130,647	$ 17,458	$ 870,185
Loss allowance (Lifetime ECL)	(16,802)	(1,111)	(3,172)	(363)	(1,39	(13,555)	(32,249)	(130,463)	(17,458)	(216,565)
Amortized cost	$ 601,137	$ 10,620	$ 7,208	$ 2,963	$ 9,30	$ 15,101	$ 7,098	$ 184	$ -	$ 653,620

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

	For the Year Ended December 31	
	2025	2024
Balance, beginning of period	$ 216,565	$ 183,786
Recognition (reversed)	10,102	33,131
Written off	(11,809)	(352)
Balance, end of period	$ 214,858	$ 216,565

10. INVENTORIES

	December 31	
	2025	2024
Raw materials	$ 1,023,634	$ 1,154,782
Supplies	117,791	134,362
Work-in-progress	659,688	470,467
Finished goods	580,766	338,381
	$ 2,381,879	$ 2,097,992

The cost of inventories recognized as operating costs for the years ended December 31, 2025 and 2024 was NT$1,744,935 thousand and NT$2,057,839 thousand, respectively, which included write-downs of inventories and unallocated manufacturing overhead as follows：

	For the Year Ended December 31	
	2025	2024
Inventory write-downs	$ 47,205	$ 379,309
Inventory write-off loss	$ 36,460	$ -

11. NON-CURRENT ASSETS HELD FOR SALE

	December 31	
	2025	2024
Property, Plant and Equipment	$ -	$231,579
Investment Property	-	132,437
Total	$ -	$364,016

In November 2024, the Board of Directors resolved to authorize the Chairman to dispose of the property at the Luzhu Second Plant, with a total transaction price of NT$1.52 billion, in order to support the Company's future growth initiatives and strengthen operating capital. And the signing and disposal procedures were completed in January and April 2025, with a gain on disposal of NT$1,155,984 thousand recognized and included under other gains and losses.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2025	2024
Investments in subsidiaries	$ 1,164,184	$ 1,180,565
Investments in associates	794,929	779,774
	1,959,113	1,960,339
Add: Credit balance for investments accounted for using the equity method	461,193	232,889
	$ 2,420,306	$ 2,193,228

a. Investments in subsidiaries - unlisted companies

	December 31			
	2025		2024	
	Amount	% of Owner - ship	Amount	% of Owner - ship
Union Top Industrial (Samoa) Limited (Union Top)	$ 880,128	100.00	$ 959,351	100.00
Tongfong Auto Tech Co., Ltd. (Tongfong)	28,981	100.00	27,474	100.00
Asia Pacific Elite Corp. (APEC)	234,221	99.83	194,029	99.83
Quick-Tech Machinery Co., Ltd. (Quick-Tech)	101,177	99.14	98,919	99.14
Tong-Yeh Precision Co., Ltd. (Tong-Yeh)	(5,988)	94.58	(18,303)	94.58
POTZU CO., LTD. (POTZU)	117,353	60.00	-	-
Tongtai Machine & Tool Japan Co., Ltd. (TTJP)	20,092	100.00	24,910	100.00
Tong Tai Machinery Co., Ltd. (TTM)	31,534	100.00	28,202	100.00
Tongtai Seiki Vietnam Co., Ltd. (TTVN)	23,346	100.00	23,041	100.00
Tongtai Machine Tool (SEA) Sdn. Bhd. (TTS)	13,610	52.00	16,524	52.00
Tongtai Machine Tool (MFG) Sdn. Bhd. (TMM)	40,930	100.00	38,219	100.00
TTGroup America, Inc.（TTGA）	(9,494)	100.00	(4,570)	100.00
Tongtai Mexico, S.A.DE C.V. (TTGMx)	3,330	100.00	2,785	100.00
TTGroup Technologies（TTGT）	130,675	100.00	-	-
Process Conception Ingenierie-Societe de Construction D'equipments, De Mecanisations Et De Machines (PCI)	-	-	(65,808)	100.00
Tongtai Europe B.V. (TTE)	(75,663)	100.00	(72,385)	100.00
Tongan GmbH (Tongan)	(370,048)	100.00	(71,823)	100.00
	$ 1,164,184		$ 1,180,565	

The Company recognized impairment loss amounted of NT$17,286 thousand and NT$11,989 thousand of the APEC and Quick-Teck, respectively, due to the recoverable amount was lower than the carrying amount.

In February 2025, the Company participated in a cash capital increase of Puzi Company with an investment of NT$132,000 thousand and acquired a 60% equity interest (Note 28).

In February 2025, the Company invested NT$171,600 thousand to establish TTGT, acquiring 100% equity interest. Considering future operational development needs, in May 2025 the Company transferred its entire shareholding in PCI to TTGT through an organizational restructuring.

b. Investments in associates

	December 31	
	2025	2024
Material associate		
Honor Seiki Co., Ltd. (Honor Seiki)	$ 780,415	$ 763,109
Associates that are not individually material	14,514	16,665
	$ 794,929	$ 779,774

1) Material associate

	Percentage of Ownership and Voting Rights (%)	
Company	December 31, 2025	December 31, 2024
Honor Seiki	49.60	44.88

In February 2025, the Company did not participate in the cash capital increase of Honor Seiki in proportion to its shareholding, resulting in a decrease in its ownership interest from 44.88% to 39.60%. As this did not affect the Company's influence over

the investee, it was accounted for as an equity transaction, and capital surplus was increased by NT$13,831 thousand for the change in the investee's ownership interest attributable to the Company.

The following presents Level 1 fair value information for associates with quoted prices in an active market:

Company	December 31, 2025
Honor Seiki	$ 585,367

Note: The shares of Rongtian have been listed and traded on the Taipei Exchange 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

	For the Year Ended December 31,	
	2025	2024
Current assets	$ 1,482,445	$ 1,442,656
Non-current assets	823,564	830,445
Current liabilities	(606,887)	(624,670)
Non-current liabilities	(10,820)	(197,329)
equity	$ 1,688,302	$ 1,451,102
Ownership percentage (%)	39.60	44.88
Equity attributable to the Company and its subsidiaries	$ 668,618	$ 651,313
Goodwill	111,797	111,796
Carrying amount of the investment	$ 780,415	$ 763,109

	December 31	
	2025	2024
Operating revenues	$ 1,002,578	$ 1,456,414
Net profit for the year	$ 95,299	$ 179,058
Other comprehensive income	(42)	344
Total comprehensive income	$ 95,257	$ 179,402

2) Associates that are not individually material

	December 31	
	2025	2024
Printin3d DigiTech Co., Ltd.	$ 10,193	$ 10,211
Ruei Yang Precision Co., Ltd.	4,321	6,454
Magdeburger Werkzeugmaschinen & Automation GmbH	-	-
Cyber Laser Taiwan Co., Ltd.	-	-
	$ 14,514	$ 16,665

	For the Year Ended December 31	
	2025	2024
The Company's share of		
Net profit for the year	($ 2,447)	($ 163)
Other comprehensive income	-	-
Total comprehensive income	($ 2,447)	($ 163)

The Company resolved, through a board of directors' meeting in May 2025, 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 company is principally engaged in the trading of machine tools and related businesses. As the estimated recoverable amount was lower than the carrying amount, the Company recognized a full impairment loss in the fourth quarter of 2025.

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.

For information on the nature of business, principal place of operations, and country of incorporation of the above investee company, please refer to Table 6.

13. OTHER FINANCIAL ASSETS AND OTHER ASSESTS

a. Other financial assets

	December 31	
	2025	2024
Current		
Pledged deposits and time deposits	$ 30,000	$ 72,128
Deposits for projects	8,102	4,621
	$ 38,102	$ 76,749
Non-current		
Pledged deposits and time deposits	$ 38,439	$ 94,579

Refer to Note 33 for information relating to other financial assets pledged as collateral.

b. Other assets

	December 31	
	2025	2024
Current		
Advances to suppliers	$ 40,567	$ 37,284
Prepaid expenses	13,466	13,359
Other	8,215	3,060
	$ 62,248	$ 53,703
Non-current		
Advances for equipment	$ 21,886	$ 9,386
Advances for investments	20,000	-
Long-term prepaid expenses	20,913	13,131
	$ 62,799	$ 22,517

The Company participated in the capital increase of Handing Intelligent Technology Co., Ltd. in December 2025 and prepaid share subscription proceeds of NT$20,000 thousand, expecting to acquire an 11% equity interest. As of December 31, 2025, the cash capital increase procedures had not yet been completed; therefore, the amount was recorded under advances for investments.

14. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 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	$ 187,018	$ 1,089,188	$ 321,617	$ 113,556	$ 29,443	$ 134,448	$ 6,617	$ 1,881,887
Additions	-	8,227	2,466	572	2,471	8,267	712	22,715
Disposal	-	-	(205,800)	(16,718)	(462)	(8,532)	-	(231,512)
Reclassifications	-	(11,119)	7,456	-	-	(3,928)	-	(7,591)
Balance at December 31, 2025	187,018	1,086,296	125,739	97,410	31,452	130,255	7,329	1,665,499
Accumulated depreciation and impairment								
Balance at January 1, 2025	$ -	$ 734,683	$ 248,378	$ 102,649	$ 27,770	$ 116,447	$ -	$ 1,229,927
Depreciation	-	25,084	13,970	3,154	1,300	5,845	-	49,353
Disposal	-	-	(170,610)	(12,921)	(462)	(8,532)	-	(192,525)
Reclassifications	-	52	1,622	-	-	(1,622)	-	52
Balance at December 31, 2025	-	759,819	93,360	92,882	28,608	112,138	-	1,086,807
Carrying amount at December 31, 2025	$ 187,018	$ 326,477	$ 32,379	$ 4,528	$ 2,844	$ 18,117	$ 7,329	$ 578,692

For the Year Ended December 31, 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	$ 187,018	$ 1,567,088	$ 324,132	$ 112,597	$ 34,723	$ 152,066	$ 800	$ 2,378,424
Additions	-	6,885	1,412	959	902	2,855	5,817	18,830
Reclassifications	-	(54,000)	(3,927)	-	-	3,927	-	(54,000)
Reclassified to held for sale	-	(430,785)	-	-	(6,182)	(24,400)	-	(461,367)
Balance at December 31, 2024	187,018	1,089,188	321,617	113,556	29,443	134,448	6,617	1,881,887
Accumulated depreciation and impairment								
Balance at January 1, 2024	-	901,344	223,855	98,554	32,948	131,308	-	1,388,009
Depreciation	-	50,192	25,553	4,095	1,004	5,997	-	86,841
Reclassifications	-	(15,135)	(1,030)	-	-	1,030	-	(15,135)
Reclassified to held for sale	-	(201,718)	-	-	(6,182)	(21,888)	-	(229,788)
Balance at December 31, 2024	-	734,683	248,378	102,649	27,770	116,447	-	1,229,927
Carrying amount at December 31, 2024	$ 187,018	$ 354,505	$ 73,239	$ 10,907	$ 1,673	$ 18,001	$ 6,617	$ 651,960

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	2-35 years
Engineering system, Air conditioning system and Decoration	2-35 years
Machinery and equipment	2-10 years
Transportation equipment	2-15 years
Office equipment	3-10 years
Other equipment	2-15 years

Property, plant and equipment pledged by the Company as collateral for bank borrowings are described in Note 33.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amounts		
Land	$ 233,752	$ 496,975
Transportation equipment	6,664	9,199
	$ 240,416	$ 506,174

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 15,312	$ 38,483
Depreciation charge for right-of-use assets		
Land	$ 17,706	$ 24,336
Transportation equipment	4,047	4,370
	$ 21,753	$ 28,706

Except for the additions and depreciation expenses listed above, the Company and its subsidiaries did not incur any significant subleases or impairment of right-of-use assets in 2025 and 2024. 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

	December 31	
	2025	2024
Carrying amounts		
Current	$ 14,564	$ 23,583
Non-current	$ 241,697	$ 604,274

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

	December 31	
	2025	2024
Land	2.16	2.16～2.48
Transportation equipment	1.85～1.99	1.49～1.99

c. Material lease activities and terms

The land on which the Company's Kaohsiung Luke Plant 1 is located is leased from the Administration of the Southern Taiwan Science Park. The lease term will expire in May 2027. Upon expiration of the lease, the Company may apply for renewal; however, it does not have a bargain purchase option for the leased land.

The land on which the Company's Kaohsiung Luke Plant 2 is located is also leased from the Administration of the Southern Taiwan Science Park. The original lease term was set

to expire in April 2045; however, considering operational needs, the Company early terminated the lease agreement with the Administration in July 2025. As a result, the Company recognized a lease modification gain of NT$3,380 thousand, which was recorded under other gains and losses.

d. Other lease information

	For the Year Ended December 31	
	2025	**2024**
Expenses relating to short-term leases and low-value asset leases	$ 4,978	$ 5,015
Total cash outflow for leases	$ 32,805	$ 43,615

The Company leases certain buildings, transportation equipment, and office equipment that qualify as short-term leases and leases of low-value assets. The Company has elected to apply the recognition exemption and, accordingly, has not recognized right-of-use assets or lease liabilities for these leases.

16. INVESTMENT PROPERTIES

For the Year Ended December 31, 2025

	Land	**Buildings**	**Right-of-use assets**	**Total**
Cost				
Balance at January 1, 2025	$ 269,465	$ 185,184	$ 104,420	$ 559,069
Reclassification (note)	-	11,119	(104,420)	(93,301)
Balance at December 31, 2025	269,465	196,303	-	465,768
Accumulated depreciation				
Balance at January 1, 2025	-	117,856	11,853	129,709
Depreciation	-	4,615	582	5,197
Reclassification (note)	-	(52)	(12,435)	(12,487)
Balance at December 31, 2025	-	122,419	-	122,419
Carrying amount at December 31, 2025	$ 269,465	$ 73,884	$ -	$ 343,349

Note : The right-of-use assets subleased to non-related parties under operating leases were derecognized in April 2025 due to the termination of the lease agreement between both parties and the completion of the disposal of the Kaohsiung Luke Plant 2 property (see Note 11). At the same time, the Company terminated the lease agreement with the Administration of the Kaohsiung Science Park under the Southern Taiwan Science Park, and recognized a lease modification gain of NT$13,282 thousand, which was recorded under other gains and losses.

For the Year ended December 31, 2024

	Land	Buildings	Right-of-use assets	Total
Cost				
Balance at January 1, 2024	$ 269,465	$ 326,664	$ -	$ 596,129
Reclassification	-	54,000	104,420	158,420
Reclassified to held for sale	-	(195,480)	-	(195,480)
Balance at December 31, 2024	269,465	185,184	104,420	559,069
Balance at January 1, 2024	-	153,149	-	153,149
Depreciation	-	12,615	540	13,155
Reclassification	-	15,135	11,313	26,448
Reclassified to held for sale	-	(63,043)	-	(63,043)
Balance at December 31, 2024	-	117,856	11,853	129,709
Carrying amount at December 31, 2024	$ 269,465	$ 67,328	$ 92,567	$ 429,360

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 at December 31, 2024 was as follows:

	December 31	
	2025	2024
Year 1	$ 13,992	$ 24,884
Year 2	9,393	5,760
Year 3	-	5,880
Year 4	-	6,000
Year 5	-	6,120
Year 6 onwards	-	25,680
	$ 23,885	$ 74,324

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	2-10 years
Right-of-use assets	30 years

The investment properties of the Company are located at Annan District in Tainan City, Hunei District in Kaohsiung City and Kaohsiung Science Park. The fair value of the investment properties was assessed by the management of the Company 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.

	December 31	
	2025	2024
Fair value	$ 905,721	$ 1,050,740

All of the Company's investment properties are held under freehold interests. Investment properties pledged by the Company as collateral for bank borrowings are described in Note 33.

17. COMPUTER SOFTWARE

The computer software is amortized on a straight-line basis over 3 to 10 years, the movements were as follows,

	Cost	Accumulated amortization	Carrying amount
Balance at January 1, 2024	$ 173,467	($ 140,706)	$ 32,761
Additions	7,219	-	7,219
Amortization expenses	-	(17,146)	(17,146)
Derecognition	(103,529)	103,529	-
Balance at December 31, 2024	77,157	(54,323)	22,834
Additions	11,134	-	11,134
Amortization expenses	-	(13,946)	(13,946)
Balance at December 31, 2025	$ 88,291	($ 68,269)	$ 20,022

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2025	2024
Unsecured loans	$ 1,567,000	$ 1,410,000
Secured borrowings	-	60,000
	$ 1,567,000	$ 1,470,000
Annual interest rate of unsecured loan (%)	0.872～1.9	1.87～1.985
Annual interest rate of secured loan (%)	-	1.82

b. Long-term borrowings

	December 31	
	2025	2024
Bank loans		
Due in May 2025 and September 2029, respectively.	$ 266,000	$ 616,000
Mortgage loans		
Due in June 2027 and January 2032, respectively.	$ 791,071	400,000
	1,057,071	1,016,000
Less: Current portion	216,571	450,000
	$ 840,500	$ 566,000
Annual interest rate of unsecured loan (%)	1.893	1.891～1.954
Annual interest rate of secured loan (%)	1.92～1.985	1.985

19. NOTES PAYABLE AND ACCOUNTS PAYABLE

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

The Company has financial risk management policies to ensure that all payables are paid within the agreed credit terms.

20. OTHER PAYABLES

	December 31	
	2025	2024
Salaries and incentive bonus	$ 126,795	$ 131,086
Commission and service fee	19,983	31,725
Employee compensation and remuneration of directors	16,812	853
Payables for equipment	4,559	1,120
Others	48,348	35,884
	$ 216,497	$ 200,668

21. PROVISIONS

	December 31	
	2025	2024
Warranties	$ 18,975	$ 12,200

Movements of the warranties were as follows,

	For the Year Ended December 31	
	2025	2024
Balance at January 1	$ 12,200	$ 17,724
Recognition	19,120	19,609
Written off	(12,345)	(25,133)
Balance at December 31	$ 18,975	$ 12,200

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's 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.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan in the Republic of China. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Company adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company makes contributions, equal to a certain percentage of total monthly salaries, to a pension fund, which is deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is

managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the standalone balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	$ 188,820	$ 213,928
Fair value of plan assets	(187,727)	(196,672)
Net defined benefit liabilities	$ 1,093	$ 17,256

Movements of net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2024	$ 219,955	($ 177,087)	$ 42,868
Service cost			
Current service cost	941	-	941
Interest expense (income)	$ 2,859	($ 2,334)	$ 525
Recognized in profit or loss	3,800	(2,334)	1,466
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(16,282)	(16,282)
Actuarial loss - changes in financial assumptions	(4,562)	-	(4,562)
Actuarial gain - experience adjustments	8,993	-	8,993
Recognized in other comprehensive income	4,431	(16,282)	(11,851)
Contributions from the employer	-	(15,227)	(15,227)
Benefits paid	(14,258)	14,258	-
	(14,258)	(969)	(15,227)
Balance at December 31, 2024	213,928	(196,672)	17,256
Service cost			
Current service cost	714	-	714
Interest expense (income)	3,423	(3,183)	240
Recognized in profit or loss	4,137	(3,183)	954
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(13,465)	(13,465)
Actuarial gain - changes in financial assumptions	4,116	-	4,116
Actuarial loss - experience adjustments	1,626	-	1,626
Recognized in other comprehensive income	5,742	(13,465)	(7,723)
Contributions from the employer	-	(9,394)	(9,394)
Benefits paid	(34,987)	34,987	-
	(34,987)	25,593	(9,394)
Balance at December 31, 2025	$ 188,820	($ 187,727)	$ 1,093

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans was as follows:

	For the Year Ended December 31	
	2025	2024
Operating costs	$ 743	$ 1,182
Selling expenses	186	226
General and administrative expenses	25	58
	$ 954	$ 1,466

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk

The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rate (%)	1.30	1.60
Expected rate of salary increase (%)	2.25	2.25

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate		
0.25% increase	($ 3,504)	($ 3,884)
0.25% decrease	$ 3,611	$ 4,002
Expected rate of salary increase		
0.25% increase	$ 3,471	$ 3,853
0.25% decrease	($ 3,386)	($ 3,758)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	**2024**
The expected contributions to the plan for the next year	$ 4,327	$ 4,567
The average duration of the defined benefit obligation	9 years	9 years

23. EQUITY

a. Ordinary Shares

	December 31	
	2025	**2024**
Numbers of shares authorized (in thousands)	400,000	400,000
Amount of shares authorized	$ 4,000,000	$ 4,000,000
Numbers of shares issued and fully paid (in thousands)	254,827	254,827
Amount of shares issued	$ 2,548,265	$ 2,548,265

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

	December 31	
	2025	**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
Conversion of bonds	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
Interest compensation	$ 5,577	$ 5,577
Expired employee stock warrants	1,234	1,234
	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
Share of changes in associates accounted for using the equity method	13,831	-
	$ 1,234,496	$ 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	Dividend Per Share (NT$)
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.

The appropriations of earnings and dividend per share for 2025 had been approved in the shareholder's meeting in June 2026. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividend Per Share (NT$)
Legal reserve	$ 2,222	
Cash dividends	12,591	$ 0.05
	$ 14,813	

In March 2026, the Company's board of directors also proposed to distribute cash dividends of NT$239,235 thousand from additional paid-in capital, equivalent to NT$0.95 per share.

The earnings distribution proposal for 2025 is subject to approval at the annual shareholders' meeting to be held in June 2026.

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 Year Ended December 31	
	2025	2024
Balance at January 1	($ 111,524)	($ 146,157)
Recognized for the year		
Exchange differences on translating foreign operations	(17,048)	3,266
Share of exchange difference of subsidiaries accounted for using the equity method	3,149	40,025
Income tax	21,475	(8,658)
Balance at December 31	($ 103,948)	($ 111,524)

2) Unrealized gain and loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
Balance at January 1	$ 352,787	$ 118,778
Recognized for the year		
Unrealized gain and loss - equity instruments	(47,274)	234,009
Transfer of gain or loss on disposal to retained earnings	9,405	-
Balance at December 31	$ 314,918	$ 352,787

f. Treasury Shares

Reason for Repurchase	Shares to be Transferred to Employees (thousand shares)
Balance as of January 1, 2025	-
Additions during the year	3,000
Balance as of December 31, 2025	3,000

To motivate employees and enhance employee cohesion, the Company's board of directors resolved in May 2025 to repurchase 3,000 thousand shares of its common stock from the open market for transfer to employees. The expected repurchase price range was between NT$16.95 and NT$33.90 per share. If the Company's share price fell below the lower bound of the price range, the Company would continue to execute the repurchase. The repurchase period was from May 12, 2025 to July 11, 2025, and the repurchase was 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 dividend distribution or voting rights. The aforementioned treasury shares shall be transferred to employees within five years from the date of repurchase; any shares not transferred within the prescribed period shall be deemed not issued and the Company shall complete the relevant amendment registration.

24. OPERATING REVENUE

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable, long-term notes and accounts receivables	$ 847,435	$ 653,620	$ 700,236
Contract liabilities			
Sales of goods	$ 341,769	$ 292,741	$ 268,292

b. Disaggregation of revenue

	For the Year Ended December 31	
	2025	2024
Revenue from sale of goods	$ 1,643,205	$ 1,669,367
Revenue from maintenance and rebuilding services	272,529	261,341
	$ 1,915,734	$ 1,930,708

25. PROFIT BEFORE INCOME TAX

The following items were included in profit before income tax:

a. Other income

	For the Year Ended December 31	
	2025	2024
Rental income	$ 40,600	$ 76,693
Electricity income from investment Property	64,028	10,862
Dividend income	5,980	7,007
Others	17,360	12,409
	$ 127,968	$ 106,971

b. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Net foreign exchange gain (loss)	$ 25,186	$ 55,061
Depreciation expense	(6,905)	(14,214)
Gain on disposal of investments	-	857
Gain on disposal of non-current assets held for sale (Note 11)	1,155,984	-
Gain on disposal of property, plant and equipment	958	-
Gain on lease modification (Notes 15 and 16)	16,662	-
Impairment loss on investments accounted for using the equity method (Note 12)	(13,624)	-
Others	(11,442)	(142)
	$ 1,166,819	$ 41,562

The components of net foreign exchange loss were as follows:

	For the Year Ended December 31	
	2025	2024
Foreign exchange gain	$ 93,490	$ 56,009
Foreign exchange loss	(68,304)	(948)
Net foreign exchange gain (loss)	$ 25,186	$ 55,061

c. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	$ 55,563	$ 47,128
Interest on lease liabilities	8,883	14,853
Interest on short-term bills	-	643
	$ 64,446	$ 62,624

d. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Depreciation expenses		
Property, plant and equipment	$ 49,353	$ 86,841
Right-of-use assets	21,753	28,706
Investment properties	5,197	13,155
	$ 76,303	$ 128,702
An analysis of depreciation by function		
Operating costs	$ 28,127	$ 49,766
Operating expenses	41,271	64,722
Non-operating expenses	6,905	14,214
	$ 76,303	$ 128,702
Amortization expenses		
Computer software	$ 13,946	$ 17,146
Others	10,388	13,477

	$ 24,334	$ 30,623
An analysis of amortization by function		
Operating costs	$ 12,147	$ 15,470
Operating expenses	12,187	15,153
	$ 24,334	$ 30,623

(Concluded)

e. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2025	2024
Direct operating expenses of investment properties that generated rental income	$ 6,434	$ 16,965

f. Employee benefits

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits		
Salaries	$ 410,575	$ 392,602
Insurance	44,439	46,477
Others	23,898	22,478
	478,912	461,557

(Continued)

	For the Year Ended December 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	23,958	20,761
Defined benefit plans (Note 22)	954	1,466
	24,912	22,227
	$ 503,824	$ 483,784
Analysis of employee benefits by function		
Operating costs	$ 359,598	$ 351,056
Operating expenses	144,226	132,728
	$ 503,824	$ 483,784

(Concluded)

g. Employees' compensation and remuneration of directors and supervisors

The Company allocates employee compensation and directors' remuneration based on the profit before income tax for the current year, prior to the deduction of such compensation, at rates of not less than 1% and not more than 5%, respectively. Following the amendment to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as approved by the shareholders' meeting in June 2025, stipulating that no less than 40% of the employee compensation so allocated shall be distributed to grassroots employees.

For the year 2024, due to a loss incurred, no employee compensation or directors' remuneration was accrued. The estimated employee compensation and directors' remuneration for the year 2025 were resolved by the Board of Directors in March 2026 as follows:

	For the Year Ended December 31
	2025
In Cash	
Employees' compensation	$ 7,241
Remuneration of directors and supervisors	8,718

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

If there is a change in the proposed amounts after the annual standalone 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.

26. INCOME TAX

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

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 104,321	$ -
Adjustments for prior years	4,937	10,607
	109,258	10,607
Deferred tax		
In respect of the current year	74,881	(80,181)
Adjustments for prior years	(55,706)	(11,307)
	19,175	(91,488)
	$ 128,433	($ 80,881)

The reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2025	2024
Profit before income tax	$ 587,441	($ 987,717)
Income tax (benefit) calculated at the statutory tax rate on profit (loss) before tax	$ 117,488	($ 197,543)
Items not recognized for tax purposes	62,731	50,798
Unrecognized tax loss carryforwards	-	67,764
Tax-exempt income	(1,017)	(1,200)
Adjustments for prior years	(50,769)	(700)
	($ 128,433)	($ 80,881)

b. Income tax benefit (expense) recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current period		
Translation of foreign operations	($ 21,475)	$ 8,658
Remeasurement on defined benefit plans	1,545	2,370
	($ 19,930)	$ 11,028

c. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax assets		
Tax refund receivable	$ 6,583	$ 11,520
Current tax liabilities		
Income tax payable	$ 102,496	$ -

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2025

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences
Deferred tax assets				
Temporary differences	$ 175,014	$ 9,441	$ -	$ 184,455
Write-downs of inventory	41,647	(822)	-	40,825
Allowance for bad debts	168,042	-	-	168,042
Share of loss of foreign subsidiaries	27,881	-	21,475	49,356
Exchange difference on translating foreign operations	3,451	(1,688)	(1,545)	218
Defined benefit plan	11,431	(11,431)	-	-
Loss carryforwards	13,765	(13,765)	-	-
Others	$ 441,231	($ 18,265)	$ 19,930	$ 442,896
Deferred tax liabilities				
Temporary differences				
Land value increment tax	$ 61,301	$ -	$ -	$ 61,301
Others		910	-	910
	$ 61,301	$ 910	$ -	$ 62,211

For the Year Ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences
Deferred tax assets				
Temporary differences	$ 99,152	$ 75,862	$ -	$ 175,014
Write-downs of inventory	34,994	6,653	-	41,647
Allowance for bad debts	168,042	-	-	168,042
Share of loss of foreign subsidiaries	36,539	-	(8,658)	27,881
Exchange difference on translating foreign operations	8,574	(2,753)	(2,370)	3,451
Defined benefit plan	2,164	9,267	-	11,431
Loss carryforwards	11,306	2,459	-	13,765
Others	$ 360,771	$ 91,488	($ 11,028)	$ 441,231
Deferred tax liabilities				
Temporary differences	$ 61,301	$ -	$ -	$ 61,301

e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2025	2024
Subsidiary		
Loss carryforwards	$ -	$ 338,819

The unrecognized loss carryforwards will expire through 2034.

f. Summary Amount of Temporary Differences Related to Investments for which Deferred Tax Assets Have Not Been Recognized

As of December 31, 2025 and 2024, the temporary differences related to investments in subsidiaries for which deferred tax assets have not been recognized amounted to NT$322,563 thousand and NT$263,960 thousand.

g. Income tax assessments

The income tax returns of the Company through 2023 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

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

Net profit for the year

	For the Year Ended December 31	
	2025	2024
Net profit for the year	$ 459,008	($ 906,836)

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

	For the Year Ended December 31	
	2025	**2024**
Weighted average number of ordinary shares in computation of basic earnings per share	254,827	254,827
Less: Treasury shares	1,623	-
Weighted average number of ordinary shares in computation of basic earnings per share	253,204	254,827
Effect of potentially dilutive potential ordinary shares:		
Employees' compensation	232	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	253,436	254,827

Due to a net loss incurred in 2024, the calculation of diluted loss per share would result in anti-dilution; therefore, diluted loss per share was not calculated.

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.

28. ACQUISITION OF A SUBSIDIARY – OBTAINING CONTROL

In February 2025, the Company participated in a cash capital increase of Potzu Co. with an investment of NT$132,000 thousand, acquiring a 60% equity interest. The Company also obtained a majority of the seats on the board of directors, thereby gaining control over the investee. For related information, please refer to Note 29 to the Company's consolidated financial statements.

29. CASH FLOW INFORMATION

For the years ended December 31, 2025 and 2024, the Company entered into the following non-cash investing activities:

	For the Year Ended December 31	
	2025	**2024**
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	$ 22,715	$ 18,830
Decrease (increase) of payable for equipment	(3,439)	3,168
Increase (decrease) of prepayment for equipment	4,085	6,170
Cash paid	$ 23,361	$ 28,168
Investing activities affecting both cash and non-cash items		
Acquisition of computer software	$ 11,134	$ 7,219
Increase in prepayments	8,415	-
Cash paid	$ 19,549	$ 7,219

30. CAPITAL MANAGEMENT

The Company manages its capital to ensure that, as a whole, it will be able to continue as going concerns; the Company uses operating capital effectively and optimize debt and equity balance. The overall strategy of the Company has not significantly changed over in 2025.

The key management personnel of the Company 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 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 consists of net debt and equity, and is not subject to compliance with other external capital regulations.

31. 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
December 31, 2025				
Financial assets at FVTOCI - non-current				
Domestic listed shares	$ 338,442	$ -	$ -	$ 338,442
Domestic unlisted shares	-	-	363,741	363,741
	$ 338,442	$ -	$ 363,741	$ 702,183
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

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2025 and 2024.

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

	Equity Instruments - Financial Assets at FVTOCI	
	For the Year Ended December 31	
	2025	2024
Financial assets		
Balance at January 1	$ 30,454	$ 32,084
Purchase	343,919	-
Disposal	(5,795)	-
Change in fair value recognized in other comprehensive income	(4,837)	(1,630)
Balance at December 31	$ 363,741	$ 30,454

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.

c. Categories of financial instruments

	December 31	
	2025	**2024**
Financial assets		
Financial assets at amortized cost (1)	$ 2,254,494	$ 1,650,548
Financial assets at FVTOCI		
Equity instruments	702,183	411,332
Financial liabilities		
Financial liabilities at amortized cost (2)	3,472,948	3,179,764

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost - non-current, notes and accounts receivable (including related parties), other receivables (including related parties), 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, notes and accounts payable (including related parties), other payables, long-term borrowings (including those due in one year) and guarantee deposit received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, notes and accounts receivable, notes and accounts payable, short-term and long-term borrowings 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 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 minimizes the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company's 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's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company is 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 swap contract, 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 35.

The Company is mainly exposed to the USD, CNY and EUR. The following table details the Company's 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 Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2025	2024	2025	2024	2025	2024
Profit or loss (Note)	($27,396)	($18,482)	($13,149)	($12,220)	($16,284)	($13,534)

Note: These were mainly attributable to the exposure of the USD ,CNY and EUR (including cash and cash equivalent, 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 is exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2024	2024
Fair value interest rate risk		
Financial assets	$ 3,828	$ 7,035
Financial liabilities	256,261	627,857
Cash flow interest rate risk		
Financial liabilities	2,624,071	2,486,000

The sensitivity analysis below was determined based on the Company's 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's pre-tax profit and loss would have been lower/higher by NT$26,241 thousand and higher/ lower NT$24,860 thousand for the years ended December 31, 2025 and 2024, respectively.

c) Other price risk

The Company is 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 other comprehensive income (loss) for the years ended December 31, 2025 and 2024 would have been higher/lower by NT$3,384 thousand and NT$3,809 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. As of the balance sheet date, the Company's maximum exposure to credit risk is the carrying amount of the financial assets on the standalone balance sheets.

The Company 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's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Except for the following customer, the Company did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company's concentration of credit risk in receivables (including notes and accounts receivable, long-term notes receivable, overdue receivables and other receivables) by customer was as follows:

	December 31	
Customer	**2025**	**2024**
Suzhou Tongyu Machine Tool Co., Ltd. (Suzhou Tongyu)	$ 77,993	$ 164,235
Company A	153,303	51,875
Company B	132,628	16,770
Company C	116,305	501
Company D	90,303	108,125
	$ 570,532	$ 341,506

3) Liquidity risk

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

The following table details the Company's 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 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.

December 31, 2025

	Less than 1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$ 847,577	$ 1,300	$ -	$ 848,877
Interest bearing liabilities	1,804,089	772,305	130,782	2,707,176
Finance lease liabilities	19,934	70,359	218,157	308,450
Financial guarantee liabilities	1,115,675	-	-	1,115,675
	$3,787,275	$ 843,964	$ 348,939	$4,980,178

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	$ 19,934	$ 70,359	$ 83,372	$ 83,372	$ 51,413	$ -

December 31, 2024

	Less than 1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$ 689,219	$ 4,545	$ -	$ 693,764
Interest bearing liabilities	1,941,578	597,068	-	2,538,646
Finance lease liabilities	37,999	142,124	680,133	860,256
Financial guarantee liabilities	869,357	-	-	869,357
	$3,538,153	$ 743,737	$ 680,133	$4,962,023

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	$ 37,999	$ 142,124	$ 170,573	$ 170,573	$ 139,648	$ 199,339

32. TRANSACTIONS WITH RELATED PARTIES

Except for the information discloses in other notes, details of transactions between the Company and other related parties were as follows:

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

Related Party Name	Relationship
Tongfong	Subsidiary
APEC	Subsidiary
Quick-Tech	Subsidiary
Tong-Yeh	Subsidiary
Potzu	Subsidiary
Suzhou Tongyu	Subsidiary
TTJP	Subsidiary
TTM	Subsidiary
TTVN	Subsidiary
TTS	Subsidiary
TMM	Subsidiary
SKTD Co., Ltd.	Subsidiary
TTGT	Subsidiary
PCI	Subsidiary
Anger Machining GmbH （Anger）	Subsidiary
TTE	Subsidiary
Union Top	Subsidiary
Tongan	Subsidiary
Mbi-group Beteiligung GmbH	Subsidiary
TTGroup France（TTGF）	Subsidiary
CERIMATEC	Subsidiary
Contrel Technology Co., Ltd.	Other related parties
F.S.E Corporation	Other related parties
Honor Seiki	Other related parties
Shiang Jen Co., Ltd. (Shiang Jen)	Other related parties
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

b. Sales of goods

		For the Year Ended December 31	
Account Item	Related Party Type	2025	2024
Revenues from sales	Subsidiaries		
	Suzhou Tongyu	$ 142,753	$ 234,666
	Quick-Tech	27,549	46,989
	TTS	32,226	19,064
	Others	51,878	60,609
	Other related parties	27,263	42,623
		$ 281,669	$ 403,951

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 Year Ended December 31	
Related Party Type	**2025**	**2024**
Subsidiaries	$ 84,885	$ 110,016
Other related parties	82,404	96,686
	$ 167,289	$ 206,702

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

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

		December 31	
Account Item	**Related Party Type**	**2025**	**2024**
Accounts receivable-related parties	Subsidiaries		
	Suzhou Tongyu	$ 77,993	$ 164,235
	TTS	30,607	2,076
	TTE	13,901	13,440
	PCI	1,577	8,457
	Quick-Tech	3,595	2,197
	Others	15,477	11,576
	Other related parties	16,141	8,211
		$ 159,291	$ 210,192
Other receivables - related parties	Subsidiaries	$ 24,245	$ 21,037
	Other related parties	8,340	6,688
		$ 32,585	$ 27,725

e. Payables to related parties

		December 31	
Account Item	**Related Party Type**	**2025**	**2024**
Notes payable - related parties	Honor Seiki	$ -	$ 8,879
Accounts payable - related parties	Subsidiaries		
	Tongfong	$ 27,630	$ 26,691
	Others	13,953	21,270
	Other related parties		
	Shiang Jen	8,284	28,350
	San Shin	13,563	14,475
	Others	1,153	7,717
		$ 64,583	$ 98,503
Other payables - related parties	Subsidiaries	$ 11,983	$ 12,740
	Other related parties	213	277
		$ 12,196	$ 13,017

f. Contract liabilities

	December 31	
Account Item	**2025**	**2024**
Subsidiaries	$ 7,879	$ 5,243

g. Loans to related parties

Account Item	December 31 2025	December 31 2024
Other receivables - related parties		
Subsidiaries		
Anger	$ 309,960	$ 286,776
PCI	7,380	91,315
Suzhou Tongyu	89,920	89,560
TTE	75,432	75,406
CERIMATEC	103,320	47,796
TTGT	92,250	-
Others	55,959	44,885
De facto related party	2,711	758
	$ 736,932	$ 636,496

Account Item	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Interest income		
Subsidiaries	$ 20,168	$ 27,556

The Company provided short-term loans to its subsidiaries, with the interest rate calculated based on the average rate of the Company's bank loans from ordinary financial institutions.

h. Endorsements and guarantees

Related Party Type	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Amount endorsed		
Subsidiaries		
Anger	$ 797,040	$ 737,424
Union Top	484,965	505,873
APEC	235,000	235,000
Potzu	310,000	-
Others	56,430	115,570
	$ 1,883,435	$ 1,593,867
Amount utilized		
Subsidiaries		
Anger	$ 535,050	$ 460,890
Union Top	356,702	314,197
APEC	78,150	72,770
Potzu	130,273	-
Others	15,500	21,500
	$ 1,115,675	$ 869,357

i. Other transactions with related parties

Related Party Type	For the Year Ended December 31 2025	2024
1) After-sales service expenses (recognized as selling and marketing expenses)		
Subsidiaries		
TTJP	$ 17,504	$ 17,770
Suzhou Tongyu	2,398	3,348
TTGF	7	5,071
Others	11,023	11,621
Other related parties	92	833
	$ 31,024	$ 38,643
2) Commission expense (recognized as selling and marketing expenses)		
Subsidiaries	$ 1,953	$ 610
Other related parties	82	848
	$ 2,035	$ 1,458
3) Rental income		
Subsidiaries	$ 3,510	$ 2,969
Other related parties		
Shiang Jen	5,640	5,520
Others	667	286
	$ 9,817	$ 8,775

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.

j. Compensation of key management personnel

	For the Year Ended December 31 2025	2024
Short-term employee benefits	$ 12,746	$ 10,985
Post-employment benefits	329	486
	$ 13,075	$ 11,471

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31 2025	2024
Property, plant and equipment	$ 505,876	$ 530,729
Investment properties	154,629	146,335
Other financial assets (including current and non-current portion)	68,439	166,707
	$ 728,944	$ 843,771

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Note 15, significant commitments and contingencies of the Company as of December 31, 2025 were as follows:

a. Unused letters of credit in the amount of NT$ 16,484 thousand.

b. For sales, bidding, export tariff and commodity tax, the Company entered into credit facility agreements with banks for commitment amount of NT$ 179,513 thousand.

35. 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 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)
December 31, 2025				
Monetary foreign currency assets				
USD	$ 29,669	31.43	(USD: NTD)	$ 932,497
EUR	15,060	36.90	(EUR: NTD)	555,714
CNY	100,018	4.496	(CNY: NTD)	449,681
Non-monetary foreign currency assets				
Investment accounted for using the equity method				
MYR	7,290	7.481	(MYR: NTD)	54,540
Monetary foreign currency liabilities				
USD	614	31.43	(USD: NTD)	19,298
EUR	350	36.90	(EUR: NTD)	12,915
CNY	2,532	4.496	(CNY: NTD)	11,384
Non-monetary foreign currency liabilities				
Investment accounted for using the equity method				
EUR	8,538	36.90	(EUR: NTD)	315,036
December 31, 2024				
Monetary foreign currency assets				
CNY	$ 19,302	32.785	(CNY: NTD)	$ 632,816
EUR	13,366	34.14	(EUR: NTD)	456,315
USD	93,652	4.478	(USD: NTD)	419,374
Non-monetary foreign currency assets				
Investment accounted for using the equity method				
MYR	7,748	7.066	(MYR: NTD)	54,743

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Monetary foreign currency liabilities				
USD	511	32.785	(USD: NTD)	16,753
EUR	152	34.14	(EUR: NTD)	5,189
CNY	2,686	4.478	(CNY: NTD)	12,028
Non-monetary foreign currency liabilities				
Investment accounted for using the equity method				
EUR	6,152	34.14	(EUR: NTD)	210,016

(Concluded)

The total foreign exchange net gain amounted to NT$25,186 thousand and 55,061 thousand for the years ended December 31, 2025 and 2024, respectively. It is impractical to disclose the net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies.

36. 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;

b. Names, locations, and related information of investees over which the Company and its subsidiaries exercises significant influence (excluding information on investment in Mainland China): Please see Table 6 attached;

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 7 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.

d. Information of major shareholders: Please see Table 8 attached.

37. SEGMENT INFORMATION

Disclosure of the segment information in standalone financial statements is waived.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 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	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	$ 29,503	$ 7,380	2.07～4	Note 1	$ -	Operating capital	$ -		$ -	$ 478,833	$ 957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Machinery Co., Ltd.	Other receivables - related party	Yes	68,922	59,717	29,859	4.2	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	Other receivables - related party	Yes	309,960	309,960	309,960	2.004～3.022	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Other receivables - related party	Yes	153,620	150,864	75,432	4.2	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd.	Other receivables - related party	Yes	91,460	89,920	89,920	1.95	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	CERIMATEC	Other receivables - related party	Yes	169,670	103,320	103,320	2.036～2.44	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	TTGroup France	Other receivables - related party	Yes	7,280	-	-	-	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	Other receivables - related party	Yes	92,250	92,250	92,250	2.07	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Co., Ltd.	Other receivables - related party	Yes	40,000	40,000	12,100	1.9	Note 1	-	Operating capital	-		-	478,833	957,667	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	-		-	478,833	957,667	Note 2
0	Tongtai Machine & Tool Co., Ltd.	PT TONG-TAI SEIKINDO	Other receivables - related party	Yes	3,126	3,126	2,711	4	Note 1	-	Operating capital	-		-	478,833	957,667	Note 2
1	Union Top	Mbi-group Beteiligung GmbH	Other receivables - related party	Yes	36,900	36,900	36,900	4.7	Note 1	-	Operating capital	-		-	88,194	176,387	Note 3
1	Union Top	PCI-SCEMM	Other receivables - related party	Yes	36,400	7,380	7,380	3.1	Note 1	-	Operating capital	-		-	88,194	176,387	Note 3
1	Union Top	TTGROUP AMERICA, INC.	Other receivables - related party	Yes	14,942	14,144	14,144	6.5	Note 1	-	Operating capital	-		-	88,194	176,387	Note 3
1	Union Top	Lerinc Werkzeugmaschinen & Automation GmbH	Other receivables - related party	Yes	44,280	44,280	44,280	5.26	Note 1	-	Operating capital	44,280		-	88,194	176,387	Note 3
1	Union Top	CERIMATEC	Other receivables - related party	Yes	18,450	18,450	18,450	3.1	Note 1	-	Operating capital	-		-	88,194	176,387	Note 3
1	Union Top	TTGroup France	Other receivables - related party	Yes	7,380	-	-	-	Note 1	-	Operating capital	-		-	88,194	176,387	Note 3
2	TTGroup Technologies	PCI-SCEMM	Other receivables - related party	Yes	18,200	-	-	-	Note 1	-	Operating capital	-		-	78,041	156,083	Note 3
3	PCI-SCEMM	CERIMATEC	Other receivables - related party	Yes	36,400	-	-	-	Note 1	-	Operating capital	-		-	24,758	49,516	Note 3
3	PCI-SCEMM	TTGroup France	Other receivables - related party	Yes	7,280	-	-	-	Note 1	-	Operating capital	-		-	24,758	49,516	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.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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	$ 1,436,500	$ 512,353	$ 484,965	$ 356,702	$ -	10.13	$ 2,394,167	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	The Company owns directly or indirectly over 50% ownership of the investee company	1,436,500	797,040	797,040	535,050	-	16.65	2,394,167	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Asia Pacific Elite Corp.	The Company owns directly or indirectly over 50% ownership of the investee company	1,436,500	235,000	235,000	78,150	-	4.91	2,394,167	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	1,436,500	57,820	-	-	-	-	2,394,167	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Co., Ltd.	A company in which more than 50% of the voting shares are directly or indirectly held by the Company	1,436,500	25,000	25,000	15,500	-	0.52	2,394,167	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Machine Tool (SEA) Sdn. Bhd.	A company in which more than 50% of the voting shares are directly or indirectly held by the Company	1,436,500	33,205	31,430	-	-	0.66	2,394,167	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	POTZU CO., LTD.	The Company owns directly or indirectly over 50% ownership of the investee company	1,436,500	310,000	310,000	130,273	-	6.47	2,394,167	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 (3), 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
DECEMBER 31, 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	DECEMBER 31, 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	$ 323,966	4	$ 323,966	
	World Known MFG (Cayman) Limited	-	Financial assets at fair value through other comprehensive income - non-current	280,000	14,476	1	14,476	
	USYNC INC.	-	Financial assets at fair value through other comprehensive income - non-current	295,371	13,334	4	13,334	
	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	
	PHROZEN TECH CO., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	600,000	30,300	2	30,300	
					$ 702,183		$ 702,183	
	Financial bond CATLIF_5.8_050934		Financial assets at amortized cost - non-current	-	$ 31,430	-	$ 31,430	

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 YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer (Seller)	Related Party	Relationship	Transaction Details				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	($ 142,753)	7.45	Comparable with ones of non-related party transactions	$ -	-	$ 77,993	9.25	

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd.	Subsidiary	$ 169,291 (Note 1)	1.18	$ -	-	$ 20,041	$ -
	Anger Machining GmbH	Subsidiary	321,190 (Note 2)	2.22	-	-	-	-
	CERIMATEC	Subsidiary	104,464 (Note 3)	-	-	-	-	-

Note 1: Including accounts receivable amounted of NT$77,993 thousand and other receivable amounted of NT$91,298 thousand. Other receivable was excluded in the calculation turnover rate.

Note 2: Including accounts receivable amounted of NT$3,236 thousand and other receivable amounted of NT$317,954 thousand. Other receivable was excluded in the calculation turnover rate.

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

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 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	$ 880,128	($ 89,792)	($ 89,792)	
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	28,981	1,507	1,507	
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	234,221	39,482	40,192	
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	101,177	1,625	2,258	
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	(5,988)	11,451	10,831	
Tongtai Machine & Tool Co., Ltd.	POTZU CO., LTD.	Chiayi City	Sales, manufacturing and processing of machine component	132,000	-	45,000	60.00	117,353	(29,800)	(13,647)	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	20,092	(3,881)	(3,881)	
Tongtai Machine & Tool Co., Ltd.	Tong Tai Machinery Co., Ltd.	Thailand	Sales of customized machine	5,854	5,854	999,998	100.00	31,534	2,064	2,064	
Tongtai Machine & Tool Co., Ltd.	Tongtai Seiki Vietnam Co.,Ltd.	Vietnam	Sales of customized machine	9,054	9,054	631,080	100.00	23,346	2,046	2,046	
Tongtai Machine & Tool Co., Ltd.	Tongtai Machine Tool (SEA) Sdn. Bhd.	Malaysia	Sales of customized machine	5,107	5,107	520,000	52.00	13,610	(7,005)	(3,642)	
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	40,930	437	437	
Tongtai Machine & Tool Co., Ltd.	TTGroup America Inc.	USA	Sales of merchandise	71,667	71,667	-	100.00	(9,494)	(5,073)	(5,073)	
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	3,330	224	224	
Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Netherlands	Sales of merchandise	96,221	96,221	9,000	100.00	(75,663)	2,453	2,453	
Tongtai Machine & Tool Co., Ltd.	Tongan GmbH	Austrian	General investment	981,154	981,154	35,000	100.00	(370,048)	(277,824)	(277,824)	
Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	France	General investment	171,600	-	5,000,000	100.00	130,675	55,334	55,334	
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	780,415	95,299	39,109	
Tongtai Machine & Tool Co., Ltd.	Ruei Yang Precision Co., Ltd.	Tainan City	Manufacturing and processing of mechanical parts	10,000	10,000	1,000,000	20.00	4,321	(13,145)	(2,629)	
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	10,193	456	182	
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 and maintenance	13,624	-	1	20.00	-	(105,334)	-	Note 2
Union Top Industrial (Samoa) Limited	Great Pursuit Limited	Samoa	General investment	40,054	40,054	-	55.00	-	-	-	
Tongtai Machine & Tool Japan Co., Ltd.	SKTD Co., Ltd.	Japan	Design and development of machine tools	23,203	23,203	780	98.73	13,014	(5,417)	(5,349)	
TTGroup Technologies	PCI-SCEMM	France	Sales and maintenance of machine tools	399,492	-	2,050,000	100.00	247,581	88,414	88,414	Note
TTGroup Technologies	TTGroup France	France	Sales of merchandise	1,076	-	30,000	100.00	-	(3,661)	(3,661)	
TTGroup Technologies	CERIMATEC	France	Design and development of machine tools	9,816	-	300,000	100.00	(32,024)	(5,836)	(5,836)	
Tongan GmbH	Mbi-group Beteiligung GmbH	Austrian	General investment	946,577	946,577	-	100.00	(371,427)	(277,731)	(277,731)	
Mbi-group Beteiligung GmbH	Anger Machining GmbH	Austrian	Sales, manufacturing and maintenance of machine tools	991,615	991,615	-	100.00	(304,739)	(275,111)	(275,111)	
Anger Machining GmbH	Anger Machining Inc.	USA	Sales and maintenance of machine tools	-	122	-	-	-	-	-	Note 3
Anger Machining GmbH	Anger Service Deutschland GmbH	Germany	Sales and maintenance of machine tools	868	868	-	100.00	6,147	883	883	
Tongtai Machine & Tool Co., Ltd.	PCI-SCEMM	France	Sale and maintenance of machine tools	-	182,200	-	-		(39,542)	(39,542)	Note 2
PCI-SCEMM	TTGroup France	France	Sales of merchandise	-	1,076	-	-		(10,458)	(10,458)	Note 4
PCI-SCEMM	CERIMATEC	Germany	Design and development of machine tools	-	9,816	-	-		(39,350)	(39,350)	Note 4

Note 1: Refer to Notes 12 and 28 for details.

Note 2: Refer to Note 12 for details.

Note 3: Liquidation was completed in 2025.

Note 4: In May 2025, as part of an organizational restructuring, all equity interests in CERIMATEC and TTGF held by PCI were transferred to TTGT.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	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 December 31, 2025 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Tong-Yu Machine Tool (Shanghai) Co., Ltd.	Sales and maintenance of machine tools	$ 75,683	Investments through a holding company registered in a third region	$ 75,683	$	$	$ 75,683	($ 5,258)	100.00	($ 5,258)	$ 76,408	$ -	-
Suzhou Tongyu Machine Tool Co., Ltd.	Manufacturing of digital control machine and system	785,750	Investments through a holding company registered in a third region	785,750			785,750	(36,431)	100.00	(36,431)	1,049,262	-	-
Shanghai Tong-Tai-Shin Trading Co., Ltd.	International trade	6,286	Investments through a holding company registered in a third region	6,286			6,286	(81)	100.00	(81)	9,971	-	-
Hao-Tern-Shin Electronics (Shenzhen) Co., Ltd.	Sales and manufacturing of printed circuit board	78,575	Investments through a holding company registered in a third region	43,216			43,216	-	55.00	-	-	-	-

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 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)
The Company	$ 910,935	$ 910,935	$ 2,873,001

Note 1: The amounts were calculated based on the foreign exchange rate as of December 31, 2025.

Note 2: The basis for recognition of investment income (loss) is based on the financial statements reviewed and attested by R.O.C. parent company's CPA.

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.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

ITEM	STATEMENT INDEX
MAJOR ACCOUNTING ITEMS IN ASSETS, LIABILITIES AND EQUITY	
STATEMENT OF CASH AND CASH EQUIVALENTS	1
STATEMENT OF NOTES RECEIVABLES AND LONG-TERM NOTES RECEIVABLES	2
STATEMENT OF ACCOUNTS RECEIVABLES	3
STATEMENT OF OTHER RECEIVABLES	4
STATEMENT OF INVENTORIES	5
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT	6
FINANCIAL ASSETS AT AMORTIZED COST – NON-CURRENT	Note 8
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	7
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT	Note 14
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	Note 14
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS	8
STATEMENT OF CHANGES IN ACCUMULATEDDEPRECIATION OF RIGHT-OF-USE ASSETS	8
STATEMENT OF CHANGES IN INVESTMENT PROPERTIES	Note 16
STATEMENT OF CHANGES IN ACCUMULATED DPRECIATION OF INVESTMENT PROPERTIES	Note 16
STATEMENT OF CHANGES IN COMPUTER SOFTWARE	Note 17
STATEMENT OF DEFERRED TAX ASSETS	Note 26
STATEMENT OF OTHER FINANCIAL ASSETS	9
STATEMENT OF OTHER CURRENT AND NON-CURRENT ASSETS	Note 13
STATEMENT OF SHORT-TERM BORROWINGS	10
STATEMENT OF CONTRACT LIABILITIES - CURRENT	11
STATEMENT OF ACCOUNTS PAYABLE	12
STATEMENT OF OTHER PAYABLES	Note 20
STATEMENT OF PROVISIONS	Note 21
STATEMENT OF LONG-TERM BORROWINGS	13
STATEMENT OF LEASE LIABILITIES	14
STATEMENT OF DEFERRED TAX LIABILITIES	Note 26
NEGATIVE BALANCE OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	7
MAJOR ACCOUNTING ITEMS IN PROFIT OR LOSS	
STATEMENT OF OPERATING REVENUES	15
STATEMENT OF OPERATING COSTS	16
STATEMENT OF OPERATING EXPENSES	17
STATEMENT OF OTHER GAINS AND LOSSES	Note 25
STATEMENT OF FINANCE COST	Note 25
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION	18

STATEMENT 1

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount
Cash on hand	$ 606
Deposits in transit	3,675
Bank deposits in New Taiwan dollar	
Demand deposits	99,471
Foreign currency deposits (Note)	
USD 4,195 thousand	131,853
CNY 1,849 thousand	8,313
EUR 358 thousand	13,206
JPY 31thousand	6
GBP 2 thousand	67
	153,445
	257,197
Cash equivalents	
HSBC Bank - USD time deposit amounted of USD 120 thousand with annual interest rate 4.5% and maturity date at 2025.01.08	47,145
E.SUN Bank - NTD time deposit amounted of NTD 157,500 thousand with annual interest rate 1.75% and maturity date at 2026.02.28	157,500
E.SUN Bank - NTD time deposit amounted of NTD 42,500 thousand with annual interest rate 1.28% and maturity date at 2026.02.28	42,500
	247,145
	$ 504,342

Note: US$1=NT$31.43, CNY¥1=NT$4.496, JPY￥1=NT$0.2008, EUR€1=NT$36.9 and GBP£1=NT$42.33.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF NOTES RECEIVABLES AND LONG-TERM NOTES RECEIVABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Customer Name	Amount
Notes receivable	
Non-Related Parties	
Company E	$ 15,745
Company F	3,600
Company G	3,180
Company H	3,045
Company I	2,780
Others (Note)	14,875
	43,225
Less: Unrealized interest revenue	7,359
	$ 35,866
Long-term notes receivable	
Company F	$ 3,434
Company J	394
	$ 3,828

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF ACCOUNTS RECEIVABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Customer Name	Amount	Overdue for more than one year	Note
Non-Related Parties			
Company A	$ 153,303	$ 34,524	Sale of goods
Company B	132,628	-	Sale of goods
Company C	116,305	-	Sale of goods and maintenance services
Company D	90,303	-	Sale of goods and maintenance services
Others (Note)	360,461	147,938	
	853,000	$ 182,462	
Less: Allowance for impairment loss	204,550		
	$ 648,450		
Related Parties			
Suzhou Tongyu Machine Tool Co., Ltd.	$ 77,993	$ -	Sale of goods and maintenance services
TTS	30,607	-	Sale of goods and maintenance services
TTE	13,901	-	Sale of goods
Contrel Tech	9,419	-	Sale of goods and maintenance services
Others (Note)	27,371	-	
	$ 159,291	$ -	

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Non-Related Parties	
Tax refund receivable	$ 10,690
Income receivable	3,255
Others (Note)	2,553
	$ 16,498
Related Parties	
Receivable from financing provided to others	$ 736,932
Others (Note)	32,585
	$ 769,517

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Carrying Value (Note 1)	Net Realizable Value (Note 2)
Raw materials	$ 1,023,634	$ 1,273,761
Supplies	117,791	144,813
Work-in-progress	659,688	770,762
Finished goods	580,766	701,871
	$ 2,381,879	$ 2,891,207

Note 1: Net carrying value with a deduction of allowance for loss on inventory value decline of inventories amounted of NT$922,274 thousand.

Note 2: Refer to Note 4 for information of net realizable value.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Marketable Securities	Balance, January 1, 2025		Additions		Decrease		Balance, December 31, 2025		Collateral	Note
	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value (Note 1)		
Domestic listed shares										
Contrel Technology Co., Ltd.	6,849,178	$ 366,430	-	$ -	-	$ 42,464	6,849,178	$ 323,966	None	
World Known MFG (Cayman) Limited	280,000	14,448	-	28	-	-	280,000	14,476	None	
Domestic unlisted shares										
Shiang Jen Co., Ltd	1,520,000	11,558	-	-	1,520,000	11,558	-	-	None	
USYNC INC.	295,371	12,582	-	752	-	-	295,371	13,334	None	
World Known Mfg. Co., Ltd.	229,729	6,314	-	174	-	-	229,729	6,488	None	
Yeong Chin Machinery Industries Co., Ltd.	-	-	5,667,800	313,619	-	-	5,667,800	313,619	None	
Phrozen Tech Co., Ltd.	-	-	600,000	30,300	-	-	600,000	30,300	None	
		$ 411,332		$ 344,873		$ 54,022		$ 702,183		

Note 1: Fair values are measured on the basis of the closing price on the balance sheet date or measured using the valuation techniques in Note 32.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance, January 1, 2024		Additions (Note 1)		Decrease		Balance, December 31, 2025			Net Assets Value		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	% of Ownership	Amount	Unit Price	Total Amount	Collateral
Investments in subsidiaries												
Tongfong Auto Tech Co., Ltd.	1,500,000	$ 27,474	-	$ 1,507	-	$ -	1,500,000	100.00	$ 28,981	$ 19.32	$ 28,981	None
Asia Pacific Elite Corp.	14,515,634	211,315	-	40,192	-	-	14,515,634	99.83	251,507	16.14	234,221	None
Quick-Tech Machinery Co., Ltd.	11,896,891	110,908	-	2,258	-	-	11,896,891	99.14	113,166	8.98	106,819	None
Tong-Yeh Precision Co., Ltd.	1,659,790	(18,303)	-	12,315	-	-	1,659,790	94.58	(5,988)	(3.61)	(5,988)	None
POTZU Co., Ltd.	-	-	45,000	117,353	-	-	45,000	60.00	117,353	1,806.711	81,302	
Tongtai Machine & Tool Japan Co., Ltd.	889	24,910	-	-	-	(4,818)	889	100.00	20,092	22,600.67	20,092	None
Tong Tai Machinery Co., Ltd.	999,998	28,202	-	3,332	-	-	999,998	100.00	31,534	31.53	31,533	None
Tongtai Seiki Vietnam Co., Ltd.	631,080	23,041	-	305	-	-	631,080	100.00	23,346	36.99	23,346	None
Tongtai Machine Tool (SEA) Sdn. Bhd.	520,000	16,524	-	-	-	(2,914)	520,000	52.00	13,610	26.17	13,609	None
Tongtai Machine Tool (MFG) Sdn. Bhd.	8,500,000	38,219	-	2,711	-	-	8,500,000	100.00	40,930	4.82	40,930	None
TTGroup America,Inc.	-	(4,570)	-	-	-	(4,924)	-	100.00	(9,494)	(94,940.00)	(9,494)	None
Tongtai Mexico, S.A. DE C. V.	65,999	2,785	-	545	-	-	65,999	100.00	3,330	50.44	3,330	
Process Conception Ingenierie-Societe de Construction D' equipments, De Mecanisations Et De Machines	1,000,000	(65,808)	-	65,808	1,000,000	-	-	-	-	-	-	None
Tongtai Europe B.V.	9,000	(72,385)	-	-	-	(3,278)	9,000	100.00	(75,663)	(8,407.00)	(75,663)	None
Union Top Industrial (Samoa) Limited	16,465,400	959,351	-	-	-	(79,223)	16,465,400	100.00	880,128	53.56	881,938	None
Tongan GmbH	35,000	(71,823)	-	-	-	(298,225)	35,000	100.00	(370,048)	(10,572.80)	(370,048)	None
TTGroup Technologies	-	-	5,000,000	130,675	-	-	5,000,000	100.00	130,675	26.14	130,675	None
		1,209,840		377,001		(393,382)			1,193,459		1,135,583	
Accumulated impairment						-						
Asia Pacific Elite Corp.		(17,286)		-		-			(17,286)		-	
Quick-Tech Machinery Co., Ltd.		(11,989)		-		-			(11,989)		-	
Add: Credit balance for investments accounted for using the equity method		232,889		228,304		-			461,193		-	
		1,413,454		605,305		(393,382)			1,625,377		1,135,583	
Investments in associates												
Cyber Laser Taiwan Co., Ltd.	2,000,000	7,841	-	-	-	-	2,000,000	33.00	7,841	-	-	None
Magdeburger Werkzeugmaschinen & Automation GmbH（MWA）	-	-	1	13,624	-	-	1	20.00	13,624	-	-	None
Honor Seiki Co., Ltd.	15,485,893	763,109	-	17,306	-	-	15,485,893	39.60	780,415	43.18	668,618	None
Ruei Yang Precision Co., Ltd.	1,000,000	6,454	-	-	-	(2,133)	1,000,000	20.00	4,321	6.02	6,019	None
Printin3d DigiTech Co., Ltd.	1,000,000	10,211	-	-	-	(18)	1,000,000	40.00	10,193	10.19	10,193	None
		787,615		30,930		(2,151)			816,394		684,830	
Accumulated impairment- Cyber Laser Taiwan Co., Ltd.		(7,841)		-		-			(7,841)		-	
Accumulated impairment- MWA		-		-		(13,624)			(13,624)		-	
		779,774		30,930		(15,775)			794,929		684,830	
		$ 2,193,228		$ 636,235		($ 409,157)			$ 2,420,306		$ 1,820,413	

Note 1: Except for increase or decrease in investment, the change in the current year was mainly from the elimination of unrealized profit or loss from downstream transactions, gain and loss from investment, adjustments in equity from investments and dividends received.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Balance, January 1, 2025	Additions (Note 1)	Decrease (Note 2)	Reclassification	Balance, December 31, 2025
Cost					
Land	$ 670,583	$ 30,699	$ -	($ 104,420)	$ 596,862
Transportation equipment	12,572	7,784	(6,332)	-	14,024
Total	683,155	$ 38,483	($ 6,332)	($ 104,420)	610,886
Accumulated depreciation					
Land	86,864	$ 24,336	$ -	($ 11,313)	99,887
Transportation equipment	6,787	4,370	(6,332)	-	4,825
Total	93,651	$ 28,706	($ 6,332)	($ 11,313)	104,712
	$ 589,504				$ 506,174

Note 1：The increase in right-of-use assets was due to new leases entered into and rental rate adjustments.

Note 2：The increase in right-of-use assets was due to lease terminations.

STATEMENT 9

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF OTHER FINANCIAL ASSETS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Bank Name	Interest Rates (%)	Period	Amount	Note
Current				
Bank of Taiwan - Demand deposits			$ 8,102	Note 1
CTBC Bank - Time deposits	0.65	2025.12.21～2026.01.21	30,000	Note 2
			$ 38,102	
Noncurrent				
E.SUN Bank - Time deposit	3.55	2025.11.14～2026.02.14	$ 6,286	Note 3
E.SUN Bank - Time deposit	3.30	2025.12.17～2026.04.17	4,715	Note 3
E.SUN Bank - Time deposit	3.30	2025.12.20～2026.03.20	1,572	Note 3
E.SUN Bank - Time deposit	3.40	2025.12.17～2026.01.17	1,572	Note 3
E.SUN Bank - Time deposit	3.60	2025.11.28～2026.02.28	8,486	Note 3
FUBON Bank - Time deposit	3.50	2025.12.28～2026.03.28	3,457	Note 3
FUBON Bank - Time deposit	3.55	2025.11.06～2026.02.06	3,457	Note 3
FUBON Bank - Time deposit	3.60	2025.10.08～2026.01.08	1,257	Note 3
HSBC - Time deposit	3.50	2025.12.22～2026.01.22	6,757	Note 4
HSBC - Time deposit	3.50	2025.12.22～2026.01.22	880	Note 4
			$ 38,439	

Note 1: Deposit due to Technology development program.

Note 2: Deposit due to loan for subsidiary, Potzu.

Note 3: Deposit due to loan for subsidiary, Anger.

Note 4: Deposit due to bank guarantee for subsidiary, TTGA.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Type	Contract Period	Range of Interest Rates (%)	Balance, End of Year	Loan Commitments	Collateral	Note
Unsecured loans						
First Commercial Bank	2025.11.27～2026.02.27	1.875	$ 120,000	$ 600,000	None	Note 1
First Commercial Bank	2025.10.23～2026.01.23	1.875	200,000	600,000	None	Note 1
Bank of Taiwan	2025.10.03～2026.04.01	1.9	50,000	300,000	None	Note 2
Bank of Taiwan	2025.11.04～2026.04.30	1.9	130,000	300,000	None	Note 2
E.SUN Bank	2025.10.16～2026.01.15	1.870	220,000	300,000	None	
Mega Bank	2025.12.23～2026.06.21	1.875	97,000	100,000	None	
Chang Hwa Bank	2025.10.29～2026.01.27	1.875	400,000	400,000	None	
EXIM Bank	2025.05.16～2026.05.16	0.872	350,000	350,000	None	
			$ 1,567,000			

Note 1: Loan Commitment: NT$600,000 thousand.

Note 2: Loan Commitment: NT$300,000 thousand.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF CONTRACT LIABILITIES - CURRENT
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Customer Name	Amount
Advance from Customers	
Company C	$ 33,895
Company M	30,006
Company N	28,728
Company O	27,795
Company P	25,970
Company Q	18,720
Company R	18,080
Others (Note)	158,575
	$ 341,769

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Non-related Parties	
Company R	$ 35,644
Others (Note)	530,794
	$ 566,438
Related Parties	
Tongfong Auto Tech Co., Ltd.	$ 27,630
San Shin Co., Ltd.	13,563
Shiang Jen Co., Ltd.	8,284
Suzhou Tongyu Machine Tool Co., Ltd.	5,885
PCI-SCEMM	4,158
Others (Note)	5,063
	$ 64,583

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Bank Name	Contract Period and Repayment Method	Interest Rates (%)	Balance, December 31,2024			Collateral	Note
			Current	Over 1 Year	Total		
Unsecured Loans							
Export-Import Bank of the Republic of China	Repayable semiannually through September 2026 to September 2029	1.893	$ 38,000	$ 228,000	$ 266,000	None	
Mortgage loans							
Bank of Taiwan	Repayable semiannually through December 2024 to June 2027	1.985	100,000	200,000	300,000	Note	
E.SUN Bank	Repayable semiannually through April 2025 to January 2032	1.920	78,571	412,500	491,071	Note	
			178,571	612,500	791,071		
			$ 216,571	$ 840,500	$ 1,057,071		

Note: Refer to Note 33 for further information.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Object	Period	Discount Rates (%)	Amount
Land	Note	2007.06～2027.05	2.16	$ 249,509
Transportation Equipment	Lease of company cars	2023.09～2029.11	1.85～1.99	6,752
				256,261
Less: Current portion				14,564
Lease liabilities - noncurrent				$ 241,697

Note: Refer to Note 15 for lease content.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Quantities (Number)	Amount
Total Operating Revenues		
Revenue from sale of goods		
Machining Center	162	$ 629,502
CNC Lathe	191	527,342
PCB Processing Machine	112	377,030
Others (Note)	15	113,132
		1,647,006
Revenue from maintenance service		274,538
		1,921,544
Sales return and allowance		
Sales allowance		(3,801)
Maintenance return and allowance		(2,009)
		$ 1,915,734

Note: The amount of each item included in others does not exceed 10% of the account balance.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	$ 1,154,782
Raw material purchased	1,092,620
Raw materials, end of year	(1,023,634)
Transfer in from work-in-progress	78,956
Sale of raw materials	(66,312)
Others	(38,550)
Raw materials used	1,197,862
Supplies, beginning of year	134,362
Supplies purchased	204,888
Supplies, end of year	(117,791)
Transfer in from work-in-progress	276,640
Sale of supplies	(22,322)
Others	(442)
Supplies used	475,335
Direct labor	213,270
Manufacturing expenses	297,201
Manufacturing cost	2,183,668
Work in progress, beginning of year	470,467
Work in progress, end of year	(659,688)
Transfer in from finished goods	2,200
Transfer out to raw materials	(78,956)
Transfer out to supplies	(276,640)
Transfer out to expense	(82,635)
Total manufacturing cost	1,558,416
Finished goods, beginning of year	338,381
Finished goods purchased	14,283
Finished goods, end of year	(580,766)
Transfer out to work-in-progress	(2,200)
Transfer out to property, plant and equipment	(3,528)
Total production cost	1,324,586
Sale of raw materials and supplies	88,634
Cost of goods sold	1,413,220
Warranties cost	19,120
Maintenance and repair cost	133,282
Write-off of inventories	36,460
Others	142,853
Operating costs	$ 1,744,935

Note: The inventories were stated as net carrying value with a deduction of allowance for loss on inventory value decline of inventories.

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Loss of expected Credit Loss	Total
Payroll expenses (including pension and remuneration of director)	$ 69,022	$ 56,379	$ -	$ -	$ 125,401
After sales service expenses	44,084	-	-	-	44,084
Import/export expenses	26,439	-	-	-	26,439
Miscellaneous purchases	18,577	9,104	-	-	27,681
Freight expense	17,189	26	-	-	17,215
Travel Expenses	16,051	3,450	-	-	19,501
Advertising Expenses	13,482	45	-	-	13,527
Entertainment expenses	11,982	1,537	-	-	13,519
Labor Expenses	8,107	34,942	730	-	43,779
Depreciation expenses	5,924	34,911	436	-	41,271
Utilities Expenses	1,798	13,799	-	-	15,597
Amortization expenses	-	5,734	6,453	-	12,187
Tax expense	54	9,229	-	-	9,283
Loss of expected credit loss	-	-	-	10,102	10,102
Others	28,681	42,093	84,469	-	155,243
	$ 261,390	$ 211,249	$ 92,088	$ 10,102	$ 574,829

TONGTAI MACHINE & TOOL CO., LTD

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2025				For the Year Ended December 31, 2024			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Others	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Others	Total
Employee benefits								
Salaries	$ 290,985	$ 108,755	$ -	$ 399,740	$ 284,839	$ 105,608	$ -	$ 390,447
Labor and health insurance	33,889	10,550	-	44,439	35,320	11,157	-	46,477
Post-employment benefits	19,101	5,811	-	24,912	16,641	5,586	-	22,227
Remuneration of directors	-	10,835	-	10,835	-	2,155	-	2,155
Others	15,623	8,275	-	23,898	14,256	8,222	-	22,478
	$ 359,598	$ 144,226	$ -	$ 503,824	$ 351,056	$ 132,728	$ -	$ 483,784
Depreciation	$ 28,127	$ 41,271	$ 6,905	$ 76,303	$ 49,766	$ 64,722	$ 14,214	$ 128,702
Amortization	12,147	12,187	-	24,334	15,470	15,153	-	30,623

Note 1: As of December 31, 2025 and 2024, the Company had 594 and 647 employees, respectively, including 10 and 11 non-employee directors in each year.

Note 2: Average employee benefits for the years ended December 31, 2025 and 2024 were NT$844 thousand and NT$757 thousand, respectively.

Note 3: Average salaries for the years ended December 31, 2025 and 2024 were NT$684 thousand and NT$614 thousand, respectively.

Note 4: Changes of adjustments of average salaries was 11%.

Note 5: The Company has established an Audit Committee to replace supervisors.

Note 6: The Company's remuneration policies are as follows:

The remuneration of independent directors of the Company is set at NT$420 thousand per person per year and the Compensation Committee may adjust it at its discretion according to the value of its participation in and contribution to the Company's operations.

The Articles of Incorporation of the Company stipulated the Company to distribute remuneration of directors at the rates no higher than 5% of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. After the board of directors resolved the amount of directors' remuneration, the Compensation Committee will then make a distribution proposal based on the individual director's participation in the Company's operations and contribution value.

The salary of the Company's managers is determined and regularly evaluated by the Compensation Committee based on Taiwan's human resources market, industry categories of the same nature, and the value of the managers' participation in and contribution to the Company's operations. The remuneration of managers is based on the provisions of the Company's Articles of Incorporation. If there is profit in any given

fiscal year, it shall allocate at the rates no less than 1% of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. After the board of directors resolved the amount of employee compensation, the Compensation Committee will then formulate a distribution proposal based on the manager's personal and departmental performance achievement rate and the degree of important contribution to the Company, and the distribution will be distributed after the board of directors' resolutions.

The Articles of Incorporation of the Company stipulated the Company to distribute employees' compensation at the rates no less than 1% of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. After the board of directors resolved the amount of employee compensation, bonuses will be issued based on the results of the employees' annual performance appraisal.