Tongtai Machine & Tool Co., Ltd. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Tongtai Machine & Tool Co., Ltd. (the "Company") and its subsidiaries as of March 31, 2026 and 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and related notes, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated statements were not reviewed. As of March 31, 2026 and 2025, the combined total assets of these non-significant subsidiaries were NT$2,288,333 thousand and NT$3,800,586 thousand, representing 18% and 28%, respectively, of the consolidated total assets; the combined total liabilities of these non-significant subsidiaries were NT$1,400,972 thousand and NT$2,595,677 thousand, representing 17% and 29%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2026 and 2025, the amounts of the combined comprehensive income (loss) of these non-significant subsidiaries were NT$(126,958) thousand and NT$(42,655) thousand, representing 580% and 77%, respectively, of the consolidated total comprehensive income.

As disclosed in Note 13 to the consolidated financial statements, certain equity-method investments were recognized and disclosed based on the investee companies' financial statements for the same periods, which were not reviewed by independent auditors. The balances of equity-method investments as of March 31, 2026 and 2025 were NT$13,910 thousand and NT$16,271 thousand, respectively. The shares of profit (loss) from equity-method investees recognized for the periods from January 1 to March 31, 2026 and 2025 were a loss of NT$728

thousand and a loss of NT$518 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and other equity-method investees' as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2026 and 2025, its consolidated financial performance for the three months ended March 31, 2026 and 2025, and its consolidated cash flows for three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As disclosed in Note 12 to the consolidated financial statements, Tongtai acquired substantive control over Potzu Precision Company through an equity acquisition in February 2025. The purchase price allocation was completed in January 2026, and accordingly the consolidated financial statements for the first quarter of 2025 have been retrospectively restated in accordance with the relevant regulations. We have reviewed the restated consolidated financial statements. Our conclusion is not modified in respect of this matter.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 13, 2026

Notice to Readers

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

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

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026 (Reviewed)		December 31, 2025 (Audited)		March 31, 2025 (Reviewed)	
ASSETS	**Amount**	%	**Amount**	%	**Amount**	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 1,105,320	9	$ 1,223,728	10	$ 1,299,399	10
Notes receivable, net (Notes 9 and 34)	406,033	3	376,353	3	330,154	2
Accounts receivable, net (Note 9)	1,637,159	13	1,737,719	14	2,055,432	15
Accounts receivable - related parties (Notes 9 and 33)	13,547	-	20,752	-	10,819	-
Other receivables (Notes 9 and 33)	69,188	-	59,973	-	93,828	1
Current tax assets	54,151	-	33,930	-	36,430	-
Inventories (Note 10)	4,257,391	33	4,024,867	32	3,811,836	28
Non-current assets held for sale (Note 11)	-	-	-	-	364,016	3
Other financial assets - current (Notes 14 and 34)	72,840	1	80,150	1	516,902	4
Other current assets (Notes 14 and 33)	203,081	2	161,654	1	227,353	2
Total current assets	7,818,710	61	7,719,126	61	8,746,169	65
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	830,259	6	702,183	6	306,160	2
Non-current financial assets at amortised cost (Note 8)	31,995	-	31,430	-	33,205	-
Investments accounted for using the equity method (Note 13)	776,829	6	794,929	6	771,131	6
Property, plant and equipment (Notes 15, 18 and 34)	1,783,508	14	1,767,657	14	1,782,726	13
Right-of-use assets (Note 16)	311,089	2	305,234	3	576,217	4
Investment properties (Notes 17 and 34)	379,414	3	380,003	3	467,981	4
Intangible assets (Note 18)	71,797	1	69,639	1	61,854	-
Deferred tax assets	560,828	4	543,172	4	502,294	4
Refundable deposits	19,438	-	21,460	-	22,892	-
Long-term notes and accounts receivable (Note 9)	102,371	1	51,826	-	54,198	-
Net defined benefit assets (Note 4)	5,567	-	5,566	-	3,753	-
Other financial assets - non-current (Notes 14 and 34)	62,445	1	55,210	1	62,501	1
Other non-current assets (Notes 9 and 14)	91,148	1	112,725	1	79,847	1
Total non-current assets	5,026,688	39	4,841,034	39	4,724,759	35
TOTAL	$ 12,845,398	100	$ 12,560,160	100	$ 13,470,928	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 34)	$ 3,604,198	28	$ 3,065,748	25	$ 2,759,507	21
Short-term bills payable (Note 19)	29,952	-	-	-	79,927	1
Contract liabilities - current (Notes 25 and 33)	846,917	7	801,149	7	852,874	6
Notes payable (Note 20)	223,622	2	277,483	2	429,140	3
Notes payable - related parties（Notes 20 and 33）	2,261	-	19,154	-	8,879	-
Accounts payable (Note 20)	837,729	7	886,042	7	783,602	6
Accounts payable - related parties (Notes 20 and 33)	24,168	-	41,216	-	159,672	1
Other payables (Notes 21 and 33)	379,923	3	547,828	4	491,122	4
Current tax liabilities	117,404	1	114,237	1	3,090	-
Provisions - current (Note 22)	125,386	1	126,038	1	136,667	1
Lease liabilities - current (Note 16)	22,608	-	27,358	-	42,354	-
Current portion of long-term bank borrowings (Notes 19 and 34)	277,131	2	277,067	2	596,743	4
Other current liabilities (Note 11)	32,391	-	38,607	-	519,670	4
Total current liabilities	6,523,690	51	6,221,927	49	6,863,247	51
NON-CURRENT LIABILITIES						
Long-term bank borrowings (Notes 19 and 34)	1,088,761	8	1,105,692	9	1,389,030	10
Deferred tax liabilities	74,979	1	63,760	1	63,616	1
Lease liabilities -noncurrent (Note 16)	300,327	2	289,456	2	651,832	5
Net defined benefit liabilities (Note 4)	12,951	-	13,986	-	25,278	-
Guarantee deposits received	5,043	-	3,788	-	9,158	-
Total non-current liabilities	1,482,061	11	1,476,682	12	2,138,914	16
Total liabilities	8,005,751	62	7,698,609	61	9,002,161	67
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 24)						
Ordinary shares	2,548,265	20	2,548,265	20	2,548,265	19
Capital surplus	1,234,496	10	1,234,496	10	1,234,496	9
Retained earnings						
Legal reserve	759,548	6	759,548	6	759,548	5
Special reserve	89,749	-	89,749	1	89,749	1
Unappropriated earnings (accumulated deficit)	(142,069)	(1)	20,483	-	(402,946)	(3)
Total retained earnings	707,228	5	869,780	7	446,351	3
Other equity	355,609	3	210,970	2	153,445	1
Treasury Shares	(76,916)	(1)	(76,916)	(1)	-	-
Total equity attributable to owners of the Company	4,768,682	37	4,786,595	38	4,382,557	32
NON-CONTROLLING INTERESTS (Notes 18 and 24)	70,965	1	74,956	1	86,210	1
Total equity	4,839,647	38	4,861,551	39	4,468,767	33
TOTAL	$12,845,398	100	$12,560,160	100	$13,470,928	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' reviewed report dated May 13, 2026)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
Amount	Amount	%	Amount	%
OPERATING REVENUES (Note 25 and 33)	$ 1,075,681	100	$ 1,520,148	100
OPERATING COSTS (Notes 10, 26 and 33)	945,524	88	1,215,622	80
GROSS PROFIT	130,157	12	304,526	20
REALIZED SALES PROFIT	124	-	124	-
REALIZED GROSS OPERATING PROFIT	130,281	12	304,650	20
OPERATING EXPENSES (Notes 9, 18, 26 and 33)				
Selling and marketing expenses	146,556	14	176,806	12
General and administrative expenses	118,028	11	130,587	8
Research and development expenses	46,245	4	36,292	2
Expected credit loss (gain)	(8,380)	(1)	25,227	2
Total operating expenses	302,449	28	368,912	24
PROFIT (LOSS) FROM OPERATIONS	(172,168)	(16)	(64,262)	(4)
NON-OPERATING INCOME AND EXPENSES (Notes 13, 26 and 33)				
Interest income	2,731	-	3,425	-
Other income	8,819	1	88,431	6
Other gains and losses	17,519	2	52,476	3
Finance costs	(28,939)	(3)	(30,158)	(2)
Share of profits (loss) of associates	5,004	1	13,019	1
Total non-operating income and expenses	5,134	1	127,193	8
PROFIT (LOSS) BEFORE INCOME TAX	($ 167,034)	(15)	$ 62,931	4
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 27)	(612)	-	30,539	2
NET PROFIT (LOSS) FOR THE PERIOD	(166,422)	(15)	32,392	2

(Continued)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	108,076	10	(105,172)	(7)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	36,442	3	21,725	1
Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	(4,339)	-
Other comprehensive loss for the year, net of income tax	144,518	13	(87,786)	(6)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	($ 21,904)	(2)	($ 55,394)	(4)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	($ 162,552)	(15)	$ 34,147	2
Non-controlling interests	(3,870)	-	(1,755)	-
	($ 166,422)	(15)	$ 32,392	2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	($ 17,913)	(2)	($ 53,671)	(4)
Non-controlling interests	(3,991)	-	(1,723)	-
	($ 21,904)	(2)	($ 55,394)	(4)
EARNINGS (LOSSES) PER SHARE (Note 28)				
Basic	($ 0.65)		$ 0.13	
Diluted	(0.65)		0.13	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' reviewed report dated May 13, 2026)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											
			Retained Earnings			Other Equity						
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Equity Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Treasury Shares	Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2026	$ 2,548,265	$ 1,234,496	$ 759,548	$ 89,749	$ 20,483	($ 103,948)	$ 314,918	$ 210,970	($ 76,916)	$ 4,786,595	$ 74,956	$ 4,861,551
Net profit (loss) for the three months ended March 31, 2026	-	-	-	-	(162,552)	-	-	-	-	(162,552)	(3,870)	(166,422)
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	36,563	108,076	144,639	-	144,639	(121)	144,518
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	(162,552)	36,563	108,076	144,639	-	(17,913)	(3,991)	(21,904)
BALANCE AT MARCH 31, 2026	$ 2,548,265	$ 1,234,496	$ 759,548	$ 89,749	($ 142,069)	($ 67,385)	$ 422,994	$ 355,609	($ 76,916)	$ 4,768,682	$ 70,965	$ 4,839,647
BALANCE AT JANUARY 1, 2025	$ 2,548,265	$ 1,220,665	$ 759,548	$ 89,749	($ 437,093)	($ 111,524)	$ 352,787	$ 241,263	$ -	$ 4,422,397	$ 1,586	$ 4,423,983
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	34,147	-	-	-	-	34,147	(1,755)	32,392
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	17,354	(105,172)	(87,818)	-	(87,818)	32	(87,786)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	34,147	17,354	(105,172)	(87,818)	-	(53,671)	(1,723)	(55,394)
Increase in non-controlling interests (Notes 24 and 29)	-	-	-	-	-	-	-	-	-	-	86,347	86,347
Changes in associates recognized using the equity method (Notes 13)	-	13,831	-	-	-	-	-	-	-	13,831	-	13,831
BALANCE AT MARCH 31, 2025	$ 2,548,265	$ 1,234,496	$ 759,548	$ 89,749	($ 402,946)	($ 94,170)	$ 247,615	$ 153,445	$ -	$ 4,382,557	$ 86,210	$ 4,468,767

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' reviewed report dated May 13, 2026)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	($ 167,034)	$ 62,931
Adjustments for:		
Depreciation expense	48,796	51,528
Amortization expense	10,294	9,887
Expected credit losses (profit)	(8,380)	25,227
Finance costs	28,939	30,158
Interest income	(2,731)	(3,425)
Share of loss (profit) of associates	(5,004)	(13,019)
Gain on disposal of property, plant and equipment	715	(2,335)
Impairment loss recognized on nonfinancial assets	10,734	-
Gain on reversal of impairment loss on nonfinancial assets	-	(12,805)
Realized sales profit	(124)	(124)
Unrealized Foreign Exchange Loss	19,492	16,290
Recognition of provisions	27,243	26,215
Changes in operating assets and liabilities		
Notes receivable and long-term notes and accounts receivable	(80,225)	21,449
Accounts receivable	79,545	(228,281)
Accounts receivable - related parties	7,205	1,708
Other receivables	12,804	30,474
Inventories	(238,676)	44,402
Other current assets	(41,427)	(26,544)
Contract liabilities	45,768	(44,502)
Notes payable	(53,861)	57,498
Notes payable - related parties	(16,893)	-
Accounts payable	(48,313)	(117,212)
Accounts payable - related parties	(17,048)	(643)
Other payables	(166,984)	(56,669)
Provisions	(28,924)	(26,035)
Other current liabilities	(6,216)	(54,054)
Net defined benefit liabilities	(1,036)	(5,274)
Cash generated from operations	(591,341)	(213,155)
Interest received	3,940	3,063
Interest paid	(27,989)	(29,344)
Income tax refunded (paid)	(23,319)	2,061
Net cash generated from operating activities	(638,709)	(237,375)

(Continued)

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets measured at amortized cost	-	20,000
Net cash outflow from acquisition of subsidiaries	-	(71,675)
Proceeds from Disposal of Non-current Assets Held for Sale	-	456,000
Acquisition of property, plant and equipment	(44,694)	(44,017)
Proceeds from disposal of property, plant and equipment	1,799	22,614
Increase in refundable deposits	-	(3,201)
Decrease in refundable deposits	2,022	-
Acquisition of intangible assets	(8,527)	(3,098)
Increase in other financial assets	-	(328,935)
Decrease in other non-current assets	75	-
Increase in other non-current liabilities	(6,364)	(19,824)
Net cash used in investing activities	(55,689)	27,864
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	762,637	207,516
Repayments of short-term borrowings	(231,489)	(169,283)
Increase in short-term bills payable	29,952	30,090
Proceeds from long-term bank borrowings	17,476	553,108
Repayments of long-term bank borrowings	(34,248)	(12,786)
Guarantee deposits received	1,255	309
Repayment of principle of lease liabilities	(10,840)	(10,599)
Net cash generated from (used in) financing activities	534,743	598,355
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	41,247	45,055
NET INCREASE IN CASH AND CASH EQUIVALENTS	(118,408)	433,899
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,223,728	865,500
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 1,105,320	$ 1,299,399

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' reviewed report dated May 13, 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 consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Company's board of directors and approved for issue on May 13, 2026.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

b. The IFRSs 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 IAS 21 – Translation to a Hyperinflationary Presentation Currency	January 1, 2027

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

Note 2: On September 25, 2025, the Financial Supervisory Commission (FSC) announced that enterprises in Taiwan are required to adopt IFRS 18 effective January 1, 2028. Early adoption is permitted upon endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

1) The Company and its subsidiaries are required to assess whether their main business activities include investing in specified types of assets and providing financing to customers. Based on the results of such assessment, income and expense items presented in the statement of profit or loss will be classified into the 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 Corporation and its subsidiaries shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries labels items as 'other' only if it cannot find a more informative label.

4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Corporation and its subsidiaries as a whole, the Corporation and its subsidiaries shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

1) When presenting cash flows from operating activities using the indirect method, the Company and its subsidiaries will be required to use operating profit or loss as the starting point for the reconciliation to net cash flows from operating activities.

2) Interest and dividends received by the Company and its subsidiaries will be classified as cash flows from investing activities, whereas interest and dividends paid will be classified as cash flows from financing activities.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the

Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRSs annual financial statements.

b. Basis of preparation

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

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

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

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

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

c. Basis of preparation

Refer to Note 13, Table 6 and Table 7 for the detail information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, refer to the summary of significant accounting policy and basis of preparation in the consolidated financial statements for the year ended December 31, 2025.

1) Derecognition of Financial Liabilities

Financial liabilities are derecognized on the settlement date, which is the date when the obligation specified in the contract is discharged, cancelled, or expires, or when a debt instrument is exchanged for another debt instrument with substantially different terms, or when the terms of a liability are substantially modified. Upon derecognition of a financial liability, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2) Retirement benefits

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

3) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.

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

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 4,623	$ 5,257	$ 7,234
Deposits in Transit	-	3,675	-
Checking accounts and demand deposits	1,002,295	946,523	1,186,339
Cash equivalents			
Time deposits with original maturities of less than three months	98,402	268,273	105,826
	$ 1,105,320	$ 1,223,728	$ 1,299,399

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

	March 31, 2026	December 31, 2025	March 31, 2025
Investment in equity instruments			
Domestic investments			
Listed shares	$ 447,301	$ 338,442	$ 276,151
Unlisted shares	382,958	363,741	30,009
	$ 830,259	$ 702,183	$ 306,160

8. FINANCIAL ASSETS AT AMORTIZED COST – NON-CURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
Cathay Pacific bank's subordinated bond	$ 31,995	$ 31,430	$ 33,205

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

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable (operating)			
Gross carrying amount at amortized cost	$ 413,392	$ 383,712	$ 331,463
Less: Unrealized interest revenue	7,359	7,359	1,309
	$ 406,033	$ 376,353	$ 330,154
Accounts receivable			
Gross carrying amount at amortized cost	$ 2,172,720	$ 2,276,453	$ 2,544,800
Less: Allowance for impairment loss	535,561	538,734	489,368
	$ 1,637,159	$ 1,737,719	$ 2,055,432
Accounts receivable - related parties			
Gross carrying amount at amortized cost	$ 13,547	$ 20,752	$ 10,819
Long-term notes and accounts receivable (operating)			
Gross carrying amount at amortized cost	$ 102,371	$ 51,826	$ 54,198
Less : Allowance for impairment loss	-	-	-
	$ 102,371	$ 51,826	$ 54,198
Overdue receivable (included in other noncurrent assets)			
Gross carrying amount at amortized cost	$ 10,308	$ 10,308	$ 17,458
Less : Allowance for impairment loss	10,308	10,308	17,458
	$ -	$ -	$ -
Other receivable			
Loans and Accrued Interest Receivable	$ 47,955	$ 48,192	$ 1,610
Tax Refund Receivable	22,995	28,591	13,883
Other	43,461	28,648	78,335
	114,411	105,431	93,828
Less : Allowance for impairment loss	45,223	45,458	-
	$ 69,188	$ 59,973	$ 93,828

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

The Company and its subsidiaries apply the simplified approach to providing for expected

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

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

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

March 31, 2026

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 1,469,092	$ 299,285	$ 250,720	$ 94,816	$ 49,884	$ 137,065	$ 309,513	$ 94,604	$ 2,704,979
Loss allowance (Lifetime ECL)	(20,336)	(19,611)	(34,333)	(26,515)	(6,370)	(64,455)	(279,645)	(94,604)	(545,869)
	$ 1,448,756	$ 279,674	$ 216,387	$ 68,301	$ 43,514	$ 72,610	$ 29,868	$ -	$ 2,159,110

December 31, 2025

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 1,423,595	$ 349,782	$ 245,718	$ 91,461	$ 41,347	$ 126,921	$ 365,892	$ 90,976	$ 2,735,692
Loss allowance (Lifetime ECL)	(15,858)	(27,202)	(51,234)	(7,289)	(24,941)	(47,742)	(283,800)	(90,976)	(549,042)
	$ 1,407,737	$ 322,580	$ 194,484	$ 84,172	$ 16,406	$ 79,179	$ 82,092	$ -	$ 2,186,650

March 31, 2025

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	366 to 720 Days	Over 721 Days	Individual Identification	Total
Gross carrying amount	$ 1,453,532	$ 468,713	$ 199,704	$ 244,291	$ 67,719	$ 152,858	$ 283,070	$ 87,542	$ 2,957,429
Loss allowance (Lifetime ECL)	(33,041)	(24,582)	(17,982)	(18,148)	(3,552)	(56,924)	(265,055)	(87,542)	(506,826)
	$ 1,420,491	$ 444,131	$ 181,722	$ 226,143	$ 64,167	$ 95,934	$ 18,015	$ -	$ 2,450,603

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

	For the three Months Ended March 31	
	2026	2025
Balance, beginning of period	$ 549,042	$ 477,022
Recognition (Reversal)	(8,380)	25,227
Effects of foreign currency exchange differences	5,207	4,577
Balance, end of period	$ 545,869	$ 506,826

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

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

The changes in the allowance for expected credit losses of other receivables were as follows:

	For the three Months Ended March 31	
	2026	2025
Balance, beginning of period	$ 45,458	$ -
Effects of foreign currency exchange differences	(235)	-
Balance, end of period	$ 45,223	$ -

The loan extended by the subsidiary Union Top Industrial (Samoa) Limited to Lerinc Werkzeugmaschinen & Automation GmbH (LWA) was assessed as potentially unrecoverable due to LWA's intention to file for bankruptcy with the court. Accordingly, the full amount was recognized as an impairment loss in the fourth quarter of 2025.

10. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$ 1,745,627	$ 1,672,598	$ 1,882,092
Supplies	217,100	215,563	224,579
Work-in-progress	1,591,232	1,480,647	1,234,814
Finished goods	620,672	575,213	383,670
Merchandise	77,816	77,189	57,869
Inventory in transit	4,944	3,657	28,812
	$ 4,257,391	$ 4,024,867	$ 3,811,836

The cost of inventories recognized as operating costs for the three months ended March 31, 2026 and 2025 was NT$945,524 thousand and NT$1,215,622 thousand, respectively, which included write-downs of inventories was NT$(10,734) and reversal of write-downs of inventories was NT$12,805 thousand, respectively.

Reversal of write-downs of inventories was mainly due to the impact of price fluctuations in the market for the three months ended March 31, 2025.

11. NON-CURRENT ASSETS HELD FOR SALE

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ -	$ -	$ 231,579
Investment property	-	-	132,437
Total non-current assets held for sale	$ -	$ -	$ 364,016

To support future business development and strengthen working capital, the Board of Directors resolved in November 2024 to authorize the Chairman to dispose of the Company's Luzhu Plant II real estate for a total consideration of NT$1.52 billion, and to handle the execution of the sales agreement and related matters. The sales contract was signed with the buyer in January 2025, and the transaction is expected to be completed within twelve months.

The sale proceeds exceeded the carrying amount of the related net assets. No impairment loss was recognized as the assets were classified as non-current assets held for sale. As of March 31, 2025, deposits received in accordance with the contractual schedule amounted to NT$456,000 thousand and were recorded under other current liabilities.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
Tongtai Machine & Tool Co., Ltd.	Union Top Industrial (Samoa) Limited （Union Top）	General investment	100.00	100.00	100.00	
	Tongfong Auto Tech Co., Ltd. (Tongfong)	Sales of electric automation equipment	100.00	100.00	100.00	
	Asia Pacific Elite Corp. (APEC)	Sales and manufacturing of equipment	99.83	99.83	99.83	Important subsidiary
	Quick-Tech Machinery Co., Ltd. (Quick-Tech)	Sales and manufacturing of equipment	99.14	99.14	99.14	
	Tong-Yeh Precision Co., Ltd. (Tong-Yeh)	Manufacturing and processing of metal part	94.58	94.58	94.58	
	POTZU CO., LTD.	Manufacturing and processing of metal part	60.00	60.00	60.00	Note 1
	Tongtai Machine & Tool Japan Co., Ltd. （TTJP）	Sales and manufacturing of equipment	100.00	100.00	100.00	
	Tong Tai Machinery Co., Ltd.（TTM）	Sales of customized machine	100.00	100.00	100.00	
	Tongtai Seiki Vietnam Co., Ltd.（TTVN）	Sales of customized machine	100.00	100.00	100.00	
	Tongtai Machine Tool (SEA) Sdn. Bhd. （TTS）	Sales of customized machine	52.00	52.00	52.00	
	Tongtai Machine Tool (MFG) Sdn. Bhd. （TMM）	Sales and manufacturing of equipment	100.00	100.00	100.00	
	TTGroup America Inc. （TTGA）	Sales of equipment	100.00	100.00	100.00	
	Tongtai Mexico S.A.DE C.V.（TTGMx）	Sales and maintenance of machine tools	100.00	100.00	100.00	
	Process Conception Ingenierie-Societe de Construction D'equipments, De Mecanisations Et De Machines （PCI-SCEMM）	Sales, manufacturing and maintenance of equipment	100.00	100.00	100.00	
	Tongtai Europe B.V. （TTE）	Sales of merchandise	100.00	100.00	100.00	
	Tongan GmbH （Tongan）	General investment	100.00	100.00	100.00	
	TTGroup Technologies （TTGT）	General investment	100.00	100.00	100.00	Note 2
Union Top	Suzhou Tongyu Machine Tool Co., Ltd. (Suzhou Tongyu)	Manufacturing of digital control machine and system	100.00	100.00	100.00	Important subsidiary
	Shanghai Tong-Tai-Shin Trading Co., Ltd. (Shanghai Tong-Tai-Shin)	International trade	100.00	100.00	100.00	
	Tong-Yu Machine Tool (Shanghai) Co., Ltd. (Shanghai Tong-Yu)	Sales and maintenance of machine tools	100.00	100.00	100.00	
	Great Pursuit Limited	General investment	55.00	55.00	55.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership March 31, 2026	December 31, 2025	March 31, 2025	Remark
Great Pursuit Limited	Hao-Tern-Shin Electronics (Shenzhen) Co., Ltd. (Hao-Tern-Shin)	Sales and manufacturing of printed circuit board	100.00	100.00	100.00	
TTJP	SKTD Co., Ltd.（SKTD）	Sales and maintenance of machine tools	98.73	98.73	98.73	
TTGT	PCI	Sales, manufacturing and maintenance of equipment	100.00	100.00	-	Note 2
	CERIMATEC	Sales, manufacturing and maintenance of equipment	100.00	100.00	-	Notes 2 and 4
	TTGroup France	Sales of merchandise	-	-	-	Note 2
Tongan	Mbi-group Beteiligung GmbH（MBI）	General investment	100.00	100.00	100.00	
MBI	Anger Machining GmbH（Anger）	Sales, manufacturing and maintenance of equipment	100.00	100.00	100.00	
Anger	Anger Machining Inc.（Anger - US）	Sales and maintenance of machine tools	100.00	100.00	100.00	
	Anger Service Deutschland GmbH（Anger - DE）	Sales and maintenance of machine tools	-	-	100.00	Note 3
PCI-SCEMM	TTGroup France	Sales of merchandise	-	-	100.00	Note 2
	CERIMATEC	Sales, manufacturing and maintenance of equipment	-	-	100.00	Note 2

(Concluded)

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

Note 2: In February 2025, the Company established TTGT and acquired a 100% equity interest therein. Subsequently, in consideration of future operational development needs, expansion of its business in France, and enhancement of operating efficiency, the Company carried out an organizational restructuring in May 2025, whereby all of its equity interest in PCI, together with PCI's entire equity interests in CERIMATEC and TTGF, were transferred to TTGT. In December 2025, as part of a further organizational restructuring, PCI and TTGF were merged, with PCI as the surviving entity and TTGF as the dissolved entity.

Note 3: The company completed its liquidation in 2025.

Note 4: In March 2026, TTGT increased the capital of CERIMATEC through a cash contribution of EUR 2.8 million.

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

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	March 31, 2026	December 31, 2025	March 31, 2025
Material associate			
Honor Seiki Co., Ltd. (Honor Seiki)	$ 762,919	$ 780,415	$ 754,860
Associates that are not individually material	13,910	14,514	16,271
	$ 776,829	$ 794,929	$ 771,131

a. Material associate

Company	Percentage of Ownership and Voting Rights (%)		
	March 31, 2026	December 31, 2025	March 31, 2025
Honor Seiki	39.60%	39.60%	39.60%

The Company did not participate in Honor Seiki's cash capital increase in proportion to its shareholding in February 2025, resulting in a decrease in its ownership interest from 44.88% to 39.60%. As the Company's significant influence over Honor Seiki was not affected, the transaction was accounted for as an equity transaction. Accordingly, the Company recognized an increase of NT$13,831 thousand in capital surplus arising from changes in the ownership interests of the associate.

The Level 1 fair value information of associates with quoted market prices is as follows:

Company	March 31, 2026	December 31, 2025	March 31, 2025
Honor Seiki (Note)	$ 1,198,608	$ 585,367	$ 763,455

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

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

Honor Seiki

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 1,588,327	$ 1,482,445	$ 1,470,971
Non-current assets	860,334	823,564	816,302
Current liabilities	(703,972)	(606,887)	(651,405)
Non-current liabilities	(100,565)	(10,820)	(12,061)
Equity	$ 1,644,124	$ 1,688,302	$ 1,623,807
Ownership percentage (%)	39.60	39.60	39.60
Equity attributable to the Company and its subsidiaries	$ 651,122	$ 668,618	$ 643,063
Goodwill	111,797	111,797	111,797
Carrying amount of the investment	$ 762,919	$ 780,415	$ 754,860

	December 31	
	2026	2025
Operating revenues	$ 183,912	$ 172,071
Net profit for the year	$ 14,476	$ 30,762
Other comprehensive income	-	-
Total comprehensive income	$ 14,476	$ 30,762

b. Associates that are not individually material

	March 31, 2026	December 31, 2025	March 31, 2025
Printin3d DigiTech Co., Ltd.	$ 10,121	$ 10,193	$ 10,296
Ruei Yang Precision Co., Ltd.	3,789	4,321	5,975
Magdeburger Werkzeugmaschinen & Automation GmbH	-	-	-
Cyber Laser Taiwan Co., Ltd.	-	-	-
	$ 13,910	$ 14,514	$ 16,271

	For the Three Months Ended March 31	
	2026	2025
The Company and its subsidiaries' share of		
Net income for the year	($ 728)	($ 518)
Other comprehensive income	-	-
Total comprehensive income8	($ 728)	($ 518)

In May 2025, the Company's Board of Directors approved participation in the cash capital increase of Magdeburger Werkzeugmaschinen & Automation GmbH. The Company made an investment of NT$13,624 thousand in June 2025 and acquired a 20% equity interest in the company. The investee is principally engaged in the trading of machine tools and related businesses. As the estimated recoverable amount was lower than the carrying amount, the entire investment was recognized as an impairment loss in the fourth quarter of 2025.

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.

The share of profit or loss and other comprehensive income of associates recognized using the equity method for the three months ended March 31, 2026 and 2025, except for Honor Seiki, was calculated based on unaudited financial statements.

Names, locations, and related information of associates please refer to Table 6.

14. OTHER FINANCIAL ASSETS

a. Other financial assets

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Pledged deposits and time deposits (note 1)	$ 64,738	$ 37,048	$ 36,542
Time deposits with original maturities more than three months	-	35,000	16,813
Deposits for projects	8,102	8,102	4,621
Restricted deposit (note 2)	-	-	458,926
	$ 72,840	$ 80,150	$ 516,902
Non-current			
Pledged deposits and time deposits (note 1)	$ 48,612	$ 39,483	$ 43,112
Deposits for projects	13,833	15,727	18,320
Restricted deposit	-	-	1,069
	$ 62,445	$ 55,210	$ 62,501

Note 1: Refer to Note 34 for information relating to other financial assets pledged as collateral.

Note 2: Starting January 2025, deposits for the sale of real estate were received progressively in accordance with the contract and deposited into a bank trust account (refer to Note 11).

b. Other assets

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Advances to suppliers	$ 98,622	$ 78,651	$ 80,708
Prepaid expenses	55,533	34,832	47,430
Vat refundable	28,299	30,483	69,617
Others	20,627	17,688	29,598
	$ 203,081	$ 161,654	$ 227,353
Non-current			
Prepayments for equipment	$ 47,306	$ 51,565	$ 26,898
Prepayments for land (note 33)	-	-	30,000
Prepayments for investments	-	20,000	-
Long-term prepaid expenses	43,108	39,313	21,792
Others	734	1,847	1,157
	$ 91,148	$ 112,725	$ 79,847

In December 2025, the Company participated in the capital increase of Hantop Intelligence Technology Co., Ltd. and prepaid share subscription proceeds of NT$20,000 thousand, and is expected to acquire an 11% equity interest therein. The cash capital increase procedures were completed in January 2026, and the investment was subsequently reclassified to Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) – Non-current.

15. PROPERTY, PLANT AND EQUIPMENT

The assets used by the Company and its subsidiaries

For the Three Months Ended March 31, 2026

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2065	$ 399,210	$ 2,155,793	$ 901,176	$ 154,037	$ 142,356	$ 328,661	$ -	$ 63,138	$ 4,144,371
Additions	-	20,766	22,548	52	533	10,924	1,383	(9,124)	47,082
Disposals	-	(308)	(2,240)	(15,363)	(194)	(19,751)	-	-	(37,856)
Effects of foreign currency exchange difference	(517)	9,552	3,988	795	56	2,807	-	597	17,278
Balance at March 31, 2026	398,693	2,185,803	925,472	139,521	142,751	322,641	1,383	54,611	4,170,875
Accumulated depreciation and impairment									
Balance at January 1, 2026	-	1,316,804	549,694	135,051	113,924	261,241	-	-	2,376,714
Depreciation	-	14,110	12,992	1,404	2,162	4,412	93	-	35,173
Disposals	-	(294)	(2,178)	(12,976)	(194)	(19,700)	-	-	(35,342)
Effects of foreign currency exchange difference	-	5,708	2,252	655	51	2,156	-	-	10,822
Balance at March 31, 2026	-	1,336,328	562,760	124,134	115,943	248,109	93		2,387,367
Carrying amount at December 31, 2025	$ 399,210	$ 838,989	$ 351,482	$ 18,986	$ 28,432	$ 67,420	$ -	$ 63,138	$ 1,767,657
Carrying amount at March 31, 2026	$ 398,693	$ 849,475	$ 362,712	$ 15,387	$ 26,808	$ 74,532	$ 1,290	$ 54,611	$ 1,783,508

For the Three Months Ended March 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	$ 346,021	$ 2,120,082	$ 921,853	$ 166,549	$ 148,677	$ 317,289	$ 11,284	$ 4,031,755
Acquisition of a business combination	49,336	16,610	213,564	9,023	-	2,739	4,500	295,772
Additions	-	1,556	15,550	36	808	3,559	10,973	32,482
Disposals	-	-	(115,689)	(665)	(321)	(8,799)	-	(125,474)
Effects of foreign currency exchange difference	2,502	25,806	21,238	1,292	5,602	2,014	512	58,966
Balance at March 31, 2025	397,859	2,164,054	1,056,516	176,235	154,766	316,802	27,269	4,293,501
Accumulated depreciation and impairment								
Balance at January 1, 2025	-	1,253,118	709,332	143,427	124,435	263,531	-	2,493,843
Acquisition of a business combination	-	4,076	39,913	1,902	-	1,296	-	47,187
Depreciation	-	14,057	14,457	2,017	2,184	4,331	-	37,046
Disposals	-	-	(95,801)	(328)	(319)	(8,747)	-	(105,195)
Effects of foreign currency exchange difference	-	13,973	16,657	1,041	4,582	1,641	-	37,894
Balance at March 31, 2025	-	1,285,224	684,558	148,059	130,882	262,052	-	2,510,775
Carrying amount at December 31, 2024	$ 397,859	$ 878,830	$ 371,958	$ 28,176	$ 23,884	$ 54,750	$ 27,269	$ 1,782,726
	$ 346,021	$ 2,120,082	$ 921,853	$ 166,549	$ 148,677	$ 317,289	$ 11,284	$ 4,031,755
Carrying amount at March 31, 2025	49,336	16,610	213,564	9,023	-	2,739	4,500	295,772

The subsidiary PCI assessed that the estimated future cash inflows generated by certain machinery and equipment used in production had declined, resulting in the recoverable amount being lower than the carrying amount. Accordingly, an impairment loss was recognized in the fourth quarter of 2025. The accumulated impairment losses as of March 31, 2026 and December 31, 2025 were NT$6,700 thousand and NT$6,421 thousand, respectively.

Due to the subsidiary Tong-Yeh's operating performance not meeting expectations, the estimated future cash inflows generated by machinery and other equipment used in production have declined, resulting in the recoverable amount being lower than their carrying amount. Accordingly, impairment losses had been recognized in prior years. The accumulated impairment losses as of March 31, 2026, December 31, 2025, and March 31, 2025 were NT$9,231 thousand, NT$9,231 thousand, and NT$14,727 thousand, respectively.

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

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	$ 253,785	$ 240,922	$ 498,764
Buildings	44,676	49,563	54,540
Machinery	475	556	775
Transportation equipment	12,153	14,193	22,138
	$ 311,089	$ 305,234	$ 576,217

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ 945	$ 6,101
Acquisition of a business combination (note 29)	$ -	$ 20,249
Depreciation charge for right-of-use assets		
Land	$ 3,514	$ 5,736
Buildings	4,766	3,360
Machinery	80	75
Transportation equipment	2,970	3,026
	$ 11,330	$ 12,197

Except for the aforementioned addition, acquisition of a business combination and recognized depreciation, the Company and its subsidiaries did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 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

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Current	$ 22,608	$ 27,358	$ 42,354
Non-current	$ 300,327	$ 289,456	$ 651,832

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

	March 31, 2026	December 31, 2025	March 31, 2025
Land	2.16	2.16	2.16～2.48
Buildings	1.45～3.24	2.21～3.24	1.00～3.24
Machinery	1.45	1.45	1.45
Transportation equipment	1.45～2.63	1.45～2.63	1.45～2.21

c. Material lease activities and terms

The land on which the Company's Kaohsiung Luke Plant No. 1 is located is leased from

the Kaohsiung Science Park Administration of the Southern Taiwan Science Park. The lease term will expire before May 2027, and the Company may apply for a renewal upon expiration of the lease term. Upon termination of the lease, the Company does not have a preferential right to purchase the leased land.

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

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

The subsidiary Anger is leasing its location from non-related parties. The lease period will expire in November 2038.

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

d. Other lease information

	For the Three Months Ended March 31	
	2026	**2025**
Expenses relating to short-term leases and low-value asset leases	$ 6,293	$ 8,634
Total cash outflow for leases	$ 18,955	$ 23,154

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

17. INVESTMENT PROPERTIES

For the Three Months Ended March 31, 2026

	Land	**Buildings**	**Total**
Cost			
Balance at January 1, 2026	$ 252,550	$ 272,178	$ 524,728
Effects of foreign currency exchange differences	-	3,084	3,084
Balance at March 31, 2026	252,550	275,262	527,812
Accumulated depreciation			
Balance at January 1, 2026	-	144,725	144,725
Depreciation	-	2,293	2,293
Effects of foreign currency exchange differences	-	1,380	1,380
Balance at March 31, 2026	-	148,398	148,398
Balance at December 31, 2025	$ 252,550	$ 127,453	$ 380,003
Carrying amount at March 31, 2026	$ 252,550	$ 126,864	$ 379,414

For the Three Months Ended March 31, 2025

	Land	Buildings	Right-of-use assets	Total
Cost				
Balance at January 1, 2025	$ 252,550	$ 247,654	$ 104,420	$ 604,624
Effects of foreign currency exchange differences	-	2,203	-	2,203
Balance at March 31, 2025	252,550	249,857	104,420	606,827
Accumulated depreciation				
Balance at January 1, 2025	-	123,827	11,853	135,680
Depreciation	-	1,744	541	2,285
Effects of foreign currency exchange differences	-	881	-	881
Balance at March 31, 2025	-	126,452	12,394	138,846
Balance at December 31, 2024	$ 252,550	$ 123,827	$ 92,567	$ 468,944
Carrying amount at March 31, 2025	$ 252,550	$ 123,405	$ 92,026	$ 467,981

Note : The right-of-use assets subleased to non-related parties under operating leases were derecognized in April 2025 following the termination of the lease agreement between the parties and the completion of the disposal of the real property of Kaohsiung Science Park Plant No. 2 (see Note 11). At the same time, the lease agreement with the Kaohsiung Science Park Administration of the Southern Taiwan Science Park was terminated.

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	$ 15,943	$ 16,396	$ 13,354
Year 2	6,901	10,225	8,552
Year 3	-	139	6,715
Year 4	-	-	6,030
Year 5	-	-	6,150
Year 6 onwards	-	-	24,120
	$ 22,844	$ 26,760	$ 64,921

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

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

The investment properties of the Company and its subsidiaries are located at Annan District in Tainan City, Hunei District in Kaohsiung City, Kaohsiung Science Park and

Shanghai City in China. The fair value of the investment properties was assessed by the management of the Company and its subsidiaries based on the actual price registration information of nearby area or market evidence of transaction prices categorized as Level 3 input. Professional independent valuators were not involved in the fair value assessment. The fair value as of March 31, 2026, December 31, 2025 and March 31, 2025 are NT$689,901 thousand, NT$690,536 thousand and NT$686,786 thousand.

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

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

18. INTANGIBLE ASSETS

For the Three Months Ended March 31, 2026

	Computer Software	Goodwill	Patents	Core Technology	Total
Cost					
Balance at January 1, 2026	$ 172,371	$ 14,468	$ 1,812	$ 18,987	$ 207,638
Additions	8,527	-	-	-	8,527
Derecognition	(9,418)	-	-	-	(9,418)
Effects of foreign currency exchange differences	81	-	(10)	-	71
Balance at March 31, 2026	171,561	14,468	1,802	18,987	206,818
Accumulated amortization and impairment					
Balance at January 1, 2026	122,055	11,989	1,054	2,901	137,999
Amortization expenses	5,767	-	53	792	6,612
Derecognition	(9,418)	-	-	-	(9,418)
Effects of foreign currency exchange differences	(396)	-	224	-	(172)
Balance at March 31, 2026	118,008	11,989	1,331	3,693	135,021
Balance at December 31, 2025	$ 50,316	$ 2,479	$ 758	$ 16,086	$ 69,639
Carrying amount at March 31, 2026	$ 53,553	$ 2,479	$ 471	$ 15,294	$ 71,797

For the Three Months Ended March 31, 2025

	Computer Software	Goodwill	Patents	Core Technology	Total
Cost					
Balance at January 1, 2025	$ 144,586	$ 11,989	$ 1,210	$ -	$ 157,785
Acquisition of a business combination (note 29)	8,123	2,479	-	18,987	29,589
Additions	3,098	-	-	-	3,098
Derecognition	(1,012)	-	-	-	(1,012)
Effects of foreign currency exchange differences	2,739	-	65	-	2,804
Balance at March 31, 2025	157,534	14,468	1,275	18,987	192,264

(Continued)

	Computer Software	Goodwill	Patents	Core Technology	Total
Accumulated amortization and impairment					
Balance at January 1, 2025	107,927	11,989	852	-	120,768
Acquisition of a business combination (note 29)	1,362	-	-	-	1,362
Amortization expenses	6,307	-	11	527	6,845
Derecognition	(1,012)	-	-	-	(1,012)
Effects of foreign currency exchange differences	2,401	-	46	-	2,447
Balance at March 31, 2025	116,985	11,989	909	527	130,410
Carrying amount at March 31, 2025	$ 40,549	$ 2,479	$ 366	$ 18,460	$ 61,854

(Concluded)

In January 2026, the Company obtained the purchase price allocation report for the acquisition of Potzu Corporation. Based on the report, the Company adjusted the provisional amounts and the initial accounting for the acquisition from the acquisition date and restated the comparative information accordingly.

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

	At the acquisition date	
	Before restatement	After restatement
Goodwill	$ 36,051	$ 2,479
Property, Plant and Equipment	$ 211,619	$ 248,585
Intangible Assets	$ 6,761	$ 25,748
Non-controlling Interests	$ 63,966	$ 86,347

20. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured loans	$ 2,586,199	$ 2,683,602	$ 2,380,483
Secured borrowings	1,017,999	382,146	379,024
	$ 3,604,198	$ 3,065,748	$ 2,759,507
Annual interest rate of unsecured loan (%)	1.87～4.88	0.872～4.85	1.87～5.33
Annual interest rate of secured loan (%)	1.95～2.125	1.95～2.125	1.82～2.125

b. Short-term bills payable

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper	$ 30,000	$ -	$ 80,000
Less: Unamortized discounts	48	-	73
	$ 29,952	$ -	$ 79,927
Annual interest rate (%)	1.74	-	1.801～1.802

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

c. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Revolving bank loans			
Due on various dates through April 2027, September 2028, January and September 2029, and April 2030	$ 290,117	$ 280,157	$ 766,425
Mortgage loans			
Due on various dates through April 2026, August 2030, January 2032 and June 2035	1,029,671	1,050,383	1,219,348
Other loans			
Due on various dates through April 2026 and July 2028	46,104	52,219	-
	1,365,892	1,382,759	1,985,773
Less : Current portion	277,131	277,067	596,743
	$ 1,088,761	$ 1,105,692	$ 1,389,030
Annual interest rate of unsecured loan (%)	0.22～2.22	0.22～1.89	0.22～2.22
Annual interest rate of secured loan (%)	1.92～2.272	1.92～2.272	1.93～4.5
Annual interest rate of other loan (%)	3.25～4.5	3.25～4.52	-

The subsidiary Anger entered into loan agreements with E.SUN Commercial Bank, Taishin International Bank and Taipei Fubon Bank. Pursuant to the terms of these loan agreements, during the loan period the Company is required to maintain a specified shareholding ratio in Anger and maintain pledged bank deposits at or above a specified level. If the Company fails to comply with these requirements, the lending banks may increase the applicable interest rate or require additional pledged bank deposits. Compliance with the foregoing covenants is tested semi-annually or quarterly, as applicable. The consolidated financial statements of the subsidiary for the three months ended March 31, 2026, the year ended December 31, 2025, and the three months ended March 31, 2025 were in compliance with the aforementioned loan covenants.

The subsidiary Potzu entered into a loan agreement with CTBC Bank in July 2025. Pursuant to the terms of the loan agreement, compliance is tested semi-annually. During the term of the agreement, certain financial ratios and amounts in the Company's consolidated financial statements are required to meet specified thresholds. In the event of a breach of the foregoing covenants, the bank has the right to demand immediate repayment of the outstanding indebtedness. The Company's consolidated financial statements for the year ended December 31, 2025 were in compliance with the aforementioned covenant requirements.

The subsidiary PCI entered into a debt restructuring agreement with the local government and its lending banks. Pursuant to the agreement, PCI was entitled to certain debt forgiveness upon completion of its restructuring. PCI completed the restructuring in July 2025 and recognized a gain on debt restructuring.

Other long-term borrowings represent loans obtained by the subsidiary Potzu from finance companies at fixed interest rates.

20. NOTES PAYABLE AND ACCOUNTS PAYABLE

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

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

21. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Salaries and incentive bonus	$ 183,639	$ 226,025	$ 190,814
Commission and service fee	96,120	99,581	102,026
Insurance	22,802	25,121	23,450
Employee compensation and remuneration of directors	27,898	27,044	7,110
Others	49,464	170,057	167,722
	$ 379,923	$ 547,828	$ 491,122

22. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Warranties	$ 125,386	$ 126,038	$ 136,667

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of period	$ 126,038	$ 132,842
Recognized	27,243	26,215
Paid	(28,924)	(26,035)
Effects of foreign currency exchange differences	1,029	3,645
Balance, end of period	$ 125,386	$ 136,667

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

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Company and its subsidiaries' defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2025 and 2024, the amounts were NT$1,452 thousand and NT$377 thousand for the three months ended March 31, 2026 and 2025, respectively.

24. EQUITY

a. Ordinary Shares

	March 31, 2026	December 31, 2025	March 31, 2025
Numbers of shares authorized (in thousands)	400,000	400,000	400,000
Amount of shares authorized	$ 4,000,000	$ 4,000,000	$ 4,000,000
Numbers of shares issued and fully paid (in thousands)	254,827	254,827	254,827
Amount of shares issued	$ 2,548,265	$ 2,548,265	$ 2,548,265

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and the right to dividends.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Additional paid-in capital	$ 960,854	$ 960,854	$ 960,854
Conversion of bonds	222,593	222,593	222,593
The difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	26,569	26,569	26,569
Interest compensation	5,577	5,577	5,577
Expired employee stock warrants	1,234	1,234	1,234
	1,216,827	1,216,827	1,216,827
May be used to offset a deficit only			
Changes in percentage of ownership interests in subsidiaries	3,838	3,838	3,838
Changes in associates recognized using the equity method	13,831	13,831	13,831
	17,669	17,669	17,669
	$ 1,234,496	$ 1,234,496	$ 1,234,496

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.

As the Company incurred a loss for the year ended December 31, 2024, the resolution adopted at the shareholders' annual general meeting in June 2025 was to offset the loss and make no distribution of earnings.

In March 2026, the Board of Directors proposed the appropriation of earnings for the year ended December 31, 2025 and the dividend per share 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 Board of Directors additionally proposed the distribution of cash dividends of NT$239,235 thousand from capital surplus, or NT$0.95 per share.

The proposal for the appropriation of earnings for the year ended December 31, 2025 is subject to approval by the shareholders' annual general 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 Three Months Ended March 31	
	2026	2025
Balance, beginning of period	($ 103,948)	($ 111,524)
Recognized for the period		
Exchange differences on translating foreign operations	36,563	21,693
Income tax	-	(4,339)
Balance, end of period	($ 67,385)	($ 94,170)

2) Unrealized gain and loss on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of period	$ 314,918	$ 352,787
Recognized for the period		
Unrealized gain and loss - equity instruments	108,076	(105,172)
Balance, end of period	$ 422,994	$ 247,615

f. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance, beginning of period	$ 74,956	$ 1,586
Share in profit for the period	(3,870)	(1,755)
Exchange difference on translating foreign operations	($ 121)	$ 32
Increase in non-controlling interests arising from the acquisition of a subsidiary (note 29)	-	86,347
Balance, end of period	$ 70,965	$ 86,210

g. Treasury Shares

	For the Three Months Ended March 31	
	2026	2025
Transfer of Shares to Employees (in thousand shares)		
Beginning balance	3,000	-
Additions during the period	-	-
Ending balance	3,000	-

To motivate employees and enhance employee cohesion, the Company resolved at a Board meeting in May 2025 to repurchase 3,000 thousand common shares from the open market for transfer to employees. The expected repurchase price range was NT$16.95 to NT$33.90 per share. If the Company's share price fell below the lower limit of the price range, the repurchase would continue. 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 distributions, voting rights, or other shareholder rights. The aforementioned treasury shares shall be transferred to employees within five years from the date of repurchase. Any shares not transferred within the said period shall be deemed unissued shares of the Company and shall be subject to cancellation and registration amendment.

25. OPERATING REVENUE

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes and accounts receivable(include related parties), long-term notes and accounts receivables	$2,159,110	$2,186,650	$2,450,603	$2,258,653
Contract liabilities				
Sales of goods	$ 846,917	$ 801,149	$ 852,874	$ 897,376

b. Disaggregation of revenue

	Reportable Segments			
	Machine Manufacturer	Component Manufacturer	Others	Total
For the Three Months Ended March 31, 2026				
Revenue from sale of goods	$ 785,263	$ 43,510	$ 26,301	$ 855,074
Revenue from maintenance and rebuilding services	188,542	2,087	29,978	220,607
	$ 973,805	$ 45,597	$ 56,279	$1,075,681
For the Three Months Ended March 31, 2025				
Revenue from sale of goods	$1,257,000	$ 38,766	$ 24,300	$1,320,066
Revenue from maintenance and rebuilding services	179,960	-	20,122	200,082
	$1,436,960	$ 38,766	$ 44,422	$1,520,148

26. PROFIT BEFORE INCOME TAX

The following items were included in profit before income tax:

a. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income	$ 7,964	$ 18,782
Government subsidy income	853	942
Electricity income from investment Property	-	58,658
Others	2	10,049
	$ 8,819	$ 88,431

b. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Net foreign exchange gain	$ 22,606	$ 53,615
Depreciation expense	(2,935)	(2,973)
Gain (loss) on disposal of property, plant and equipment	(715)	2,335
Others	(1,437)	(501)
	$ 17,519	$ 52,476

The components of net foreign exchange gain were as follows:

	For the Three Months Ended March 31	
	2026	2025
Foreign exchange gain	$ 38,976	$ 85,024
Foreign exchange loss	(16,370)	(31,409)
Net foreign exchange gain	$ 22,606	$ 53,615

c. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	$ 26,985	$ 26,212
Interest on lease liabilities	1,822	3,921
Others	132	25
	$ 28,939	$ 30,158

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
Depreciation and amortization expenses		
Property, plant and equipment	$ 35,173	$ 37,046
Right-of-use assets	11,330	12,197
Investment properties	2,293	2,285
Intangible assets	6,612	6,845
Others	3,682	3,042
	$ 59,090	$ 61,415
An analysis of depreciation by function		
Operating costs	$ 26,592	$ 27,908
Operating expenses	19,269	20,647
Non-operating expenses	2,935	2,973
	$ 48,796	$ 51,528
An analysis of amortization by function		
Operating costs	$ 4,056	$ 4,292
Operating expenses	6,238	5,595
	$ 10,294	$ 9,887

e. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2026	2025
Direct operating expenses of investment properties that generated rental income	$ 2,293	$ 2,285

f. Employee benefits

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$ 363,375	$ 366,759
Post-employment benefits		
Defined contribution plans	14,770	19,743
Defined benefit plans (Note 23)	1,452	240
	16,222	19,983
	$ 379,597	$ 386,742
Analysis of employee benefits by function		
Operating costs	$ 244,260	$ 262,917
Operating expenses	135,337	123,825
	$ 379,597	$ 386,742

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

For the three months ended March 31, 2026 and 2025, no employees' compensation or directors' remuneration was estimated due to the existence of accumulated deficits and the incurrence of losses.

The employees' compensation and remuneration of directors and supervisors for 2025 had been approved by the Board of Director in March, 2026, as illustrated below:

	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 and 2022 was the same as the amount approved by the Company's board of directors in March 2024 and 2023, and paid in cash.

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

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

27. INCOME TAX

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

follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	$ 5,825	$ 5,296
Deferred tax		
In respect of the current year	(6,437)	25,243
	($ 612)	$ 30,539

b. Income tax recognized directly in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax		
In respect of the current period		
Translation of foreign operations	$ -	$ 4,339

c. Income tax assessments

The income tax returns of the Company the subsidiaries (included Potzu, APEC, Quick-Tech, Tongfong and Tong-Yeh) through 2023 have been assessed by the tax authorities.

28. EARNINGS (LOSSES) PER SHARE

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

Net profit (loss) for the period

	For the Three Months Ended March 31	
	2026	2025
Attributable to owners of the Company	($ 162,552)	$ 34,147

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

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares in computation of basic earnings per share	254,827	254,827
Less: Treasury Shares	3,000	-
Weighted average number of ordinary shares in computation of basic earnings per share	251,827	254,827
Effect of potentially dilutive potential ordinary shares:		
Employees' compensation	-	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	251,827	254,827

For the three-month periods ended March 31, 2026 and 2025, the Company incurred net losses and had accumulated deficits available for offset. Accordingly, the inclusion of potential common shares in the calculation of diluted loss per share would have had an anti-dilutive effect. Therefore, diluted loss per share was not presented.

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

29. BUSINESS COMBINATION

a. Acquisition of a subsidiary

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

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

b. Transfer of consideration

	POTZU
Cash	$ 132,000

c. Assets acquired and liabilities assumed at the acquisition date

	POTZU
Current Assets	
Cash	$ 60,325
Notes and accounts receivable	37,928
Other receivables	748
Inventory	25,968
Prepayments	1,436
Other current assets	2,577
Non-current Assets	
Property, plant and equipment	248,585
Right-of-use assets	20,249
Intangible assets	6,761
Intangible assets – core technology	18,987
Other non-current assets	18,518
Current Liabilities	
Short-term borrowings	(41,500)
Notes and accounts payable	(36,086)
Other payables	(14,456)

(Continued)

	POTZU
Current income tax liabilities	(16,417)
Lease liabilities – current	(5,143)
Other current liabilities	(309)
Non-current Liabilities	
Long-term borrowings	(96,860)
Lease liabilities – non-current	(15,294)
Other non-current liabilities	(149)
	$ 215,868
	(Concluded)

d. Non-controlling interest

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

e. Goodwill Arising from Acquisition

	POTZU
Consideration Transferred	$ 132,000
Add: Non-controlling Interest	86,347
Less: Fair Value of Identifiable Net Assets Acquired	(215,868)
Goodwill Arising from Acquisition	$ 2,479

The goodwill arising from the acquisition of the Puzi subsidiary primarily results from a control premium.

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

f. Net Cash Outflow for Acquisition of Subsidiary

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

g. Impact of Business Combination on Operating Results

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

	POTZU
Revenue	$ 21,722
Net Loss	($ 3,027)

If the acquisition of Puzi Subsidiary had occurred on January 1, 2025, the pro forma consolidated revenue and net loss of the Company and its subsidiaries for the three months ended March 31, 2025, would have been $34,004 thousand and $9,500 thousand, respectively.

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

30. NON-CASH TRANSACTIONS

For the three months ended March 31, 2026 and 2025, the Company and its subsidiaries entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

	For the Three Months Ended March 31	
	2026	2025
Investing activities affecting both cash and non-cash items		
Acquisition of property, plant and equipment	$ 47,082	$ 32,482
Decrease (Increase) of payable for equipment	1,871	(5,977)
Increase (Decrease) of prepayment for equipment	(4,259)	17,512
Cash paid	$ 44,694	$ 44,017

31. CAPITAL MANAGEMENT

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

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

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

32. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2026	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI - non-current				
Investments in Equity Instruments				
Domestic listed shares	$ 447,301	$ -	$ -	$ 447,301
Domestic unlisted shares	-	-	382,958	382,958
	$ 447,301	$ -	$ 382,958	$ 830,259

(Continued)

December 31, 2025	Level 1	Level 2	Level 3	Total
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
March 31, 2025				
Financial assets at FVTOCI - non-current				
Investments in Equity Instruments				
Domestic listed shares	$ 276,151	$ -	$ -	$ 276,151
Domestic unlisted shares	-	-	30,009	30,009
	$ 276,151	$ -	$ 30,009	$ 306,160

(Concluded)

There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.

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

For the three months ended March 31, 2026

Financial assets	Equity Instruments Financial Assets at FVTOCI
Balance, beginning of period	$ 363,741
Purchase	20,000
Change in fair value recognized in other comprehensive income	(783)
Balance, end of period	$ 382,958

For the three months ended March 31, 2025

Financial assets	Equity Instruments Financial Assets at FVTOCI
Balance, beginning of period	$ 30,454
Change in fair value recognized in other comprehensive income	(445)
Balance, end of period	$ 30,009

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.

When no quoted market prices are available, fair values are estimated using valuation techniques. The fair value of unlisted (non-listed and non-OTC) equity securities is estimated based on the investee company's net asset value.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at amortized cost (1)	$ 3,520,336	$ 3,658,601	$ 4,479,330
Financial assets at FVTOCI			
Equity instruments	830,259	702,183	306,160
Financial liabilities			
Financial liabilities at amortized cost (2)	$ 6,472,788	$ 6,224,018	$ 6,706,780

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of significant foreign currency monetary assets and liabilities at the balance sheet date are disclosed in Note 37.

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

	USD Impact		CNY Impact		EUR Impact	
	For the Three Months Ended March 31					
	2026	2025	2026	2025	2026	2025
Pre-tax profit or loss (Note)	($27,736)	$27,848	($17,421)	$16,676	($20,333)	$16,218

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	$ 102,371	$ 51,826	$ 54,198
Financial liabilities	382,089	383,189	893,897
Cash flow interest rate risk			
Financial liabilities	4,895,435	4,156,109	4,466,309

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

end of the reporting period was outstanding for the whole year. The interest rates change of 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates of financial liabilities had been 1% higher/lower and all other variables were held constant, the Company and its subsidiaries' pre-tax profit would have been higher/lower by NT$12,239 thousand and NT$11,166 thousand for the three months ended March 31, 2026 and 2025, respectively.

c) Other price risk

The Company and its subsidiaries are exposed to equity price risk through their investments in mutual funds, and domestic listed shares. If domestic listed shares equity prices and mutual funds had been 1% higher/lower, the pre-tax other comprehensive income for the three months ended March 31, 2026 and 2025 would have been higher/lower by NT$4,473 thousand and lower/higher NT$2,762 thousand, as a result of the changes in fair value of financial assets at FVTOCI respectively.

2) Credit risk

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

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

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

3) Liquidity risk

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

The following table details the Company and its subsidiaries' remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company and its subsidiaries can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

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

March 31, 2026

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$1,467,703	$ 5,043	$ -	$1,472,746
Interest bearing liabilities	3,977,298	947,686	181,322	5,106,306
Finance lease liabilities	44,735	99,770	233,454	377,959
	$5,489,736	$1,052,499	$ 414,776	$6,957,011

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	$ 44,735	$ 99,770	$ 92,665	$ 90,484	$ 50,305	$ -

December 31, 2025

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$1,771,723	$ 3,788	$ -	$1,775,511
Interest bearing liabilities	3,375,336	979,376	208,520	4,563,232
Finance lease liabilities	37,980	91,727	223,976	353,683
	$5,185,039	$1,074,891	$ 432,496	$6,692,426

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	$ 37,980	$ 91,727	$ 87,269	$ 85,294	$ 51,413	$ -

March 31, 2025

	1 Year	1-5 Years	5+ Years	Total
Non-interest bearing liabilities	$1,872,415	$ 9,158	$ -	$1,881,573
Interest bearing liabilities	3,989,236	1,126,558	287,003	5,402,797
Finance lease liabilities	46,428	165,339	677,093	888,860
	$5,908,079	$1,301,055	$ 964,096	$8,173,230

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 46,428	$ 165,339	$ 174,386	$ 172,249	$ 133,302	$ 197,156

e. Financial assets transfer information

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

As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amounts of the un-derecognition transferred bank acceptance receivable were NT$197,350 thousand, NT$171,768 thousand and NT$57,760 thousand, respectively, and the carrying amounts of related liabilities were NT$197,350 thousand NT$171,768 thousand and NT$57,760 thousand, respectively.

33. TRANSACTIONS WITH RELATED PARTIES

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

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

Related Party Name	Relationship
Contrel Technology Co., Ltd.	Other related parties
F.S.E Corporation	Other related parties
Shiang Jen Co., Ltd. (Shiang Jen)	Other related parties
Honor Seiki Co., Ltd. (Honor Seiki)	Other related parties
Ruei Yang Precision Co., Ltd. (Ruei Yang)	Other related parties
Printin3d DigiTech Co., Ltd.	Other related parties
San Shin Co., Ltd. (San Shin)	Other related parties
Pt Tong - Tai Seikindo Utama	Substantial related party
Lerinc Werkzeugmaschinen & Automation GmbH（LWA）	Substantial related party
Yen Cheng Shih	Other related parties

b. Sales of goods

		For the Three Months Ended March 31	
Account Item	Related Party Type	2026	2025
Revenues from sales	Other related parties	$ 4,761	$ 4,044

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

c. Purchase of goods

	For the Three Months Ended March 31	
Related Party Type	2026	2025
Other related parties	$ 10,315	$ 25,945

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

d. Receivables from related parties

Account Item	Related Party Type	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable - related parties	Other related parties	$ 13,547	$ 20,752	$ 10,819
Other accounts receivable	Other related parties	$ 32,379	$ 12,235	$ 6,849
Less: Loss allowance	Other related parties (note 9)	1,171	1,178	-
		$ 31,208	$ 11,057	$ 6,849

e. Loans to related parties

Account Item	Related Party Type	March 31, 2026	December 31, 2025
Other accounts receivable	Substantial related party - LWA	$ 44,052	$ 44,280
Other accounts receivable	Substantial related party - other	2,678	2,711
Less: Loss allowance	Substantial related party - LWA (note 9)	44,052	44,280
		$ 2,678	$ 2,711

Account Item	Related Party Type	For the Three Months Ended March 31
		2026
Interest revenue	Substantial related party－LWA	$ -
Interest revenue	Substantial related party－other	29
		$ 29

f. Payables to related parties

Account Item	Related Party Type	March 31, 2026	December 31, 2025	March 31, 2025
Notes payable - related parties	Honor Seiki	$ 2,243	$ 19,086	$ 8,879
	Other	18	68	-
		$ 2,261	$ 19,154	$ 8,879
Accounts payable - related parties	Other related parties			
	Honor Seiki	$ 11,652	$ 18,320	$ 109,025
	Shiang Jen	-	8,284	31,185
	Shan Shin	11,163	13,563	11,912
	Other	1,353	1,049	7,550
		$ 24,168	$ 41,216	$ 159,672
Other accounts payable	Other related parties	$ 280	$ 213	$ 316

g. Contract liabilities

Account Item	Related Party Type	March 31, 2026	December 31, 2025	March 31, 2025
Contract liabilities - current	Other related parties	$ -	$ -	$ 3,609

h. Prepayments (Included in other current assets)

Account Item	Related Party Type	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments	Other related parties	$ 18,848	$ 11,428	$ 15,554

i. Acquisition of Property, Plant and Equipment

In February 2025, the Company's subsidiary, Potzu, made an advance payment of NT$30,000 thousand to a related party, Mr. Yan Cheng-Shih, for the purchase of land, which was recognized as Advances for land. The transaction arose from the parties' agreement reached through price negotiation in October 2024 to acquire the land for a total consideration of NT$150,000 thousand. Subsequently, in October 2025, the parties entered into an agreement to terminate the purchase contract, and, in accordance with the agreement, the advance payment was fully refunded in December 2025.

j. Other transactions with related parties

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

	For the Three Months Ended March 31	
Related Party Type	**2026**	**2025**
Other related parties	$ 73	$ -

2) Rental income

	For the Three Months Ended March 31	
Related Party Type	**2026**	**2025**
Other related parties		
Shiang Jen	$ -	$ 1,410
Other	286	286
	$ 286	$ 1,696

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.

h. Compensation of key management personnel

	For the Three Months Ended March 31	
	2026	**2025**
Short-term employee benefits	$ 3,293	$ 3,452
Post-employment benefits	35	82
	$ 3,328	$ 3,534

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2026	December 31, 2025	March 31, 2025
Discounted notes receivable	$ 197,350	$ 171,768	$ 57,760
Property, plant and equipment	972,043	942,332	904,229
Investment properties	132,484	133,120	122,581
Other financial assets (including current and noncurrent portion)	113,350	76,531	79,654
	$ 1,415,227	$ 1,323,751	$ 1,164,224

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Note 16, significant commitments and contingencies of the Company and its subsidiaries as of March 31, 2026 were as follows:

a. Unused letters of credit in the amount of NT$ 1,165 thousand.

b. For sales, bidding, export tariff, commodity tax and bank loan, the Company and its subsidiaries entered into credit facility agreements with banks for commitment amount of NT$149,217 thousand.

36. SIGNIFICANT SUBSEQUENT EVENT

In consideration of the Group's operational expansion needs in Mainland China, the board of directors of the Company's subsidiary, APEC, approved in April 2026 the establishment of a wholly owned subsidiary with a capital investment of up to US$2 million. The investment will be made through an intermediary company in a third jurisdiction for the purpose of making a reinvestment in operations in Mainland China.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2026	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Monetary foreign currency assets				
USD	$ 37,969	31.995	(USD:NTD)	$ 1,214,818
USD	2,013	6.91	(USD:CNY)	64,406
EUR	24,065	36.71	(EUR:NTD)	883,426
CNY	125,450	4.629	(CNY:NTD)	580,708
Non-monetary foreign currency assets				
Investment accounted for using the equity method				
MYR	7,108	7.653	(MYR:NTD)	54,398
Monetary foreign currency liabilities				
USD	8,178	31.995	(USD:NTD)	261,655
USD	2,908	0.87	(USD:EUR)	93,041
EUR	5,602	36.71	(EUR:NTD)	205,649
Monetary foreign currency liabilities				
Investment accounted for using the equity method				
EUR	11,218	36.71	(EUR:NTD)	411,803

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
December 31, 2025				
Monetary foreign currency assets				
USD	37,029	31.43	(USD: NTD)	1,163,821
USD	498	4.202	(USD: MYR)	15,652
USD	1,904	6.991	(USD:CNY)	59,843
CNY	122,789	4.496	(CNY: NTD)	552,059
EUR	19,026	36.90	(EUR: NTD)	702,059
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	$ 8,470	31.43	(USD: NTD)	$ 266,212
USD	968	4.202	(USD:MYR)	30,424
CNY	3,226	4.496	(CNY: NTD)	14,504
EUR	5,067	36.90	(EUR: NTD)	186,972
Non-monetary foreign currency liabilities				
Investment accounted for using the equity method				
EUR	5,067	36.90	(EUR: NTD)	315,036
March 31, 2025				
Monetary foreign currency assets				
USD	$ 33,300	33.205	(USD:NTD)	$ 1,105,727
USD	207	0.92	(USD:EUR)	6,873
USD	512	4.60	(USD:MYR)	17,001
USD	2,762	7.261	(USD:CNY)	91,712
EUR	17,784	35.97	(EUR:NTD)	639,690
CNY	124,296	4.573	(CNY:NTD)	568,406
Non-monetary foreign currency assets				
Investment accounted for using the equity method				
MYR	7,581	7.2195	(MYR:NTD)	54,734
Monetary foreign currency liabilities				
USD	8,564	33.205	(USD:NTD)	284,368
USD	251	0.92	(USD:EUR)	8,334
USD	5	4.60	(USD:MYR)	166
USD	5	7.261	(USD:CNY)	166
EUR	2,755	35.97	(EUR:NTD)	99,097
CNY	2,739	4.573	(CNY:NTD)	12,525
Monetary foreign currency liabilities				
Investment accounted for using the equity method				
EUR	3,153	35.97	(EUR:NTD)	113,402

(Concluded)

For the three months ended March 31, 2026 and 2025, net foreign exchange gains and losses were gain of NT$22,606 thousand and gain of NT$53,615 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transaction and functional currencies.

38. 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: None;

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

6) Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 5 attached;

b. Information about Subsidiaries: Please see Table 6.

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.

39. SEGMENT INFORMATION

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

.Machine Manufacturer Segment: Including the Company, Suzhou Tongyu, APEC, PCI-SCEMM, CERIMATEC and Anger, which are engaging in the manufacturing and selling of machine tools and after-sales service.

.Component Manufacturer Segment: Including Tongfong, Tong-Yeh, Potzu and SKTD, mainly engage in sales and manufacturing of parts, mold and maintenance of machine tool.

.Others: Apart from the aforementioned segments, mainly engage in sales of machines, and holding investment and so on.

a. Segment revenues and operating results

	Machine Manufacturer	Component Manufacturer	Others	Adjustment and Elimination	Total
For the Three Months Ended March 31, 2026					
Revenues from external customers	$ 973,805	$ 45,597	$ 56,279	$ -	$ 1,075,681
Inter-segment revenues	120,724	19,893	9,761	(150,378)	-
Segment revenues	$ 1,094,529	$ 65,490	$ 66,040	($ 150,378)	$ 1,075,681
Segment profit (loss)	($ 155,492)	($ 9,636)	($ 19,129)	$ 12,089	($ 172,168)
Interest income	4,621	16	1,696	(3,602)	2,731
Financial costs	(25,174)	(1,592)	(5,775)	3,602	(28,939)
Share of the profit (loss) of associates and subsidiaries	5,004	-	-	-	5,004
Other non-operating income and expenses	41,535	1,105	(4,858)	(11,444)	26,338
Profit (loss) before income tax	(129,506)	(10,107)	(28,066)	645	(167,034)
Income tax expense (benefit)	(863)	33	218	-	(612)
Net profit (loss) for the period	($ 128,643)	($ 10,140)	($ 28,284)	$ 645	($ 166,422)
For the Three Months Ended March 31, 2025					
Revenues from external customers	$ 1,436,960	$ 38,766	$ 44,422	$ -	$ 1,520,148
Inter-segment revenues	93,720	26,690	16,049	(136,459)	-
Segment revenues	$ 1,530,680	$ 65,456	$ 60,471	($ 136,459)	$ 1,520,148
Segment profit (loss)	($ 59,641)	$ 1,936	($ 13,181)	$ 6,624	($ 64,262)
Interest income	8,870	10	1,947	(7,402)	3,425
Financial costs	(30,804)	(1,233)	(5,523)	7,402	(30,158)
Share of the profit (loss) of associates and subsidiaries	13,019	-	-	-	13,019
Other non-operating income and expenses	137,524	7,872	1,263	(5,752)	140,907
Profit (loss) before income tax	68,968	8,585	(15,494)	872	62,931
Income tax expense (benefit)	27,654	10	2,875	-	30,539
Net profit (loss) for the period	$ 41,314	$ 8,575	($ 18,369)	$ 872	$ 32,392

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

b. Segment total assets and liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Segment assets			
Machine Manufacturer	$14,501,546	$14,179,635	$15,186,160
Component Manufacturer	542,185	518,529	496,691
Others	1,354,405	1,361,143	1,869,391
Adjustment and Elimination	(3,552,738)	(3,499,147)	(4,081,314)
	$12,845,398	$12,560,160	$13,470,928
Segment liabilities			
Machine Manufacturer	$ 8,483,542	$ 8,197,522	$ 9,642,853
Component Manufacturer	380,204	347,193	299,161
Others	923,847	796,446	626,458
Adjustment and Elimination	(1,781,842)	(1,642,552)	(1,566,311)
	$ 8,005,751	$ 7,698,609	$ 9,002,161

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn (Note 4)	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.	Tongtai Machinery Co., Ltd.	Other receivables - related party	Yes	$ 59,784	$ 28,796	$ 27,196	3.5	Note 1	-	Operating capital	$ -	-	$ -	$ 476,868	$ 953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	Other receivables - related party	Yes	315,672	308,364	308,364	2.004～2.013	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Other receivables - related party	Yes	151,032	76,788	76,788	3.5	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd.	Other receivables - related party	Yes	92,580	92,580	92,580	1.9	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	Other receivables - related party	Yes	199,174	194,563	194,563	2.07～2.198	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	PCI-SCEMM	Other receivables - related party	Yes	7,776	7,776	7,776	2.07	Note 1	$ -	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	CERIMATEC	Other receivables - related party	Yes	105,224	102,788	102,788	2.036-2.222	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Industury Co., Ltd.	Other receivables - related party	Yes	40,000	20,000	12,100	1.9	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	Potzu Co., LTD.	Other receivables - related party	Yes	20,000	20,000	20,000	2.22	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
0	Tongtai Machine & Tool Co., Ltd.	PT TONG-TAI SEIKINDO	Other receivables - related party	Yes	3,943	3,943	2,678	4	Note 1	-	Operating capital	-	-	-	476,868	953,736	Note 2
1	Union Top Industrial (Samoa) Limited	Mbi-group Beteiligung GmbH	Other receivables - related party	Yes	37,580	36,710	36,710	4.7	Note 1	-	Operating capital	-	-	-	90,489	180,978	Note 3
1	Union Top Industrial (Samoa) Limited	PCI-SCEMM	Other receivables - related party	Yes	7,516	7,342	7,342	3.1	Note 1	-	Operating capital	-	-	-	90,489	180,978	Note 3
1	Union Top Industrial (Samoa) Limited	TTGroup America, Inc.	Other receivables - related party	Yes	14,398	14,398	14,398	6.5	Note 1	-	Operating capital	-	-	-	90,489	180,978	Note 3
1	Union Top Industrial (Samoa) Limited	CERIMATEC	Other receivables - related party	Yes	30,064	29,368	29,368	3.1	Note 1	-	Operating capital	-	-	-	90,489	180,978	Note 3
1	Union Top Industrial (Samoa) Limited	Lerinc Werkzeugmaschinen & Automation GmbH	Other receivables - related party	Yes	45,096	44,052	44,052	5.26	Note 1	-	Operating capital	44,052	-	-	90,489	180,978	Note 3

Note 1: The need for short-term financing.

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

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

Note 4: Except for PT TONG-TAI SEIKINDO and Lerinc Werkzeugmaschinen & Automation GmbH, all of the above transactions have been eliminated in the preparation of the consolidated financial statements.

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

No.	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	$ 1,430,604	$ 493,683	$ 493,683	$ 375,339	$ -	10.35	$ 2,384,341	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	A company in which more than 50% of the voting shares are directly or indirectly held by the Company	1,430,604	884,711	884,711	605,715	-	18.55	2,384,341	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Asia Pacific Elite Corp.	The Company owns directly or indirectly over 50% ownership of the investee company	1,430,604	235,000	205,000	80,850	-	4.3	2,384,341	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Co., Ltd.	The Company owns directly or indirectly over 50% ownership of the investee company	1,430,604	25,000	25,000	15,500	-	0.52	2,384,341	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Potzu Co., LTD.	The Company owns directly or indirectly over 50% ownership of the investee company	1,430,604	310,000	260,0000	140,252	-	5.45	2,384,341	Y	-	-	
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Machine Tool (SEA) Sdn. Bhd.	The Company owns directly or indirectly over 50% ownership of the investee company	1,430,604	31,465	-	-	-	-	2,384,341	Y	-	-	

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

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

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
March 31, 2026
(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	March 31, 2026				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	$ 433,553	4	$ 433,553	
	World Known MFG (Cayman) Limited	-	Financial assets at fair value through other comprehensive income - non current	280,000	13,748	1	13,748	
	USYNC INC.	-	Financial assets at fair value through other comprehensive income - non current	295,371	12,551	4	12,551	
	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	
	Hantop Intelligence Technology Co., LTD.	-	Financial assets at fair value through other comprehensive income - non current	2,000,000	20,000	11	20,000	
					$ 830,259		$ 830,259	
	Financial bond CATLIF_5.8_050934		Financial assets at amortized cost - non-current	-	$ 31,995	-	$ 31,995	

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 THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 4)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Amount		
Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd.	Subsidiary	$ 169,454(Note 1)	1.72	$ -	-	$ -	$ -
	Anger Machining GmbH	Subsidiary	318,548(Note 2)	-	-	-	-	-
	CERIMATEC	Subsidiary	103,790(Note 3)	-	-	-	104,893	-
	TTGroup Technologies	Subsidiary	196,382(Note 3)	-	-	-	-	-

Note 1: Including accounts receivable amounted of NT$76,831 thousand and other receivable amounted of NT$92,623 thousand. Other receivable was excluded in the calculation turnover rate.

Note 2: Including accounts receivable amounted of NT$567 thousand and other receivable amounted of NT$317,981 thousand. Other receivable was excluded in the calculation turnover rate.

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

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

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Operating Revenues or Assets
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd	Parent to subsidiary	Accounts receivable	$ 76,831	Based on contracts	0.60
0	Tongtai Machine & Tool Co., Ltd.	Suzhou Tongyu Machine Tool Co., Ltd	Parent to subsidiary	Other receivable	92,623	Based on contracts and BOD resolution	0.72
0	Tongtai Machine & Tool Co., Ltd.	Anger Machining GmbH	Parent to subsidiary	Other receivable	317,981	Based on contracts and BOD resolution	2.48
0	Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Parent to subsidiary	Other receivable	80,620	Based on contracts and BOD resolution	0.63
0	Tongtai Machine & Tool Co., Ltd.	CERIMATEC	Parent to subsidiary	Other receivable	103,790	Based on contracts and BOD resolution	0.81
0	Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	Parent to subsidiary	Other receivable	196,382	Based on contracts and BOD resolution	1.53
1	Union Top Industrial (Samoa) Limited	Mbi-group Beteiligung GmbH	Subsidiary to subsidiary	Other receivable	38,861	Based on contracts and BOD resolution	0.30

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
Tongtai Machine & Tool Co., Ltd.	Union Top Industrial (Samoa) Limited	Samoa	General investment	$ 560,867	$ 560,867	16,465,400	100.00	$ 902,320	($ 10,553)	($ 10,553)	Note
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	29,076	95	95	Note
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	251,827	17,636	17,606	Note
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	107,696	6,413	6,519	Note
Tongtai Machine & Tool Co., Ltd.	Tong-Yeh Precision Co., Ltd.	Kaohsiung City	Sales, manufacturing and processing of machine component	28,020	28,020	1,659,790	94.58	(6,366)	(399)	(378)	Note
Tongtai Machine & Tool Co., Ltd.	Potzu Co., LTD.	Chiayi County	Sales, manufacturing and processing of machine component	132,000	132,000	45,000	60.00	111,249	(6,481)	(4,364)	Note
Tongtai Machine & Tool Co., Ltd.	Tongtai Machine & Tool Japan Co., Ltd.	Japan	Sales and manufacturing of equipment	31,561	31,561	889	100.00	17,984	(2,089)	(2,089)	Note
Tongtai Machine & Tool Co., Ltd.	Tong Tai Machinery Co., Ltd.	Thailand	Sales of customized machine	5,854	5,854	999,998	100.00	29,766	(1,050)	(1,050)	Note
Tongtai Machine & Tool Co., Ltd.	Tongtai Seiki Vietnam Co., Ltd.	Vietnam	Sales of customized machine	9,054	9,054	631,080	100.00	25,078	1,335	1,335	Note
Tongtai Machine & Tool Co., Ltd.	Tongtai Machine Tool (SEA) Sdn. Bhd.	Malaysia	Sales of customized machine	5,107	5,107	520,000	52.00	12,857	(2,065)	(1,074)	Note
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	41,541	(333)	(333)	Note
Tongtai Machine & Tool Co., Ltd.	TTGroup America, Inc.	USA	Sales of merchandise	71,667	71,667	-	100.00	(32,248)	(22,327)	(22,327)	Note
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	3,355	(26)	(26)	Note
Tongtai Machine & Tool Co., Ltd.	Tongtai Europe B.V.	Netherlands	Sales of merchandise	96,221	96,221	9,000	100.00	(79,371)	(4,135)	(4,135)	Note
Tongtai Machine & Tool Co., Ltd.	Tongan GmbH	Austrian	General investment	981,154	981,154	35,000	100.00	(410,817)	(43,058)	(43,058)	Note
Tongtai Machine & Tool Co., Ltd.	TTGroup Technologies	France	General investment	171,600	171,600	5,000,000	100.00	78,385	(52,081)	(52,081)	Note
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	762,919	14,476	5,732	
Tongtai Machine & Tool Co., Ltd.	Ruei Yang Precision Co., Ltd.	Tainan City	Sales, manufacturing and processing of machine component	10,000	10,000	1,000,000	20.00	3,789	(3,285)	(656)	
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	10,121	(180)	(72)	
Tongtai Machine & Tool Co., Ltd.	Cyber Laser Taiwan Co., Ltd.	Tainan City	Machine and manufacturing of electronic component	20,000	20,000	2,000,000	33.00	-	-	-	
Tongtai Machine & Tool Co., Ltd.	Magdeburger Werkzeugmaschinen & Automation GmbH	Austrian	Sales of equipment	13,624	13,624	1	20.00	-	-	-	
Union Top Industrial (Samoa) Limited	Great Pursuit Limited	Samoa	General investment	40,054	40,054	-	55.00	-	-	-	Note
Tongtai Machine & Tool Japan Co., Ltd.	SKTD Co., Ltd.	Japan	Design and development of machine tools	23,203	23,203	780	98.73	10,478	(2,563)	(2,530)	Note

TTGroup Technologies	PCI-SCEMM	France	Sales, manufacturing and maintenance of machine tools	$ 399,492	$ 399,492	2,050,000	100.00	$ 230,133	($ 16,319)	($ 16,319)	Note
TTGroup Technologies	CERIMATEC	France	Sales of machine tools	112,604	9,816	600,000	100.00	36,292	(34,948)	(34,948)	Note
Tongan GmbH	Mbi-group Beteiligung GmbH	Austrian	General investment	946,577	946,577	-	100.00	(412,176)	(43,528)	(43,045)	Note
Mbi-group Beteiligung GmbH	Anger Machining GmbH	Austrian	Sales, manufacturing and maintenance of machine tools	991,615	991,615	-	100.00	(345,874)	(43,088)	(43,088)	Note
Anger Machining GmbH	Anger Service Deutschland GmbH	Germany	Sales and maintenance of machine tools	868	868	-	100.00	6,381	268	268	Note

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

TONGTAI MACHINE & TOOL CO., LTD. AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026	Note
					Outward	Inward							
Tong-Yu Machine Tool (Shanghai) Co., Ltd.	Sales and maintenance of machine tools	$ 77,044	Investments through a holding company registered in a third region	$ 77,044	$	$	$ 77,044	($ 1,623)	100.00	($ 1,623)	$ 77,024	$ -	Note 4
Suzhou Tongyu Machine Tool Co., Ltd.	Manufacturing of digital control machine and system	799,875	Investments through a holding company registered in a third region	799,875			799,875	(5,017)	100.00	(5,017)	1,075,217	-	Note 4
Shanghai Tong-Tai-Shin Trading Co., Ltd.	International trade	6,399	Investments through a holding company registered in a third region	6,399			6,399	(19)	100.00	(19)	10,247	-	Note 4
Hao-Tern-Shin Electronics (Shenzhen) Co., Ltd.	Sales and manufacturing of printed circuit board	79,988	Investments through a holding company registered in a third region	43,993			43,993	-	55.00	-	-	-	Note 4

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
Tongtai Machine & Tool Co., Ltd.	$ 927,311	$ 927,311	$ 2,861,209

Note 1: The amounts were calculated based on the foreign exchange rate as of March 31, 2026.

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

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

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