TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2026 AND 2025

Notice to readers:

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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Independent Auditors' Report Translated from Chinese

To TURVO INTERNATIONAL CO., LTD.

Opinion

We have reviewed the accompanying consolidated balance sheets of TURVO INTERNATIONAL CO., LTD. (the "Company") and its subsidiaries as of 31 March 2026 and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended 31 March 2026 and 2025, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

Qualified Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 31 March 2026 and 2025, and their consolidated financial performance and cash flows for the three-month periods ended 31 March 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Huang, Ching Ya
Lo, Wen Chen
Ernst & Young, Taiwan
Taiwan, 6 May 2026

Notes to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 March 2026, 31 December 2025 and 31 March 2025
(Expressed in Thousand New Taiwan Dollars)

		As at		
Assets	Notes	31 March 2026	31 December 2025	31 March 2025
Current Assets				
Cash and cash equivalents	4, 6(1)	$1,040,196	$1,306,849	$684,282
Financial assets measured at amortized cost, current	4, 6(2), 8	1,373,229	214,040	638,203
Notes receivable	4, 6(14),7	8,890	4,895	27,982
Accounts receivable, net	4, 5, 6(3),6(14),7	844,048	807,715	864,780
Other receivables		40,632	42,548	31,032
Current tax assets		633		
Inventories, net	4,5, 6(4)	814,327	840,732	827,840
Prepayment		56,207	47,779	40,556
Other current assets		26,761	28,034	57,644
Total current assets		4,204,923	3,292,592	3,172,319
Non-current assets				
Financial assets at fair value through profit or loss - non-current	4, 6(9)	2,730	-	-
Financial assets measured at amortized cost, non-current	4, 6(2)	277,608	737,913	596,315
Property, plant and equipment	4, 6(5), 7,8	2,175,912	2,228,458	2,267,963
Right of use assets	4, 6(15)	336,910	152,517	124,949
Intangible assets	4	19,303	20,231	11,906
Deferred tax assets	4, 6(19)	18,479	17,987	16,987
Other non-current assets	6(6)	85,336	174,873	31,396
Total non-current assets		2,916,278	3,331,979	3,049,516
Total assets		$7,121,201	$6,624,571	$6,221,835

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 March 2026, 31 December 2025 and 31 March 2025
(Expressed in Thousand New Taiwan Dollars)

Liabilities and Equity	Notes	As at 31 March 2026	31 December 2025	31 March 2025
Current liabilities				
Short-term loans	4、6(7)	$202,924	$1,255,385	$563,000
Contract liabilities, current	4、6(13)	116	1,058	13
Notes payable	4,7	54,636	47,356	75,747
Accounts payable	4	253,045	272,886	268,962
Other payables	6(8)	476,973	241,482	696,622
Current tax liabilities	4, 6(19)	70,694	61,934	69,584
Current lease liabilities	4, 6(15)	48,974	51,194	33,426
Other current liabilities		34,298	52,594	50,251
Long-term borrowings (including current portion with maturity less than 1 year)	4, 6(10)	114,158	109,052	86,078
Total current liabilities		1,255,818	2,092,941	1,843,683
Non-current liabilities				
Bonds payable	4, 6(9)	1,225,737	-	-
Long-term loans	4, 6(10)	310,585	339,125	424,743
Deferred tax liabilities	4, 6(19)	155,358	121,924	99,733
Non-current lease liabilities	4, 6(15)	158,846	105,235	91,023
Other non-current liabilities		211	269	277
Total non-current liabilities		1,850,737	566,553	615,776
Total liabilities		3,106,555	2,659,494	2,459,459
Equity attributable to the parent company	6(12)			
Capital				
Common stock		602,881	602,881	602,881
Additional paid-in capital		907,806	818,217	818,217
Retained earnings				
Legal reserve		564,270	564,270	498,167
Special reserve		37,648	37,648	170,106
Retained earnings		1,898,075	2,043,524	1,695,107
Total Retained earnings		2,499,993	2,645,442	2,363,380
Other components of equity				
Exchange differences on translation of foreign operations - the parent company		(11,597)	(105,796)	(29,304)
Equity attributable to owners of the parent		3,999,083	3,960,744	3,755,174
Non-controlling interests	6(12)	15,563	4,333	7,202
Total equity		4,014,646	3,965,077	3,762,376
Total liabilities and equity		$7,121,201	$6,624,571	$6,221,835

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month periods ended 31 March 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the three-month periods ended 31 March	
	Notes	2026	2025
Net Sales	4, 6(12),7	$813,177	$878,707
Cost of Sales	6(4), 6(10), 6(14),6(15)	(588,854)	(612,431)
Gross Profit		224,323	266,276
Operating Expenses	6(10), 6(14),6(15)		
Selling and marketing		(13,291)	(16,175)
Management and administrative		(71,206)	(74,275)
Research and development		(55,560)	(57,780)
Expected credit (losses) gains	6(13)	1,050	(382)
Total Operating Expenses		(139,007)	(148,612)
Operating Income		85,316	117,664
Non-operating income and expenses	6(16)		
Other income		29,881	11,420
Other gain and loss		20,858	13,391
Financial costs	4	(9,797)	(4,715)
Total non-operating income and expenses		40,942	20,096
Income from continuing operations before income tax		126,258	137,760
Income tax expense	4, 6(18)	(18,750)	(17,002)
Net income		107,508	120,758
Other comprehensive income	6(17)		
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		117,174	43,754
Income tax related to items that may be reclassified subsequently	6(18)	(23,550)	(35,200)
Total other comprehensive income (loss), net of tax		93,624	8,554
Total comprehensive income		$201,132	$129,312
Net income attributable to:			
Stockholders of the parent		$95,703	$121,699
Non-controlling interests		11,805	(941)
		$107,508	$120,758
Comprehensive income attributable to:			
Stockholder of the parent		$189,902	$130,043
Non-controlling interests		11,230	(731)
		$201,132	$129,312
Earnings per share	6(19)		
Earnings per share-basic (NTD)		$1.59	$2.02
Earnings per share-diluted (NTD)		$1.55	$2.01

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three-month periods ended 31 March 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Total	Non-Controlling Interests	Total Equity
Balance as of 1 January 2025	6(12)	$602,881	$818,217	$498,167	$170,106	$1,995,425	$(37,648)	$4,047,148	$7,933	$4,055,081
Appropriations of earnings, 2024										
Cash dividends						(422,017)		(422,017)		(422,017)
Net income for the three-month period ended 31 March 2025						121,699		121,699	(941)	120,758
Other comprehensive income (loss), net of tax for the three-month period ended 31 March 2025							8,344	8,344	210	8,554
Total comprehensive income (loss)		-	-	-	-	(300,318)	8,344	(291,974)	(731)	(292,705)
Balance as of 31 March 2025		$602,881	$818,217	$498,167	$170,106	$1,695,107	$(29,304)	$3,755,174	$7,202	$3,762,376
Balance as of 1 January 2026	6(12)	$602,881	$818,217	$564,270	$37,648	$2,043,524	$(105,796)	$3,960,744	$4,333	$3,965,077
Appropriations of earnings, 2025										
Cash dividends						(241,152)		(241,152)		(241,152)
Equity Component of Convertible Bonds – Share Options			89,589					89,589		89,589
Net income for the three-month period ended 31 March 2026						95,703		95,703	11,805	107,508
Other comprehensive income (loss), net of tax for the three-month period ended 31 March 2026							94,199	94,199	(575)	93,624
Total comprehensive income (loss)		-	-	-	-	95,703	94,199	189,902	11,230	201,132
Balance as of 31 March 2026		$602,881	$907,806	$564,270	$37,648	$1,898,075	$(11,597)	$3,999,083	$15,563	$4,014,646

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

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month periods ended 31 March 2026 and 2025

(Expressed in Thousand New Taiwan Dollars)

	For the three-month periods ended 31 March	
	2026	2025
Cash flows from operating activities:		
Net income before tax	$126,258	$137,760
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	84,044	81,751
Amortization	1,781	1,897
Expected credit (gains) losses	(1,050)	382
Net losses on financial assets at fair value through profit or loss	130	-
Interest cost	9,797	4,715
Interest income	(9,135)	(8,312)
Gain on disposal of property, plant and equipment	(24,765)	(2,418)
Losses from price recovery of inventory	10,458	11,345
Changes in operating assets and liabilities:		
Notes receivable	(3,771)	(14,338)
Aaccounts receivable	(21,623)	(10,678)
Other receivables	(7,816)	(2,321)
Inventories, net	29,842	40,084
Prepayments	(9,114)	10,104
Increase in oO	1,273	(15,219)
Contract liabilities	(942)	(407)
Notes payable	7,280	12,881
Accounts payable	(19,842)	(41,846)
Other payables	(7,889)	(85,505)
Other current liabilities	(18,295)	3,290
Other non-current liabilities	(58)	(270)
Cash generated from operations	146,563	122,895
Income tax paid	(289)	(30,948)
Net cash provided by operating activities	146,274	91,947

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

(continued)

TURVO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month periods ended 31 March 2026 and 2025

(Expressed in Thousand New Taiwan Dollars)

	For the three-month periods ended 31 March	
(Continued)	2026	2025
Cash flows from investing activities:		
Acquisition of Financial assets measured at amortized cost	(698,884)	(167,165)
Acquisition of property, plant and equipment	(12,908)	(40,017)
Proceeds from disposal of property, plant and equipment	69,027	2,568
Acquisition of Right of use assets	(3,736)	-
Acquisition of intangible assets	-	(530)
Increase in other non-current assets	(50,220)	(7,802)
Interest receive	18,867	5,810
Net cash used in investing activities	(677,854)	(207,136)
Cash flows from financing activities:		
Proceeds from issuing bonds	1,307,577	-
Increase in short-term loans	1,018,986	1,407,200
Decrease in short-term loans	(2,071,447)	(1,292,200)
Decrease in long-term loans (including current portion with maturity less than 1 year)	(23,434)	(20,881)
Lease principal repayment	(17,493)	(8,995)
Interest paid	(5,592)	(4,553)
Net cash provided by financing activities	208,597	80,571
Effect of exchange rate changes	56,330	18,880
Net (decrease) increase in cash and cash equivalents	(266,653)	(15,738)
Cash and cash equivalents at beginning of period	1,306,849	700,020
Cash and cash equivalents at end of period	$1,040,196	$684,282

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

TURVO INTERNATIONL CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the three-month periods ended 31 March 2026 and 2025
(Reviewed, Not Audited)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. ORGANIZATION AND OPERATIONS

Turvo International Co., Ltd. (the Company) was incorporated in 1987 to manufacture and market air tools, machine elements, hardware parts, wood lathes, and wood planers used on these products. Additionally, the Company also process, manufacture, and market optical elements. Based on the purpose of management operation, the Company conduct a simple merge with the 100% owned reinvestment companies - Yubo investment Co., Ltd. and Yuli investment Co., Ltd., after the resolution of the board of directors' meeting in June 2010, to set 1 August 2010 as the consolidation basis date. The company is a consolidated surviving company.

The Company applied to be listed on the GreTai Securities Market and was authorized for trading over the counter on 14 November 2011. On 28 June 2019, the Company was authorized to be listed on Taiwan Stock Exchange and was officially listed on 17 September 2019. The main registered location and operating base are in NO. 59, Jing 2 Rd., Taichung Harbor Export Processing Zone, Wuci Dist., Taichung City 435, Taiwan. Zeng Hsing Industrial Co., Ltd. is the parentcompany of the Company, and the ultimate controlling party of the group.

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the three-month periods ended 31 March 2026 and 2025 were authorized for issue by the Company's board of directors on 6 May 2026.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are endorsed by the Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2026. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 " Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
c	IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
d	Translation into the presentation currency of a hyperinflationary economy (Amendments to IAS 21 and IAS 29)	1 January 2027

Note: On September 25, 2025, the Financial Supervisory Commission announced in its press release that Taiwan will adopt International Financial Reporting Standard (IFRS) 18 starting from 2028.

(a) IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 and IAS 28, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 “Business Combinations” (IFRS 3) between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 18 “Presentation and Disclosure in Financial Statements”

This standard will replace IAS 1 Presentation of Financial Statements, with the main changes as follows:

(1) Improved comparability in the statement of profit or loss
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2)Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance.

(3)Aggregation of Useful Financial Information"
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency

about operating expenses, helping investors to find and understand the information they need.

(c) IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”

(1) Simplify the disclosure requirements for subsidiaries without public accountability, and allow subsidiaries that meet the definition to opt for the application of this standard.

(d) Translation into the presentation currency of a hyperinflationary economy (Amendments to IAS 21 and IAS 29)

The amendments include:
(1) To clarify that when an entity’s functional currency is not the currency of a hyperinflationary economy and is translated into the presentation currency of a hyperinflationary economy, its results of operations and financial position shall be translated at the closing rate at the date of the most recent statement of financial position.
(2) In the aforementioned circumstances, when the presentation currency subsequently ceases to be the currency of a hyperinflationary economy, the reporting entity shall not restate the financial statement amounts presented in prior periods
(3) Where both the functional currency and the presentation currency are the currencies of a hyperinflationary economy, the reporting entity shall apply the accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. Aside from the company currently assessing the potential impact of the newly issued or amended standards or interpretations in (b), and being temporarily unable to reasonably estimate their effects on the Company, the other new or amended standards and interpretations have no material impact on the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the three-month periods ended 31 March 2026 and 2025 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 *Interim Financial Reporting* as endorsed and became effective by the FSC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“$”) unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(1) the contractual arrangement with the other vote holders of the investee
(2) rights arising from other contractual arrangements
(3) the Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. reclassifies the parent’s share of components previously recognized in other comprehensive income to profit or loss; and
F. recognizes any surplus or deficit in profit or loss.

The consolidated entities are as follows:

			Percentage of ownership (%)		
Investor	Subsidiary	Main Business	31 March 2026	31 December 2025	31 March 2025
the Company	TIPO INTERNATIONA CO., LTD.(SAMOA) [abbreviation: TIPO]	Investing and trading company	100.00%	100.00%	100%

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

			Percentage of ownership (%)		
Investor	Subsidiary	Main Business	31 March 2026	31 December 2025	31 March 2025
the Company	T&M Joint (Cayman) Holding Co., Ltd. (note) [abbreviation: T&M]	Holding company of reinvesting MSAT	35.71%	35.71%	35.71%
the Company	TUF Technology CO., LTD. [abbreviation: TUF]	Trading	100%	100%	Note2
TIPO	Hong Kong Xin-Feng Enterprise Limited [abbreviation: Hong Kong Xin-Feng]	Holding company of reinvesting Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	100.00%	100.00%	100.00%
TIPO & Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	TURVO International Co., Ltd. [abbreviation: YZ]	Manufacturing and marketing the components of computer, medical equipment, optical, automobile, photoelectricity, and precision hardware	100.00%	100.00%	100.00%
Hong Kong Xin-Feng	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd. [abbreviation: Dong-Guan Xin-Feng]	Manufacturing and marketing the components of computer, medical equipment, optical, automobile, photoelectricity, and precision hardware	100.00%	100.00%	100.00%
T&M	Matec Southeast Asia (Thailand) Co., Ltd. [abbreviation: MSAT]	Manufacturing forging products	99.9991%	99.9991%	99.9991%

Note: the company included T&M in the compilation since 1 January 2018, this is due to the Company being the single largest shareholder of T&M, and the remaining rights of T&M were widely held by many other shareholders. In addition, in the absence of contractual rights, due to the reasons such as the company had acquired a relatively higher voting rights on power of attorney and eligible to appoint T&M's key management personal who have the ability to lead main stakeholder activities. Therefore, the company determine that even if it hold less than 50% of the voting rights, it has control over T&M.

(4) Except for the accounting policies described below, the significant accounting policies adopted in the Group's consolidated financial statements for the first three quarters of 2026 are the same as those applied in the consolidated financial statements for 2025. Please refer to Note 4 of the Group's consolidated financial statements for 2025.

A. Post- employment benefits

Pension costs for the interim periods are calculated based on the pension cost rate determined by actuarial valuation as of the end of the previous fiscal year, applied to the period from the beginning of the year to the end of the interim reporting period. Adjustments are made, and disclosures provided, for significant market fluctuations after that date, as well as for material curtailments, settlements, or other significant one-time events.

B. Income Tax

Income tax expense for the interim periods is accrued and disclosed using the tax rate applicable to the expected total annual earnings, that is, by applying the estimated annual average effective tax rate to the profit before tax for the interim period. The estimation of the annual average effective tax rate includes only current income tax expense, while deferred income tax is recognized and measured in accordance with IAS 12 'Income Taxes,' consistent with the treatment in the annual financial statements. When a change in tax rates occurs during the interim period, the effect of the tax rate change on deferred income tax is recognized in full in profit or loss, other comprehensive income, or directly in equity, as appropriate.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements require management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Judgement of control over subsidiaries without the majority of voting rights.

The Company does not have majority of the voting rights in certain invested companies. However, after taking into consideration factors such as absolute ratio of the Company's holding, relative ratio of the other shareholdings, dispersion degree of shareholdings, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these invested companies. Please refer to Note 4 for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carry-forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

C. Accounts receivables – estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Please refer to Note 6 for more details.

D. Inventories evaluation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As at		
	31 March 2026	31 December 2025	31 March 2025
Cash on hand	$1,469	$1,326	$1,844
Bank deposits	1,038,727	1,305,523	682,438
Total	$1,040,196	$1,306,849	$684,282

Cash and cash equivalents were not pledged.

(2) Financial assets measured at amortized cost- current

	As at		
	31 March 2026	31 December 2025	31 March 2025
Deposit	$1,649,496	$950,612	$1,234,314
Restricted bank deposits	1,341	1,341	204
	$1,650,837	$951,953	$1,234,518
Current	$1,373,229	$214,040	$638,203
Non-Current	277,608	737,913	596,315
	$1,650,837	$951,953	$1,234,518

Please refer to Note 8 for more details on restricted bank deposits under pledge.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Accounts receivable, net

	As at		
	31 March 2026	31 December 2025	31 March 2025
Accounts receivable	$856,455	$820,984	$876,496
Less: loss allowance	(12,407)	(13,269)	(11,716)
Total	$844,048	$807,715	$864,780

A. Trade receivables are generally on 60~120 days. The total carrying amount as at 31 March 2026, 31 December 2025 and 31 March 2025 were $856,455 thousand , $820,984 thousand and $876,496 thousand , respectively. Please refer to Note 6 (14) for more details on loss allowance of trade receivables for the three-month periods ended 31 March 2026 and 2025. Please refer to Note 12 for more details on credit risk management.

B. No accounts receivables were pledged.

(4) Inventories

A. Details as follows:

	As at		
	31 March 2026	31 December 2025	31 March 2025
Merchandise inventories	$793	$2,053	$-
Raw materials	206,956	191,713	222,771
Work in progress	278,193	243,120	265,517
Finished goods	328,385	403,846	339,552
Total	$814,327	$840,732	$827,840

B. The Group cost of inventories recognized in cost of goods sold amounted to $588,854 thousand and $612,431 thousand for the three-month periods ended 31 March 2026 and 2025, including the losses from market value decline, obsolete and slow-moving of inventories $10,458 and $11,345 .

C. No inventories were pledged.

(5) Property, plant and equipment

	As at		
	31 March 2026	31 December 2025	31 March 2025
Owner occupied property, plant and equipment	$2,175,912	$2,228,458	$2,267,963

TURVO INTERNATIONL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Land	Buildings and Facilities	Machinery and equipment	Transportation equipment	Lease improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As at 1 January 2026	$11,751	$1,149,563	$2,506,435	$13,418	$118,676	$603,174	$11,612	$4,414,629
Additions	-	8,903	8,899	-	451	1,933	6,462	26,648
Disposals	(5,962)	(66,615)	(63,118)	(592)	-	(2,008)	-	(138,295)
Transfers	1,998	524	12,334	-	-	581	(3,586)	11,851
Exchange differences	61	687	62,559	218	3,960	11,542	92	79,119
As at 31 March 2026	$7,848	$1,093,062	$2,527,109	$13,044	$123,087	$615,222	$14,580	$4,393,952
As at 1 January 2026	$-	$172,989	$1,572,716	$10,035	$88,767	$88,767	$-	$2,186,171
Disposals	-	8,648	47,696	197	1,687	1,687	-	70,431
Transfers	-	(30,285)	(61,148)	(592)	-	-	-	(94,033)
Exchange differences	-	310	42,954	197	3,009	3,009	-	55,471
As at 31 March 2026	$-	$151,662	1,602,218	$9,837	$93,463	$93,463	$-	$2,218,040

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Land	Buildings and Facilities	Machinery and equipment	Transportation equipment	Leasehold improvements	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
As at 1 January 2025	$11,507	$1,115,975	$2,521,455	$15,652	$117,971	$547,306	$20,058	$4,349,924
Depreciation	-	2,004	22,978	-	665	4,178	16,477	46,302
Disposals	-	-	(31,078)	-	-	(1,162)	-	(32,240)
Transfers	-	2,897	4,110	-	-	1,737	(4,538)	4,206
Exchange differences	128	1,434	25,419	123	1,559	4,511	18	33,193
As at 31 March 2025	$11,635	$1,122,310	$2,542,884	$15,775	$120,195	$556,570	$32,015	$4,401,385
As at 1 January 2025	$-	$135,900	$1,537,186	$11,466	$83,616	$306,771	$-	$2,074,939
Depreciation	-	8,751	46,958	198	2,155	10,903	-	68,965
Disposals	-	-	(30,928)	-	-	(1,162)	-	(32,090)
Exchange differences	-	583	16,536	111	1,139	3,239	-	21,608
As at 31 March 2025	$-	$145,234	$1,569,752	$11,775	$86,910	$319,751	$-	$2,133,422
Net carrying amount as of:								
31 March 2026	$7,848	$941,400	$924,891	$3,207	$29,624	$254,362	$14,580	$2,175,912
31 December 2025	$11,751	$976,574	$933,719	$3,383	$29,909	$261,510	$11,612	$2,228,458
31 March 2025	$11,636	$977,076	$973,132	$4,000	$33,285	$236,819	$32,015	$2,267,963

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A. Operating lease of properties, plants, and equipment:

   No properties, plants, and equipment were leased.

B. Components of building that have different useful lives are mainly company accommodation, main buildings, fire engineering of water and electricity, air conditioning engineering, etc., which are depreciated over 50 years, 35~50 years, 20 years, and 10 years, respectively.

C. Please refer to Note 8 for property, plant and equipment pledged as collateral.

D. The capitalization amount of the borrowing costs of the Group for the 3-month periods ended 31 March 2026 and 2025., and its interest rates are as follows:

Items	For the three-month periods ended 31 March 2026	For the three-month periods ended 31 March 2025
Construction in progress	$120	$187
Borrowing cost capitalization interest rate interval	1.720%	1.720%

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Other non-current assets

	As at		
	31 March 2026	31 December 2025	31 March 2025
Prepayments for business facilities	$67,114	$37,210	$12,517
Guarantee deposits paid	16,185	14,112	15,361
Other non-current assets, others	2,037	123,551	3,518
Total	$85,336	$174,873	$31,396

(7) Short-term loan

		As at		
	Interest Rates (%)	31 March 2026	31 December 2025	31 March 2025
Unsecured bank loan	1.80%~2.12%	$202,924	$1,255,385	$563,000

As of 31 March 2026, 31 December 2026, and 31 March 2025, the Group's unused short-term borrowing facilities amounted to approximately NT$1,661,518 thousand, NT$641,918 thousand and NT$1,335,869 thousand, respectively.

(8) Bonds payable

	As at		
	31 March 2026	31 December 2025	31 March 2025
Par value of domestic convertible bonds payable	$1,300,000	$-	$-
Discount on domestic convertible bonds payable	(74,263)	-	-
Subtotal	1,225,737	-	-
Less: current portion	-	-	-
Net amount	$1,225,737	-	-
Embedded derivative financial instruments	$2,730	-	-
Equity component	$89,589	-	-

On January 23, 2026, the Company issued its first domestic unsecured convertible bonds with a 0% coupon rate. According to the analysis of the contractual terms, the components of these convertible bonds include: the host debt instrument, embedded derivative financial instruments (the issuer's call option), and an equity component (the holder's option to convert the bonds into the issuer's common shares). The primary issuance terms are as follows:

Total Issuance Amount: NT$1,300,000 thousand, issued at 101% of the par value, with total gross proceeds of NT$1,313,000 thousand.

Issuance Period: From January 23, 2026, to January 23, 2029.

Significant redemption provisions:

A. From the day following the date three months after issuance (April 24, 2026) to forty days prior to the expiration of the issuance period (December 14, 2028), the Company may notify to redeem all or a portion of the bonds at their par value (hereinafter referred to as the "Early Redemption Price"), if the closing price of the Company’s common shares on the Taiwan Stock Exchange exceeds 30% (inclusive) of the then-current conversion price for thirty consecutive business days.
B. During the period from the day following the date three months after issuance (April 24, 2026) to forty days prior to the expiration of the issuance period (December 14, 2028), the Company may, at any time, redeem all outstanding bonds at their par value if the outstanding balance of the convertible bonds falls below 10% of the original aggregate principal amount.
C. If a bondholder fails to respond in writing to the Company’s stock affairs agent by the "Bond Redemption Record Date" specified in the "Bond Redemption Notice" (responses are effective upon delivery; for those sent by mail, the postmark date shall prevail), the Company will redeem the convertible bonds in cash at par value within five business days following the Bond Redemption Record Date.
D. If the Company exercises its redemption right, the deadline for bondholders to request conversion is the second business day following the date on which the convertible bonds terminate trading on the TPEx.

Conversion provisions:

A. Underlying shares for conversion: Common shares of the Company.

B. Conversion Period: Bondholders may request to convert the bonds into the Company’s common shares from April 24, 2026, to January 23, 2029, in lieu of cash redemption by the Company.

C. Conversion Price and Adjustments: The conversion price was set at NT$250 per share at the time of issuance. In the event of any circumstances requiring adjustments to the conversion price as specified in the issuance terms regarding the Company's common shares, the conversion price shall be adjusted in accordance with the formulas stipulated in the issuance terms.

D. Redemption at Maturity: If the bonds remain outstanding upon maturity, the Company will redeem the bonds at their par value.

The Company has analyzed the aforementioned financial instrument in accordance with IFRS 9 and classified it as a compound financial instrument. Accordingly, the redemption price is allocated between the liability component and the equity component. The allocation method involves subtracting the separately measured fair value of the liability component from the fair value of the compound financial instrument as a whole, with the residual balance allocated to the equity component. The difference between the amount allocated to the liability component and its carrying amount is recognized in profit or loss for the current period; the difference between the amount allocated to the equity component and its carrying amount is recognized as "Capital Surplus – Stock Options."

There were no conversions of the convertible bonds for the period ended March 31, 2026.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Other payables

	As at		
	31 March 2026	31 December 2025	31 March 2025
Dividend payable	$241,152	$-	$422,017
Wages and salaries payable	94,552	117,803	90,728
Accrued manufacturing overhead	35,593	33,081	57,039
Accrued employee bonus	25,105	17,228	36,428
Others	80,571	73,370	90,410
Total	$476,973	$241,482	$696,622

(10) Long-term loans

A. As at 31 March 2026

Creditor	Content	31 March 2026	Repayment period and methods	security
Bank of Taiwan	Secured loan	$151,188	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	211,880	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	61,675	Period is 7 years, and the loan is	Machinery and

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Creditor	Content	31 March 2026	Repayment period and methods	security
			allocated in installments and cannot be recycled; the principal is divided into 84 installments in 1 month from the date of initial allocation, and interest is charged monthly, and the principal is repaid on the 15th of each month.	equipment, and other equipment
Subtotal		424,743		
Less: current portion (with maturity less than 1 year)		(114,158)		
Total		$310,585		
Interest rates		1.720%		

Please refer to Note 8 for more details on unsecured bank loans.

B. As at 31 December 2025

Creditor	Content	31 December 2025	Repayment period and methods	security
Bank of Taiwan	Secured loan	$214,433	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	162,818	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on	Buildings and facilities

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Creditor	Content	31 December 2025	Repayment period and methods	security
			the 15th of each month.	
Bank of Taiwan	Secured loan	70,926	Period is 7 years, and the loan is allocated in installments and cannot be recycled; the principal is divided into 84 installments in 1 month from the date of initial allocation, and interest is charged monthly, and the principal is repaid on the 15th of each month.	Machinery and equipment, and other equipment
Subtotal		448,177		
Less: current portion (with maturity less than 1 year)		(109,052)		
Total		$339,125		
Interest rates		1.720%		

Please refer to Note 8 for more details on unsecured bank loans.

C.As at 31 March 2025

Creditor	Content	31 March 2025	Repayment period and methods	security
Bank of Taiwan	Secured loan	$197,708	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is repaid in equal installments on the 15th of each month.	Buildings and facilities
Bank of Taiwan	Secured loan	214,433	Period is 10 years, and the loan is allocated in installments and cannot be recycled; the first three years after the allocation are grace periods with monthly interest payments, and the principal in the fourth year is divided into 84 installments, with each full month being one installment, and the principal is	Buildings and facilities

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Creditor	Content	31 March 2025	Repayment period and methods	security
			repaid in equal installments on the 15th of each month.	
Bank of Taiwan	Secured loan	98,680	Period is 7 years, and the loan is allocated in installments and cannot be recycled; the principal is divided into 84 installments in 1 month from the date of initial allocation, and interest is charged monthly, and the principal is repaid on the 15th of each month.	Machinery and equipment, and other equipment
Subtotal		510,821		
Less: current portion (with maturity less than 1 year)		(86,078)		
Total		$424,743		
Interest rates		1.720%		

Please refer to Note 8 for more details on unsecured bank loans.

(11) Post-employment benefits-Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. According to the Act, the rate of contributions of the Company and its domestic subsidiaries shall be no lower than 6% of each individual employees' monthly salaries. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute to the social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Expenses under the defined benefits plan for the three-month periods ended 31 March 2026 and 2025 were $3,468 thousand and $3,207 thousand , respectively.

(12) Equities

A. Common stock

The Company's authorized and issued capital was NT$800,000 for the years beginning January 1,2025 respectively, the paid-in capital of NT $602,881, and divided into 60,288,089 shares with par value of $10 (in dollar) each. Each share has one right to vote and receive dividends.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at March 31, 2026, there was no change in the authorized and issued share capital of the Company.

B. Capital surplus

	As at		
	31 March 2026	31 December 2025	31 March 2025
Premium from common stock issuance	$788,696	$788,696	$788,696
Treasury Stock transaction	180	180	180
Changes in the net value of related companies and joint venture equity using the equity method	2,213	2,213	2,213
Employee stock option	26,848	26,848	26,848
Stock options — convertible bonds	89,589	-	-
Other	280	280	280
Total	$907,806	$818,217	$818,217

According to the Company Act, the capital reserve shall not be used except when offsetting the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policy

(A) The company’s Articles of Association deducted accumulated losses based on profits and losses of the current year (i.e., deducted distributed employees of before tax benefit and the benefit before director’s compensation), allocate 3.5%~7% as employee compensation if still have balance, with no more than 1.7% as director’s compensation. The distribution of employee’s and director’s compensation must be approved by more than two-third of the board of directors attended and agreed by more than half of them, and report to the shareholders meeting. The party who received the distribution of stocks and cash should meet a certain condition of control or being subordinate employees.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

(B) If there is a surplus in the current year, if any, shall be distributed in the following order: payment of all taxes and dues; offset prior years' operation losses; set aside 10% of the remaining amount. However, When the accumulated legal reserve reaches the capital stock, there is no longer a requirement to set aside or reverse special reserve in accordance with relevant rules and regulations. Additionally, special reserve allocation should be made according to laws and regulations. If there is any surplus remaining, it is considered as undistributed earnings for the year. The remaining balance, combined with the accumulated undistributed earnings from previous years, is considered as distributable earnings for the shareholders. If distribution is done through the issuance of new shares, it requires approval at a shareholders' meeting after a proposal is made.

The company's dividend policy will based on the forecasted investment expense in the future and fund demand, to allocate 20% of balance from distributable surplus in the current year as dividend distribution, in the form of stock dividend and cash dividend to allocate to shareholders; of which the ratio of cash dividend not lower than 30% of the total dividends of shareholders. However, category and ratio of the distribution surplus should adjust through the shareholders meeting based on the actual gain and fund condition at that year, after the distribution decision made by the shareholders meeting.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

(C) Details of the 2025 and 2024 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on 4 March 2026 and 29 May 2025, respectively, are as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Appropriation of earnings		Dividend per share (NTD)	
	2025	2024	2025	2024
Legal Reserve	$40,376	$66,103		
Special reserve	68,147	(132,458)		
Common stock - cash dividends	241,152	422,017	$4.0	$7.0

(D) For information about the earnings distribution plan, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(E) Please refer to Note 6(16) for information on the basis of estimating and recognizing employee compensation and directors' compensation.

D. Non-controlling interests

	For the three-month periods ended 31 March	
	2026	2025
Balance as of 1 January	$4,333	$7,933
Net gain(loss) for the period attributable to non-controlling interests	11,805	(941)
Other comprehensive income or loss attributable to non-controlling interests		
Exchange differences on translation of financial statements of foreign operating companies	(575)	210
Balance as of 31 March	$15,563	$7,202

(13) Operating revenue

	3-month periods ended 31 March	
	2026	2025
Revenue from contracts with customers		
Sale of goods	$878,707	$878,707

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Analysis of revenue from contracts with customers during the three-month periods ended 31 March 2026 and 2025 is as follows:

A. Disaggregation of revenue

For the three-month periods ended 31 March 2026

	Taiwan	China	Other	Total
Sale of goods	$485,285	$327,892	$-	$813,177

For the three-month periods ended 31 March 2025

	Taiwan	China	Other	Total
Sale of goods	$501,245	$377,462	$-	$865,410

The Group recognizes revenues when control of the products is transferred to the customers, therefore the performance obligation is satisfied at a point in time.

B. Contract balances

Contract liabilities – current

	As at		
	31 March 2026	31 December 2025	31 March 2025
Sales of goods	$116	$1,058	$13

The significant changes in the Group's balances of contract liabilities for the three-month periods ended 31 March 2026 and 2025 are as follows:

	three-month periods ended 31 March	
	2026	2025
The opening balance	$(1,058)	$(420)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	three-month periods ended 31 March	
	2026	2025
transferred to revenue		
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	116	13
Changes during the perid	$(942)	$(407)

C. Transaction price allocated to unsatisfied performance obligations

None.

D. Assets recognized from costs to fulfil a contract

None.

(14) Expected credit losses

	three-month periods ended 31 March	
	2026	2025
Operating expenses – Expected credit losses(gain)		
Accounts receivable	$(1,050)	$382

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its accounts receivable (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group’s loss allowance as at 31 March 2026, 31 December 2025 and 31 March 2025 is as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

31 March 2026

	Not yet due (Note)	Overdue <=90 days	91-180 days	181-360 days	361-720days	>=721 days	Total
Gross carrying amount	$806,111	$57,875	$1,344	$10	$5	$-	$865,345
Loss ratio	0-2%	4-6%	5-6%	30%	100%	100%	
Lifetime expected credit losses	(9,800)	(2,521)	(78)	(3)	(5)	-	(12,407)
Carrying amount	$796,311	$55,354	$1,266	$7	$-	$-	$852,938

31 December 2025

	Not yet due (Note)	Overdue <=90 days	91-180 days	181-360 days	361-720days	>=721 days	Total
Gross carrying amount	$765,524	$60,254	$37	$57	$7	$-	$825,879
Loss ratio	0-1%	5-6%	24-25%	40-41%	89%	100%	
Lifetime expected credit losses	(9,885)	(3,346)	(9)	(23)	(6)	-	(13,269)
Carrying amount	$755,639	$56,908	$28	$34	$1	$-	$ 812,610

31 March 2025

	Not yet due (Note)	Overdue <=90 days	91-180 days	181-360 days	361-720days	>=721 days	Total
Gross carrying amount	$827,753	$74,601	$954	$1	$1,169	$-	$904,478
Loss ratio	0-1%	4-5%	9-10%	100%	50-51%	-%	
Lifetime expected credit losses	(7,635)	(3,408)	(86)	(1)	(586)	-	(11,716)
Carrying amount	$820,118	$71,193	$868	$-	$583	$-	$892,762

Note: The Group’s note receivables are not overdue.

The movement in the provision for impairment of accounts receivable during the three-month periods ended 31 March 2026 and 2025 is as follows:

	Accounts receivable
Beginning balance at 1 January 2026	$13,269

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	Accounts receivable
Reversal in current period	(1,050)
Exchange differences	188
Ending balance at 31 March 2026	$12,407

	Account receivables
Beginning balance at 1 January 2025	$11,239
Addition for the current period	382
Exchange differences	95
Ending balance at 31 March 2025	$11,716

(15) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment and office equipment. The lease terms range from 1 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(A) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As at		
	31 March 2026	31 December 2025	31 March 2025
Land	$144,555	$16,064	$2,716
Land Improvements	139	23	141
Buildings	183,221	130,675	118,072
Transportation equipment	8,995	5,722	3,955

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	As at		
	31 March 2026	31 December 2025	31 March 2025
Office equipment	-	33	65
Total	$336,910	$152,517	$124,949

b. Lease liabilities

	As at		
	31 March 2026	31 December 2025	31 March 2025
Lease liabilities			
Current	$48,974	$51,194	$33,426
Non-current	158,846	105,235	91,023
Total	$207,820	$156,429	$124,449

Please refer to Note 6(17)(c) for the interest on lease liabilities recognized during the three-month periods ended 31 March 2026 and 2025, and refer to Note 12(5) liquidity risk management for the maturity analysis for lease liabilities as at 31 March 2026.

(B) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	3-month periods ended 31 March	
	2026	2025
Land	$731	$675
Land Improvements	46	41
Buildings	11,919	10,923
Transportation equipment	913	1,136
Office equipment	4	11
Total	$13,613	$12,786

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) Income and costs relating to leasing activities

	3-month periods ended 31 March	
	2026	2025
The expenses relating to short-term leases	$$272	$329

(D) Cash outflow relating to lessee and leasing activities

During the three-month periods ended 31 March 2026 and 2025, the Group's total cash outflows for leases amounted to $19,542 thousand and $10,680 thousand, respectively.

(16) Summary statement of employee benefits, depreciation and amortization expenses by function for the three-month periods ended 31 March 2026 and 2025:

Function / Nature	3-month periods ended 31 March					
	2026			2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$104,867	$64,120	$168,987	$95,915	$66,788	$162,703
Labor and health insurance	13,671	7,334	21,005	13,645	7,729	21,374
Pension	1,871	1,597	3,468	1,604	1,603	3,207
Other employee benefits expense	5,026	4,488	9,514	4,559	4,490	9,049
Depreciation	65,417	18,627	84,044	63,796	17,955	81,751
Amortization	272	1,509	1,781	252	1,645	1,897

The number of employees in the Group were 1,289 and 1,251 as at 31 March 2026 and 2025, respectively.

According to the Articles of Incorporation, 3.5%~7% of profit of the current year is distributable as employees' compensation and no higher than 1.7% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post

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System” on the website of the TWSE.

Based on the profit of the three-month periods ended 31 March 2026 and 2025, the Company estimated the amounts of the employees’ compensation and remuneration to directors and supervisors in 2025 to be 3.5% to 7% and no more than 1.7% recognized as employee and director benefits expenses. The estimate basis is distribute based on the current year’s profit, the previous mentioned amount is accounted under salary expense. If the resolution of shareholders meeting distribute employee compensation by stocks, then use the closing price on previous day as the calculation basis of distributing the number of shares, the profit and loss is recognized in the next year if a difference exist between the estimation number and the actual distribution amount by the resolution of shareholders meeting.

The details of employees’ compensation and remuneration to directors and supervisors for the three-month periods ended 31 March 2026 and 2025 are as follows:

	3-month periods ended 31 March	
	2026	2025
Employees’ compensation	$7,877	$9,588
Remuneration to directors and supervisors	1,913	2,329

A resolution was passed at a board of directors meeting held on 4 March 2026 to distribute $17,228 thousand and $8,206 thousand in cash as the employees’ compensation and remuneration to directors and supervisors of 2025, respectively. No material differences existed between the estimated amount and the amount determined at the board meeting for the employees’ compensation and remuneration to directors and supervisors for the year ended 31 December 2025.

(17) Non-operating income and expenses

A. Other income

	3-month periods ended 31 March	
	2026	2025
Interest income		
Amortized cost of a financial asset	$9,135	$8,312
Grant revenue	17,619	167
Other revenue-rent discount	81	79
Other revenue-other	3,046	2,862
Total	$29,881	$11,420

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B. Other gains and losses

	3-month periods ended 31 March	
	2026	2025
Foreign exchange gain(loss), net	$(3,746)	$11,043
Net losses on financial assets at fair value through loss	(130)	-
Gains on disposal of property, plant and equipment	24,765	2,418
Other expense	(31)	(70)
Total	$20,858	$13,391

C. Finance costs

	3-month periods ended 31 March	
	2026	2025
Interest on loans from bank	$(3,130)	$(3,359)
Interest on convertible bonds	(4,890)	-
Interest on lease liabilities	(1,777)	(1,356)
Total	$(9,797)	$(4,715)

(18) Components of other comprehensive income

For the three-month period ended 31 March 2026:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	$117,174	$-	$117,174	$(23,550)	$93,624

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For the three-month period ended 31 March 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	$43,754	$-	$43,754	$(35,200)	$8,554

(19) Income tax

(1) The major components of income tax expense are as follows:

A. Income tax expense recognized in profit or loss

	three-month periods ended 31 March	
	2026	2025
Current income tax expense:		
Current income tax payable	$21,028	$24,993
Adjustment to prior years' income tax recognized in the current year	(11,719)	(19,394)
Deferred income tax (benefit) expense:		
Deferred income tax expense related to origination and reversal of temporary differences	9,441	14,071
Income tax expense recognized in profit or loss	$18,750	$17,002

B. Income tax relating to components of other comprehensive income

	three-month periods ended 31 March	
	2026	2025
Deferred income tax (benefit) expense:		
Exchange differences on translation of foreign operations	$23,550	$35,200
Income tax relating to components of other comprehensive income	$23,550	$35,200

C. The assessment of income tax returns

As of 31 March 2026, the assessment of income tax returns filed by the Company under Taiwan tax jurisdiction is as follows

	The assessment of income tax returns
TURVO INTERNATIONL CO., LTD	Assessed and approved up to 2024

As of 31 March 2026, all foreign subsidiaries governed by foreign tax authorities have filed income tax returns up to 2024

(20) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

A. Basic earnings per share

	3-month periods ended 31 March	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand NTD)	$95,703	$121,699
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	60,288	60,288
Basic earnings per share (NTD)	$1.59	$2.02

B. Diluted earnings per share

	3-month periods ended 31 March	
	2026	2025
Profit attributable to ordinary equity holders of the Company (in thousand)	$95,703	$121,699
Interest on convertible bonds (in thousands)	3,911	-
Net profit attributable to ordinary shareholders of the parent adjusted for dilutive effects (in thousands)	$99,614	$121,699
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	60,288	60,288
Effect of dilution:		
Employees' compensation – stock (in thousands)	87	139
Convertible bonds (in thousands)	3,871	-
Weighted average number of ordinary shares outstanding after dilution (in thousands)	64,246	60,427
Diluted earnings per share (NTD)	$ 1.55	$2.01

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. RELATED PARTY TRANSACTIONS

(1) Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
AWEA Electromechanical Co., Ltd.(AWEA)	Related party of the Group
GOODWAY Machine CORP. (GOODWAY)	Related party of the Group

(2) Significant transactions with related parties

A. Sales

	3-month periods ended 31 March	
	2026	2025
GOODWAY	$178	$344

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The Company sets the sales prices for transactions with the aforementioned related parties based on the factors including market segmentation, business competition, product characteristics, bulk purchasing, and payment terms. These prices were determined in a manner that has no significant differences from the general sales processing procedures

B. Accounts receivable

	As at		
	31 March 2026	31 December 2025	31 March 2025
GOODWAY	$245	$439	$594

C. Notes Payables

	As at		
	31 March 2026	31 December 2025	31 March 2025
GOODWAY	$4,540	$5,471	$6,975
AWEA	61	97	342
Total	$4,601	$5,568	$7,317

D. Acquisition of property, plant, and equipment

	3-month periods ended 31 March	
	2026	2025
GOODWAY	$-	$9,990

E. Key management personnel compensation

	3-month periods ended 31 March	
	2026	2025
Short-term employee benefits	$11,627	$11,635
Post-employment Benefits	257	298
Total	$11,884	$11,933

The key management of the Group comprises the chairman, directors, independent directors, and general manager.

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8. ASSETS PLEDGED AS SECURITY

The following table lists assets of the Group pledged as security:

	As at			
Item	31 March 2026	31 December 2025	31 March 2025	Secured liabilities
Financial assets measured at amortized cost, current	$1,341	$1,341	$204	Performance guarantee mechanism
Property, Plant and Equipment- building	682,083	686,503	699,660	Bank loan
Property, Plant and Equipment- equipment	142,844	149,685	170,209	Bank loan
Property, Plant and Equipment- other	5,649	5,996	7,036	Bank loan

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

The promissory note amount of unrecovered canalled license due to the borrowing cost of contract approval as at 31 March 2026, 31 December 2025 and 31 March 2025 are $2,829,703 thousand, $2,829,703 thousand and $2,779,703 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

On April 20, 2026, TURVO International Co., Ltd.(YZ), a major subsidiary of the Group, announced the signing of a construction contract for the first phase of its self-owned land factory construction project. The total contract amount is approximately RMB 39,200 thousand.

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12. OTHERS

(1) Categories of financial instruments

Financial assets

	As at		
	31 March 2026	31 December 2025	31 March 2025
Financial assets at fair value through profit or loss			
Financial assets mandatorily at fair value through profit or loss	$2,730	$-	$-
Financial assets measured at amortized cost			
Cash and cash equivalents (excluding cash on hand)	1,038,727	1,305,523	$682,438
Financial assets measured at amortized cost	1,650,837	951,953	1,234,518
Notes receivable	8,890	4,895	27,982
Accounts receivable	844,048	807,715	864,780
Other receivables	40,632	42,548	31,032

Financial liabilities

	As at		
	31 March 2026	31 December 2025	31 March 2025
Financial liabilities measured at amortized cost			
Short-term loans	$202,924	$1,255,385	$563,000
Notes and accounts payables	307,681	320,242	344,709
Other payables	476,973	241,482	696,622
Bonds payable	1,225,737	-	-
Lease liability	207,820	156,429	124,449
Lease liability (including long-term loans due within one year)	424,743	448,177	510,821

(2) Financial risk management objectives and policies

The Group's risk management objective is to manage the market risk, credit risk, and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on policy and risk appetite.

The Group has established appropriate policies, procedures, and internal controls for financial risk management. Before entering into significant financial activities, due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3)Market risk

The market risk of the Group is the risk that the financial instruments will be subject to fluctuations in fair value or cash flows due to changes in market prices. Market risks mainly include exchange rate risk, interest rate risk, and other price risks (such as equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

A. Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore, natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD, RMB and EUR. The information of the sensitivity analysis is as follows:

When NTD appreciates/depreciates against USD by 1%, the profit for the three-month periods ended 31 March 2026 and 2025 is decreased/increased by $6,595 thousand and $4,646 thousand, respectively; and no impact on the equity.

When NTD appreciates/depreciates against RMB by 1%, the profit for the three-month periods ended 31 March 2026 and 2025 is decreased/increased by $ 924 thousand and $(113) thousand , respectively; and no impact on the equity.

When NTD appreciates/depreciates against EUR by 1%, the profit for the three-month periods ended 31 March 2026 and 2025 is decreased/increased by $3,844 thousand and $ 937 thousand , respectively; and no impact on the equity.

B. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to Group's bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on the borrowings with variable interest rates as of the end of the reporting period. At the reporting date, a change of 10 basis points of interest rate in a reporting period will result in an decrease/increase of $157 thousand and $269 thousand for the three-month periods ended 31 March 2026 and 2025, respectively.

(4)Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade and note receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures, and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition, and the Group's internal rating criteria, etc. Certain counterparties' credit risk will also be decreased by taking credit enhancement procedures, such as requesting for prepayment.

As of 31 March 2026, 31 December 2025 and 31 March 2025, amounts receivables from top ten customers represented 72% , 77% and 77% of the total contract assets and trade receivables of the Group, respectively. The credit concentration risk of other accounts receivable is insignificant.
Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies, and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5)Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, and convertible bonds. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 March 2026					
Short-term loans	$203,282	$-	$-	$-	$203,282
Notes and accounts payable	307,681	-	-	-	307,681
Convertible Bonds	-	1,300,000	-	-	1,300,000
Leases liabilities	60,171	98,200	65,473	5,112	228,956
Long-term loans	118,345	184,407	75,586	59,583	437,921
As at 31 December 2025					
Short-term loans	$1,257,794	$-	$-	$-	$1,257,794
Notes and accounts payable	320,242	-	-	-	320,242
Lease liability	56,433	97,971	6,555	5,430	166,389
Long-term loans	113,490	194,103	87,474	67,474	462,541
As at 31 March 2025					
Short-term loans	$564,091	$-	$-	$-	$564,091
Notes and accounts payable	344,709	-	-	-	344,709
Leases liabilities	42,396	68,763	26,993	702	138,854
Long-term loans	91,113	223,316	123,277	91,329	529,035

(6)Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three-month period ended 31 March 2026:

	Short-term loans	Bonds payable	Long-term loans (Long-term loans due within one year)	Lease liability	Total liabilities from financing activities
As of 1 January 2026	$1,255,385	$-	$448,177	$156,429	$1,859,991
Cash flow	(1,052,461)	1,307,577	(23,434)	(17,493)	214,189
Non-cash changes	-	(81,840)	-	63,642	(18,198)
Foreign exchange differences	-	-	-	5,242	5,242
As of 31 March 2026	$$202,924	$1,225,737	$424,743	$207,820	$2,061,224

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliation of liabilities for the three-month period ended 31 March 2025:

	Short-term loans	Long-term loans (Long-term loans due within one year)	Lease liability	Total liabilities from financing activities
As of 1 January 2025	$448,000	$531,702	$131,705	$1,111,407
Cash flow	115,000	(20,881)	(8,995)	85,124
Non-cash changes	-	-	182	182
Foreign exchange differences	-	-	1,557	1,557
As of 31 March 2025	$563,000	$510,821	$124,449	$1,111,407

(7)Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(A) The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(B) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds, and futures, etc.) at the reporting date.

(C) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(D) Fair value of debt instruments without market quotations, bank loans, bonds payable, and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(E) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amounts of the Group’s financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative instruments

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group's information regarding outstanding derivative instruments that did not qualify for hedge accounting is as follows:

Embedded Derivatives

The embedded derivatives identified from the issuance of convertible bonds by the Group have been separated from the host contract and are accounted for at fair value through profit or loss. For contract information regarding this transaction, please refer to Note 6(9).

(9)Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not hold any assets measured at fair value on a non-recurring basis. The fair value hierarchy information for assets and liabilities measured at fair value on a recurring basis is as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

March 31, 2026:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss – embedded derivative instruments – convertible bonds	$-	$2,730	$-	$2,730

December 31, 2025:

None.

March 31, 2025:

None.

Transfers between Level 1 and Level 2 of the fair value hierarchy

For the three months ended March 31, 2026 and 2025, there were no transfers between Level 1 and Level 2 of the fair value hierarchy for the Group's assets and liabilities measured at fair value on a recurring basis.

Reconciliation of recurring fair value measurements within Level 3

For the assets and liabilities measured at fair value on a recurring basis that are classified within Level 3 of the fair value hierarchy, the reconciliation from the beginning balances to the ending balances is presented as follows:

For the three months ended March 31, 2026:

None.

For the three months ended March 31, 2025:

None.

Information on significant unobservable inputs for Level 3 fair value measurements

The following table presents the significant unobservable inputs used in Level 3 recurring fair value measurements for the Group's assets:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

March 31, 2026:
None.

December 31, 2025:
None.

March 31, 2025:
None.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at 31 March 2026			As at 31 December 2025			As at 31 March 2025		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets									
Monetary items:									
USD	$20,600	32.0150	$659,509	$20,202	31.4340	$635,030	$14,003	33.1820	$464,648
CNY	346	4.6268	1,601	444	4.4722	1,986	429,522	4.6226	1,985,508
EUR	11,351	36.7110	416,707	9,064	36.8760	334,244	4,000	35.9427	1143,771
Financial liabilities									
Monetary items:									
CNY	$20,318	4.6268	$94,007	$7,003	4.4722	$31,319	$41,953	4.6226	$193,932
EUR	881	36.7110	32,342	1,138	36.8760	41,965	1,393	35.9427	50,068

Due to the large number of functional currencies used in the Group, it’s impossible to disclose foreign exchange gains and losses on the basis of each monetary item which has significant impact. The Group recognized $ (3,746) and $11,043 for foreign exchange gain(loss) for the three-month periods ended 31 March 2026 and 2025, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value. The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

13. OTHER DISCLOSURE

(1) Information on significant transactions

A. Financing provided:

(Denominated in foreign currency, in units)

No.	Lending company	Borrower	Transaction subject	Related Parties	Highest amount of the period	Ending Balance (approved by the shareholders meeting)	Amount Actually Drawn	Interest Rate (%)	Nature of loan (Note 3)	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note 1)	Limits on total loans granted (Note 2)
													Item	Value		
0	Turvo International Co.,Ltd.	TIPO INTERNATIONAL CO.,LTD	Other receivables due from related parties	Yes	$125,924	$125,924	$-	NA	2	$-	Operating purposes	$-	-	$-	$399,908	$1,599,633
1	Dong-Guan Xin-Feng Hardware Machine	TURVO INTERNATIONAL Co., LTD	Other receivables due from related parties	Yes	$323,876	$323,876	$-	2.6%	2	$-	Operating purposes	$-	-	$-	$3,999,083 (Note 4)	$3,999,083 (Note 4)

TURVO INTERNATIONL CO., LTD., AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

No.	Lending company	Borrower	Transaction subject	Related Parties	Highest amount of the period	Ending Balance (approved by the shareholders meeting)	Amount Actually Drawn	Interest Rate (%)	Nature of loan (Note 3)	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note 1)	Limits on total loans granted (Note 2)
													Item	Value		
2	TIPO INTERNATIONAL CO., LTD.	T&M JOINT (CAYMAN) HOLDING CO., LTD.	Other receivables due from related parties	Yes	$3,202	$3,202	$3,080	NA	2	$-	Operating purposes	$-	-	$-	$367,661	$1,470,646
	TIPO INTERNATIONAL CO., LTD.	MATEC SOUTHEAST ASIA (THAILAND) CO., LTD.	Other receivables due from related parties	Yes	$30,240	$29,190	$-	3.2%	2	$-	Operating purposes	$-	-	$-	$367,661	$1,470,646

Note 1: 10% of net amount of the company's latest financial statement for the borrowed fund

Note 2: 40% of net amount of the company's latest financial statement for the borrowed fund

Note 3: The filling way of borrowed fund and nature is as follows:

(1) Have business transactions: 1

(2) Required for short-term financing: 2

Note 4: The company direct or indirect hold 100% of voting shares and engage in loan financing between foreign companies, or the company direct or indirect hold 100% of voting shares and engage in loan financing with the company, the financing amount is not limit to 40% net of the enterprise who borrowed loan but limit to 100% of the net amount of loanee and enterprise.

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B. Endorsement/guarantee provided: None.

C. Securities held as at 31 March 2026 (excluding subsidiaries, associates and joint venture): None.

D. Related party transactions for purchases and sales amounts exceeding the lower of $100 million or 20% of capital stock: refer to Note 13 (1) F.

E. Receivables from related parties amounting to over $100 million or 20% of the paid-in capital: None.

F. Inter-company relationships and significant intercompany transactions:

No (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Transactions			
				Subjects	Amount	Transaction terms	Percentage of Consolidated Total Gross Sales or Total Assets (%) (Note 3)
0	TURVO INTERNATIONAL Co., LTD	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	(1)	Purchase of goods	$145,866	Regular trade	17.94%
0	TURVO INTERNATIONAL Co., LTD	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	(1)	Other payables	$151,094	Regular trade	2.12%
0	TURVO INTERNATIONAL Co., LTD	TURVO International Co., Ltd.(YZ)	(1)	Purchase of goods	$69,543	Regular trade	8.55%
1	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	TURVO INTERNATIONAL Co., LTD	(2)	Sales	$145,866	Regular trade	17.94%
1	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	TURVO INTERNATIONAL Co., LTD	(2)	Other receivables	$151,094	Regular trade	2.12%

No (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Transactions			
				Subjects	Amount	Transaction terms	Percentage of Consolidated Total Gross Sales or Total Assets (%) (Note 3)
1	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	TURVO International Co., Ltd.(YZ)	(3)	Sales	$12,860	Regular trade	1.58%
2	TURVO International Co., Ltd. (YZ)	TURVO INTERNATIONAL Co., LTD	(2)	Sales	$69,543	Regular trade	8.55%
2	TURVO International Co., Ltd. (YZ)	Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	(3)	Purchase of goods	$12,860	Regular trade	1.58%

Note 1: The Company and its subsidiaries are coded as follows:
(1) The Company is coded "0".
(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: (1) represents the transactions from the parent company to a subsidiary.
(2) represents the transactions from a subsidiary to the parent company.
(3) represents the transactions from a subsidiary to a subsidiary

Note 3: The ratio of transaction amount to the consolidated income or assets is recognized as follows: for assets or liability, the ratio is accounted as the ending balance to consolidated total assets; however, for income or loss accounts, the ratio is based on mid-term accumulated amount to consolidated income.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

G. Information on investees:

Names, locations, and related information of investees on which the company exercises significant influence (excluding the investee in China):

Investor Company	Investee Company	Location	Main businesses and products	Original investment amount		Balance as at 31 March 2026			Net Income (Losses) of the Investee	Equity in Earnings (Losses)	Notes
				31 March 2026	31 December 2025	Shares	Percentage of Ownership	Carrying Value			
TURVO INTERNATIONAL Co., LTD	TIPO INTERNATIONAL CO., LTD.	Samoa	Purchase and sale	$946,313 (USD31,133,211)	$946,313 (USD31,133,211)	31,133,211	100%	$3,667,022	$88,715	$70,883	Subsidiary
TURVO INTERNATIONAL Co., LTD	T&M Joint (Cayman) Holding Co., LTD.	Cayman Island	Financial investment	$61,760 (USD2,045,753)	$61,760 (USD2,045,753)	4,912,749	35.71%	$8,644	$18,362	$6,557	Subsidiary
TURVO INTERNATIONAL Co., LTD	TUF Technology CO., LTD.	Taiwan	Purchase and sale	$900	$900	90,000	100%	$893	$13	$13	Subsidiary
TIPO INTERNATIONAL CO., LTD.	Hong Kong Xin-Feng Co., Ltd	Hong Kong	Financial investment	$216,811 (USD7,133,211 HKD220,000)	$216,811 (USD7,133,211 HKD220,000)	-	100%	$2,057,056	$26,788	Cope with subsidiary	Second-tier subsidiary
T&M Joint (Cayman) Holding Co., LTD	Matec Southeast Asia (Thailand) Co., Ltd.	Thailand	Manufacturing	$204,635 (USD6,606,203)	$204,635 (USD6,606,203)	216,276	99.99%	$27,340	$18,453	Cope with subsidiary	Second-tier subsidiary

Note1: The recognized investment gains and losses of investee companies in the current period include the investment gains and losses recognized by these companies for their reinvestment companies.

Note2: The investment gains and losses of investee companies recognized in the current period include the investment gains and losses of these companies arising from downstream transactions

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H. Information on investments in mainland China

(1) Information on investments in mainland China from the Company through TIPO INTERNATIONAL CO., LTD :

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as at 1 January 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as at 31 March 2026	Percentage of Ownership	Equity in Earnings (Losses) (Note 3)	Carrying Value as at 31 March 2026	Accumulated Inward Remittance of Earnings as at 31 March 2026
					Outflow	Inflow					
Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd.	Manufacturing and trading	HKD 58,385,000 (Note 1)	Indirect investments through Turvo International Co., Ltd.	$230,289 (USD7,120,536)	$-	$-	$230,289 (USD 7,120,536)	100%	$26,708	$2,053,352	$717,836
TURVO International Co., Ltd. (YZ)	Manufacturing and trading	USD 28,000,000 (Note 4)	Indirect investments through Turvo International Co., Ltd.	$686,956 (USD23,000,000)	$-	$-	$686,956 (USD 23,000,000)	100% (Note 4)	$39,185	$1,839,251	$-

Accumulated Investment in Mainland China as at 31 March 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$917,245 (USD30,120,536)	$917,245 (USD30,120,536)	(Note 2) $2,399,449

Note 1: Part of the voting right acquired through the equity transfer

Note 2: Based on the regulations from Ministry of Economic Affairs Investment Review Committee, the proportion limit of investment in Mainland China is 60% of the net amount.

Note 3: The recognized profit and loss under investment should base on the financial statement that audited by accountants.

Note4：Funds of US$5,000,000 were injected into TURVO International Co., Ltd. (Zhejiang Yu-Zuan) by Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd. on 10 July 2025; therefore, Dong-Guan Xin-Feng Hardware Machinery Plastic Industry Co., Ltd. Acquired 17.86% ownership in TURVO International Co., Ltd.(YZ). The Company holds a 100% ownership via TIPO INTERNATIONAL CO., LTD.(SAMOA).

(2) As at 31 March 2026, for information on significant transactions and prices, payments, etc. between the parent company and subsidiaries, please refer to Note 13 (1) F.

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14. SEGMENT INFORMATION

(1) For management purposes, the Group is organized into business units based on operating strategies and has two reportable segments as follows:

A. Taiwan segment produces, manufacture, and trading precision metal processing including automobile, industrial application, and household application, etc.
B. China segment produces, manufacture, and trading precision metal processing, including computer, medical equipment, optical, precision metal hardware, etc.
C. Other segment is responsible for transpose during departments.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements.
Transfer listed price between operating department is based on the executed function and affordable risks as the basis of consideration.

(2) The reportable segments' profit and loss, information are listed as follows:

A. For the three-month period ended 31 March 2026:

	Taiwan	China	Other	Adjustments and eliminations	Total of the Group
External customer	$485,285	$327,892	$-	$-	$813,177
Inter-segment	-	236,414	-	(236,414)	-
Total revenue	$485,285	$564,306	$-	$(236,414)	$813,177
Segment profit (loss)	$102,732	$77,221	$88,422	$(142,117)	$126,258

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B. For the three-month period ended 31 March 2025:

	Taiwan	China	Other	Adjustments and eliminations	Total of the Group
External customer	$501,245	$377,462	$-	$-	$878,707
Inter-segment	-	223,216	-	(223,216)	-
Total revenue	$501,245	$600,678	$-	$(223,216)	$878,707
Segment profit (loss)	$125,067	$91,323	$87,251	$(165,881)	$137,760

(3) Information on assets and liabilities of the reportable segment:

A. Segment assets:

	Taiwan	China	Other	Adjustments and eliminations	Total of the Group
31 March 2026	$6,804,814	$4,251,695	$5,826,473	$(9,761,781)	$7,121,201
31 December 2025	$6,291,599	$4,040,804	$5,548,541	$(9,256,373)	$6,624,571
31 March 2025	$5,924,957	$3,916,268	$5,345,744	$(8,965,134)	$6,221,835

B. Segment liabilities:

	Taiwan	China	Other	Adjustments and eliminations	Total of the Group
31 March 2026	$2,804,838	$521,136	$41,254	$(260,673)	$3,106,555
31 December 2025	$2,329,975	$499,766	$81,450	$(251,697)	$2,659,494
31 March 2025	$2,168,904	$498,409	$80,029	$(287,883)	$2,459,459