Stock Code：4563

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report

For the Three Months Ended March 31, 2025 and 2024

Address: No.3, Gong 6th Rd., Youshih Industrial Park, Dajia District, Taichung City, Taiwan (R.O.C.)

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

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Independent Auditors' Review Report

To the Board of Directors of Quaser Machine Tools, Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Quaser Machine Tools, Inc. and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, 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 the 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.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to NT$250,327 thousand and NT$271,454 thousand, constituting 5.66% and 6.80% of consolidated total assets as of March 31, 2025 and 2024, respectively, and total liabilities amounting to NT$13,209 thousand and NT$3,044 thousand, constituting 0.47% and 0.12% of consolidated total liabilities as of March 31, 2025 and 2024, respectively, and total comprehensive income (loss) amounting to NT$125 thousand and NT$5,781 thousand, constituting 0.12% and 6.12% of consolidated total comprehensive income (loss) for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(e), the other equity accounted investments of Quaser Machine Tools, Inc. and its subsidiaries in its investee companies of NT$27,026 thousand and NT$34,647 thousand as of March 31, 2025 and 2024, respectively, and its equity in net loss on this investee companies of NT$3,432 thousand and NT$334 thousand for the three months ended March 31, 2025 and 2024, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Quaser Machine Tools, Inc. and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chun-Yuan Wu and Tzu-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)
May 8, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.
The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31 and March 31, 2024

(Expressed in thousands of New Taiwan Dollar)

	March 31, 2025		December 31, 2024		March 31, 2024	
Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current assets:						
Cash and cash equivalents (Note 6(a))	$ 614,705	14	810,330	19	596,511	15
Current financial assets at fair value through profit or loss (Note 6(b))	-	-	-	-	30	-
Notes receivable, net (Note 6(c))	63,620	1	12,053	-	87,458	2
Trade receivable, net (Note 6(c))	953,312	22	822,022	20	898,883	22
Trade receivable due from related parties (Note 7)	106,755	2	111,306	3	227	-
Other receivables	28,695	1	18,989	-	23,026	1
Other receivables due from related parties (Note 7)	170,633	4	103,028	3	519	-
Current tax assets	14,760	-	14,142	-	21,536	1
Inventories (Note 6(d))	1,195,337	27	1,139,694	27	1,152,988	29
Other current assets (Note 6(j))	56,709	1	45,561	1	43,967	1
	3,204,526	72	3,077,125	73	2,825,145	71
Non-current assets:						
Investments accounted for using equity method (Note 6(e))	27,026	1	30,868	1	34,647	1
Property, plant and equipment (Note 6(f), 7 and 8)	429,653	10	442,547	10	427,714	10
Right-of-use assets (Note 6(g))	107,439	3	114,695	3	127,426	3
Investment property (Note 6(h), and 7)	89,003	2	-	-	-	-
Intangible assets (Note 6(i))	144,740	3	150,219	3	164,196	4
Goodwill (Note 6(i))	322,622	7	318,609	7	311,108	8
Deferred tax assets	63,247	1	70,841	2	74,569	2
Net defined benefit assets	27,929	1	27,575	1	21,767	1
Other non-current assets (Note 6(j))	6,749	-	6,772	-	5,167	-
	1,218,408	28	1,162,126	27	1,166,594	29
Total assets	**$ 4,422,934**	**100**	**4,239,251**	**100**	**3,991,739**	**100**

	March 31, 2025		December 31, 2024		March 31, 2024	
Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Current liabilities:						
Short-term borrowings (Note 6(k) and 8)	$ 730,000	16	729,000	17	552,000	14
Current financial liabilities at fair value through profit or loss (Note 6(b))	606	-	-	-	32	-
Current contract liabilities (Note 6(t))	109,120	2	159,728	4	235,409	6
Notes payable	-	-	-	-	36	-
Accounts payable	289,409	7	230,548	5	271,237	6
Accounts payable due from related parties (Note 7)	40	-	38	-	-	-
Other payables (Note 6(m))	412,288	9	190,974	5	200,430	5
Current tax liabilities	60,246	1	48,850	1	49,489	1
Current provisions (Note 6(o))	19,317	-	19,401	-	21,140	1
Current lease liabilities (Note 6(l))	35,590	1	39,271	1	37,845	1
Long-term borrowing, current portion (Note 6(n) and 8)	423,571	10	423,524	10	4,913	-
Other current liabilities	1,000	-	1,134	-	848	-
	2,081,187	46	1,842,468	43	1,373,379	34
Non-current liabilities:						
Long-term borrowings (Note 6(n) and 8)	564,516	13	566,677	14	948,381	24
Non-current provisions (Note 6(o))	4,763	-	4,679	-	4,748	-
Deferred tax liabilities	71,000	2	58,475	1	51,012	1
Non-current lease liabilities (Note 6(l))	78,505	2	82,662	2	99,452	3
Credit balance of investments accounted for using equity method (Note 6(e))	5,396	-	2,814	-	-	-
	724,180	17	715,307	17	1,103,593	28
Total liabilities	2,805,367	63	2,557,775	60	2,476,972	62
Equity attributable to owners of parent: (Note 6(r))						
Common stock	549,500	12	549,500	13	549,500	14
Capital surplus	820,363	19	820,363	20	820,363	21
Unappropriated retained earnings	112,081	3	222,491	5	83,231	2
Other Equity	135,623	3	89,122	2	61,673	1
Total equity	1,617,567	37	1,681,476	40	1,514,767	38
Total liabilities and equity	**$ 4,422,934**	**100**	**4,239,251**	**100**	**3,991,739**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar, except for earnings per share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
Operating revenue (Note 6(t) and 7)	$	809,752	100	691,668	100
Operating costs (Note 6(d), (p) and 12)		533,008	66	475,962	69
Gross profit		276,744	34	215,706	31
Unrealized profit from sales		(3,617)	-	-	-
Gross profit, net		273,127	34	215,706	31
Operating expenses (Note 6(p), (u) and 12)					
Selling expenses		46,699	6	32,094	4
Administrative expenses		100,328	12	88,901	13
Research and development expenses		30,364	4	30,566	4
Expected credit loss (Note 6(c) and 7)		8,546	1	4,859	1
		185,937	23	156,420	22
Operating income		87,190	11	59,286	9
Non-operating income and expenses (Note 6(v))					
Interest income		1,716	-	1,608	-
Other income		180	-	232	-
Other gains and losses		5,593	-	21,104	3
Finance costs (Note 6(l))		(9,680)	(1)	(8,498)	(1)
Share of loss of associates accounted for using equity method (Note 6(e))		(4,003)	-	(334)	-
		(6,194)	(1)	14,112	2
Profit before income tax		80,996	10	73,398	11
Less: Income tax expenses (Note 6(q))		26,556	3	25,518	4
Profit for the period		54,440	7	47,880	7
Other comprehensive income:					
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		58,126	7	58,234	8
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(q))		(11,625)	(1)	(11,647)	(1)
Other comprehensive income for the period, net of tax		46,501	6	46,587	7
Total comprehensive income	**$**	**100,941**	**13**	**94,467**	**14**
Earnings per share (NT Dollars) (Note 6(s))					
Basic earnings per share	**$**	**0.99**		**0.87**	
Diluted earnings per share	**$**	**0.99**		**0.87**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

		Equity attributable to owners of parent							
				Retained earnings				Other equity	
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2024	$	549,500	820,363	-	2,724	32,627	35,351	15,086	1,420,300
Profit for the period		-	-	-	-	47,880	47,880	-	47,880
Other comprehensive income for the period		-	-	-	-	-	-	46,587	46,587
Total comprehensive income for the period		-	-	-	-	47,880	47,880	46,587	94,467
Balance at March 31, 2024	**$**	**549,500**	**820,363**	**-**	**2,724**	**80,507**	**83,231**	**61,673**	**1,514,767**
Balance at January 1, 2025	$	549,500	820,363	3,263	2,724	216,504	222,491	89,122	1,681,476
Profit for the period		-	-	-	-	54,440	54,440	-	54,440
Other comprehensive income for the period		-	-	-	-	-	-	46,501	46,501
Total comprehensive income for the period		-	-	-	-	54,440	54,440	46,501	100,941
Appropriation and distribution of retained earnings:									
Cash dividends on ordinary shares		-	-	-	-	(164,850)	(164,850)	-	(164,850)
Balance at March 31, 2025	**$**	**549,500**	**820,363**	**3,263**	**2,724**	**106,094**	**112,081**	**135,623**	**1,617,567**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

		For the three months ended March 31	
		2025	**2024**
Cash flows from (used in) operating activities			
Profit before tax	$	80,996	73,398
Adjustments			
Adjustments to reconcile profit			
Depreciation expense		32,264	32,710
Amortization expense		7,434	7,220
Expected credit loss		8,546	4,859
Net loss on financial assets or liabilities at fair value through profit or loss		606	2
Interest expense		9,680	8,498
Interest income		(1,716)	(1,608)
Share of loss of associates accounted for using equity method		4,003	334
Gain on disposal of property, plant and equipment		(10)	(307)
Unrealized profit from sales		3,617	-
Unrealized foreign exchange gain		(5,593)	(19,438)
Total adjustments to reconcile profit		58,831	32,270
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease (increase) in notes receivable		(51,472)	(56,887)
Decrease (increase) in trade receivable (including from related parties)		(195,048)	(196,891)
Decrease (increase) in other receivables (including from related parties)		(7,568)	(3,911)
Decrease (increase) in inventories		(33,120)	(64,862)
Decrease (increase) in other current assets		(10,617)	13,116
Decrease (increase) in net defined benefit assets		(354)	(306)
Total changes in operating assets		(298,179)	(309,741)
Changes in operating liabilities			
Increase (decrease) in contract liabilities		(52,098)	53,247
Increase (decrease) in notes payable		-	(135)
Increase (decrease) in accounts payable (including from related parties)		51,202	65,781
Increase (decrease) in other payables		52,977	(88,764)
Increase (decrease) in provisions		(134)	(414)
Increase (decrease) in other current liabilities		(134)	17
Total changes in operating liabilities		51,813	29,732
Total changes in operating assets and liabilities		(246,366)	(280,009)
Total adjustments		(187,535)	(247,739)
Cash inflow (outflow) generated from operations		(106,539)	(174,341)
Interest received		367	1,608
Interest paid		(9,572)	(10,429)
Income taxes paid		(5,767)	(37,504)
Net cash flows from (used in) operating activities		(121,511)	(220,666)
Cash flows from (used in) investing activities			
Acquisition of property, plant and equipment		(14,544)	(20,625)
Proceeds from disposal of property, plant and equipment		-	307
Increase in refundable deposits		-	(1,110)
Decrease in refundable deposits		42	-
Acquisition of intangible assets		(90)	(190)
Acquisition of investment property		(86,078)	-
Decrease in other non-current assets		-	7
Net cash flows from (used in) investing activities		(100,670)	(21,611)
Cash flows from (used in) financing activities			
Increase in short-term loans		50,000	-
Decrease in short-term loans		(49,000)	-
Repayments of long-term debt		(2,114)	-
Payments of lease liabilities		(10,002)	(9,465)
Net cash flows from (used in) financing activities		(11,116)	(9,465)
Effect of exchange rate changes on cash and cash equivalents		37,672	9,837
Net decrease in cash and cash equivalents		(195,625)	(241,905)
Cash and cash equivalents at beginning of period		810,330	838,416
Cash and cash equivalents at end of period	**$**	**614,705**	**596,511**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

1. Company history

Quaser Machine Tools, Inc. (the "Company") was incorporated in May 23, 1991 as a company limited by shares under the Company Act of the Republic of China (R.O.C). The registered address is No.3, Gong 6th Rd., Youshih Industrial Park, Dajia District, Taichung City, Taiwan (R.O.C.). The Company and its subsidiaries (collectively referred to as the "Group") mainly engage in manufacturing and sales of computer numerical control (CNC) machine centers, metal-working machines, and related machines.

The Company's common shares were listed on the Taipei Exchange (TPEx) Mainboard since July 12, 2018.

2. Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on May 8, 2025.

3. New standards, amendments and interpretations adopted

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS 21 "Lack of Exchangeability"

(b) The impact of IFRSs endorsed by the FSC but not yet effective

The Group's anticipated adoption of the new amendments beginning on January 1, 2026, are expected to have the following impacts:

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

For financial assets with contingent features that are not related directly to a change in basic lending risks or costs (e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract), the amendments introduce an additional test to assess the "solely payments of principal and interest on the principal amount outstanding" criterion. In accordance with the Q&A published by the FSC on February 26, 2025, the Group did not elect to early adopt the application guidance in Section 4.1 of the amendments on January 1, 2025.

(c) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board ("IASB"), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and	January 1, 2027

Standards or Interpretations	Content of amendment	Effective date per IASB
in Financial Statements”	more consistent information for users, and will affect all the entities. ・A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ・Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ・Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

4. Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (Regulations) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC. These consolidated financial statements do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to “IFRSs endorsed by the FSC”) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Main businesses	Percentage of ownership March 31, 2025	December 31, 2024	March 31, 2024	Note
The Company	Quaser Europe Technical Center AG (“Quaser Europe”)	Buys and sells machines	100%	100%	100%	4
The Company	Quaser America Machine Tools, Inc. (“Quaser America”)	Buys and sells machines	100%	100%	100%	1 and 4
The Company	Kunshan Quaser Machine Tools, Inc. (“Kunshan Quaser”)	Buys and sells machines	100%	100%	100%	
The Company	Quaser Europe Technical Center Gmbh (“Quaser Europe Gmbh”)	Buys and sells machines	100%	100%	100%	2 and 4
The Company	Winbro Group UK Limited (“Winbro UK”)	Overseas reinvested holding company	100%	100%	100%	3
Winbro UK	Winbro Group Technologies Limited (“Winbro Ltd”)	Aerospace machinery manufacturing and machining	100%	100%	100%	
Winbro UK	Winbro Group Technologies LLC (“Winbro LLC”)	Aerospace machinery manufacturing and machining	100%	100%	100%	

Note 1: The liquidation of the Group's subsidiary, Quaser America, was resolved by the Board of Directors in 2022. Based on the Group's operation plan, the Company's Board of Directors resolved to cancel the resolution on August 7, 2024.

Note 2: On December 19, 2024 and May 4, 2023, the Company’s Board of Directors resolved to increase its investment in the Group’s subsidiary, Quaser Europe Gmbh, by $85,258 thousand and $120,607 thousand. The relevant registration has been completed.

Note 3: On December 19, 2024, the Group’s subsidiary, Winbro UK’s Board of Directors resolved to reduce the share capital and return $41,063 thousand to the shareholders. The relevant registration has been completed.

Note 4: This is a non-significant subsidiary for which the financial statements are not reviewed by independent auditors.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(e) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

6. Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

		March 31, 2025	December 31, 2024	March 31, 2024
Petty cash and cash on hand	$	1,020	1,104	1,099
Checking and demand deposits		613,685	809,226	595,412
Cash and cash equivalents in the consolidated statement of cash flows	**$**	**614,705**	**810,330**	**596,511**

(b) Financial assets and liabilities at fair value through profit or loss (FVTPL)

		March 31, 2025	December 31, 2024	March 31, 2024
Financial assets mandatorily classified as at FVTPL:				
Derivative instruments not used for hedging				
Forward exchange contracts	**$**	**-**	**-**	**30**
Held-for-trading financial liabilities				
Derivative instruments not used for hedging				
Forward exchange contracts	**$**	**606**	**-**	**32**

As of March 31, 2025 and 2024, outstanding forward exchange contracts were as follows:

March 31, 2025

Item	Contract amount (in thousands)	Currency	Maturity dates
Forward exchange sold	EUR 187 / NTD 6,424	EUR to NTD	25.04.10～25.04.18
Forward exchange sold	EUR 219 / NTD 7,540	EUR to NTD	25.04.28～25.05.07

March 31, 2024

Item	Contract amount (in thousands)	Currency	Maturity dates
Forward exchange sold	EUR 169 / NTD 5,826	EUR to NTD	24.04.25～24.05.06
Forward exchange sold	USD 180 / NTD 5,692	USD to NTD	24.05.15～24.05.24
Forward exchange sold	EUR 173 / NTD 5,953	EUR to NTD	24.05.27～24.06.05

The Group entered into derivative financial instruments to reduce its exposure to certain foreign exchange rates and interest rate risk arising from its operating activities.

(c) Notes receivable and trade receivable

		March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable from operating activities	$	63,620	12,053	87,458
Trade receivable–measured as amortized cost		982,573	846,530	925,304
Less: Loss allowance		(29,261)	(24,508)	(26,421)
	$	1,016,932	834,075	986,341

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and trade receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance was determined as follows:

March 31, 2025

		Carrying amount of notes and trade receivable	Weighted average expected credit loss rate	Loss allowance
Not past due	$	844,797	- %	-
1 to 30 days past due		97,808	3.27 %	3,200
31 to 60 days past due		30,690	15.37 %	4,717
61 to 90 days past due		16,450	29.40 %	4,836
91 to 180 days past due		49,976	20.83 %	10,411
181 to 360 days past due		51	37.25 %	19
More than 361 days past due		6,421	94.66 %	6,078
	$	1,046,193		29,261

December 31, 2024

		Carrying amount of notes and trade receivable	Weighted average expected credit loss rate	Loss allowance
Not past due	$	687,076	- %	-
1 to 30 days past due		49,334	1.52 %	750
31 to 60 days past due		41,582	6.80 %	2,829
61 to 90 days past due		29,370	11.69 %	3,433

		December 31, 2024		
		Carrying amount of notes and trade receivable	**Weighted average expected credit loss rate**	**Loss allowance**
91 to 180 days past due		44,772	25.00 %	11,194
181 to 360 days past due		246	40.24 %	99
More than 361 days past due		6,203	100.00 %	6,203
	$	**858,583**		**24,508**

		March 31, 2024		
		Carrying amount of notes and trade receivable	**Weighted average expected credit loss rate**	**Loss allowance**
Not past due	$	826,094	- %	-
1 to 30 days past due		115,849	- %	-
31 to 60 days past due		10,272	4.66 %	479
61 to 90 days past due		1,601	9.99 %	160
91 to 180 days past due		23,024	15.20 %	3,500
181 to 360 days past due		26,299	48.13 %	12,659
More than 361 days past due		9,623	100.00 %	9,623
	$	**1,012,762**		**26,421**

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

		For the three months ended March 31	
		2025	**2024**
Balance at beginning of period	$	24,508	21,105
Impairment losses recognized		4,477	4,859
Amounts written off as uncollectible during the period		-	(74)
Effect of exchange rate changes		276	531
Balance at end of period	$	**29,261**	**26,421**

The Group’s notes and trade receivable were not pledged as collateral as of March 31, 2025, December 31, and March 31, 2024. For further credit risk information, please refer to note 6(w).

(d) Inventories

		March 31, 2025	**December 31, 2024**	**March 31, 2024**
Raw materials	$	540,293	474,285	647,007
Work in progress		482,836	510,366	379,011
Finished goods		147,092	144,077	126,970
Goods		25,116	10,966	-
	$	**1,195,337**	**1,139,694**	**1,152,988**

For the three months ended March 31, 2025 and 2024, the loss for inventory obsolescence (reversal gain) from the decrease (increase) in inventories' net realizable value amounted to $(7,752) thousand and $(2,812) thousand, respectively. As of March 31, 2025, December 31, and March 31, 2024, none of the Group’s inventories were pledged as collateral.

(e) Investments accounted for using equity method

A summary of the Group’s financial information for investments accounted for using equity method at the reporting date was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	$ **21,630**	**28,054**	**34,647**

(i) The Group invested in Zhongshan Xuguang Machinery Technology Co., Ltd. in June 2023 with an investment amount of CNY$8,000 thousand and obtained 40% shareholding of Zhongshan Xuguang Machinery Technology Co., Ltd. The Group has significant influence on Zhongshan Xuguang Machinery Technology Co., Ltd.

(ii) The Group's subsidiary, Quaser Europe Technical Center GmbH, acquired 43% equity in MWA Magdeburger Werkzeugmaschinen & Automation GmbH (MWA) in May 2024, for EUR 430 thousand. The Group now has significant influence over MWA.

(iii) The unreviewed financial statements of investments accounted for using equity method

Investments accounted for using equity method and the share of profit or loss and other comprehensive income of those investments were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.
The Group's financial information for investments accounted for using the equity method that are individually insignificant were as follows. This financial information was included in the consolidated financial statements.

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of individually insignificant associates' equity	$ **21,630**	**28,054**	**34,647**

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Attributable to the Group:		
Loss from continuing operations	$ (4,003)	(334)
Other comprehensive income (loss)	1,185	643
Comprehensive income (loss)	$ **(2,818)**	**309**

(iv) The Group's unrealized profit from sales to associate Lerinc Werkzeugmaschinen & Automation GmbH (LWA) was $5,396 thousand and $2,814 thousand, which were recorded under the credit balance of investments accounted for using equity method as of March 31, 2025 and December 31, 2024.

(v) The Group's investment accounted for using equity method was not pledged as collateral as of March 31, 2025, December 31, 2024, and March 31, 2024.

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2025 and 2024 were as follows:

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Molding equipment	Other equipment	Leasehold improvements	Construction in progress	Total
Cost:									
Balance at January 1, 2025	$ 123,978	253,981	1,097,904	3,367	57,011	230,942	-	62,914	1,830,097
Additions	-	300	698	2,204	-	657	1,062	9,623	14,544
Disposals	-	-	-	-	-	(910)	-	-	(910)
Reclassification	-	-	(55,366)	-	-	-	-	(3,811)	(59,177)
Effects of exchange rate changes	-	1,484	26,302	71	-	2,306	-	859	31,022
Balance at March 31, 2025	$ **123,978**	**255,765**	**1,069,538**	**5,642**	**57,011**	**232,995**	**1,062**	**69,585**	**1,815,576**

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	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Molding equipment	Other equipment	Leasehold improvements	Construction in progress	Total
Balance at January 1, 2024	$ 123,978	251,588	1,035,726	3,232	52,421	252,496	-	2,891	1,722,332
Additions	-	1,188	17,475	-	83	1,326	-	553	20,625
Disposals	-	-	-	-	-	(998)	-	-	(998)
Reclassification	-	997	(9,220)	-	-	1,164	-	(1,082)	(8,141)
Effects of exchange rate changes	-	1,810	36,883	79	-	3,969	-	100	42,841
Balance at March 31, 2024	**$ 123,978**	**255,583**	**1,080,864**	**3,311**	**52,504**	**257,957**	**-**	**2,462**	**1,776,659**
Accumulated depreciation and impairments loss:									
Balance at January 1, 2025	$ -	234,320	884,246	2,870	50,174	215,940	-	-	1,387,550
Depreciation	-	1,554	18,708	43	901	1,373	-	-	22,579
Disposals	-	-	-	-	-	(910)	-	-	(910)
Reclassification	-	-	(48,561)	-	-	-	-	-	(48,561)
Effects of exchange rate changes	-	1,164	21,979	41	-	2,081	-	-	25,265
Balance at March 31, 2025	**$ -**	**237,038**	**876,372**	**2,954**	**51,075**	**218,484**	**-**	**-**	**1,385,923**
Balance at January 1, 2024	$ -	232,341	773,915	2,587	47,906	237,684	-	-	1,294,433
Depreciation	-	2,112	19,321	42	457	1,754	-	-	23,686
Disposals	-	-	-	-	-	(998)	-	-	(998)
Reclassification	-	-	(833)	-	-	-	-	-	(833)
Effects of exchange rate changes	-	1,463	27,410	67	-	3,717	-	-	32,657
Balance at March 31, 2024	**$ -**	**235,916**	**819,813**	**2,696**	**48,363**	**242,157**	**-**	**-**	**1,348,945**
Carrying amount:									
Balance at January 1, 2025	**$ 123,978**	**19,661**	**213,658**	**497**	**6,837**	**15,002**	**-**	**62,914**	**442,547**
Balance at March 31, 2025	**$ 123,978**	**18,727**	**193,166**	**2,688**	**5,936**	**14,511**	**1,062**	**69,585**	**429,653**
Balance at January 1, 2024	**$ 123,978**	**19,247**	**261,811**	**645**	**4,515**	**14,812**	**-**	**2,891**	**427,899**
Balance at March 31, 2024	**$ 123,978**	**19,667**	**261,051**	**615**	**4,141**	**15,800**	**-**	**2,462**	**427,714**

As of March 31, 2025, December 31, and March 31, 2024, the property and plant of the Group had been pledged as collateral for bank borrowings are set out in note 8.

(g) Right-of-use assets

The cost and depreciation of the right-of-use assets of the Group for the three months ended March 31, 2025 and 2024 were as follows:

	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost:					
Balance at January 1, 2025	$ 230,175	7,632	26,411	7,914	272,132
Additions	-	-	883	-	883
Write-off	-	-	(1,455)	-	(1,455)
Effects of exchange rate changes	2,936	46	69	101	3,152
Balance at March 31, 2025	**$ 233,111**	**7,678**	**25,908**	**8,015**	**274,712**
Balance at January 1, 2024	$ 212,032	3,325	16,667	9,451	241,475
Additions	-	-	5,576	-	5,576
Write-off	-	-	(1,055)	-	(1,055)
Effects of exchange rate changes	8,919	140	189	399	9,647
Balance at March 31, 2024	**$ 220,951**	**3,465**	**21,377**	**9,850**	**255,643**
Accumulated depreciation:					
Balance at January 1, 2025	$ 137,022	2,017	12,011	6,387	157,437
Depreciation	6,691	292	1,940	383	9,306
Write-off	-	-	(1,455)	-	(1,455)
Effects of exchange rate changes	1,821	25	53	86	1,985
Balance at March 31, 2025	**$ 145,534**	**2,334**	**12,549**	**6,856**	**167,273**
Balance at January 1, 2024	$ 100,831	990	7,656	5,950	115,427
Depreciation	6,954	181	1,359	530	9,024
Write-off	-	-	(1,055)	-	(1,055)
Effects of exchange rate changes	4,370	45	145	261	4,821
Balance at March 31, 2024	**$ 112,155**	**1,216**	**8,105**	**6,741**	**128,217**
Carrying amount:					
Balance at January 1, 2025	**$ 93,153**	**5,615**	**14,400**	**1,527**	**114,695**
Balance at March 31, 2025	**$ 87,577**	**5,344**	**13,359**	**1,159**	**107,439**
Balance at January 1, 2024	**$ 111,201**	**2,335**	**9,011**	**3,501**	**126,048**
Balance at March 31, 2024	**$ 108,796**	**2,249**	**13,272**	**3,109**	**127,426**

(h) Investment property

The cost, depreciation, and impairment of the investment property of the Group for the three months ended March 31, 2025 was as follows:

		Owned property		
		Land	Buildings	Total
Cost:				
Balance at January 1, 2025	$	-	-	-
Additions		10,410	75,668	86,078
Effects of exchange rate changes		401	2,917	3,318
Balance at March 31, 2025	$	10,811	78,585	89,396
Accumulated depreciation and impairments loss:				
Balance at January 1, 2025	$	-	-	-
Depreciation		-	379	379
Effects of exchange rate changes		-	14	14
Balance at March 31, 2025	$	-	393	393
Carrying amount:				
Balance at January 1, 2025	$	-	-	-
Balance at March 31, 2025	$	10,811	78,192	89,003

(i) Goodwill and intangible assets

The cost, amortization and impairment of the goodwill and intangible assets of the Group for the three months ended March 31, 2025 and 2024 were as follows:

		Goodwill	Customer relationship	Developed technology	Software	Technology licenses	Trademarks	Others	Total
Cost:									
Balance at January 1, 2025	$	531,596	180,318	85,241	22,749	3,867	231	500	824,502
Additions		-	-	-	-	90	-	-	90
Disposal		-	-	-	-	(380)	-	-	(380)
Effects of exchange rate changes		6,742	2,310	1,092	589	-	-	-	10,733
Balance at March 31, 2025	$	**538,338**	**182,628**	**86,333**	**23,338**	**3,577**	**231**	**500**	**834,945**
Balance at January 1, 2024	$	498,206	168,878	79,833	46,267	2,946	231	1,132	797,493
Additions		-	-	-	-	190	-	-	190
Disposal		-	-	-	-	(181)	-	-	(181)
Effects of exchange rate changes		20,789	7,122	3,367	1,237	-	-	-	32,515
Balance at March 31, 2024	$	**518,995**	**176,000**	**83,200**	**47,504**	**2,955**	**231**	**1,132**	**830,017**
Accumulated amortization and impairment losses									
Balance at January 1, 2025	$	212,987	62,110	62,916	15,425	1,744	75	417	355,674
Amortization		-	3,015	3,055	1,156	182	6	20	7,434
Disposal		-	-	-	-	(380)	-	-	(380)
Effects of exchange rate changes		2,729	824	834	468	-	-	-	4,855
Balance at March 31, 2025	$	**215,716**	**65,949**	**66,805**	**17,049**	**1,546**	**81**	**437**	**367,583**
Balance at January 1, 2024	$	199,474	46,911	47,520	37,940	1,251	52	942	334,090
Amortization		-	2,882	2,920	1,213	121	6	78	7,220
Disposal		-	-	-	-	(181)	-	-	(181)
Effects of exchange rate changes		8,413	2,029	2,056	1,086	-	-	-	13,584
Balance at March 31, 2024	$	**207,887**	**51,822**	**52,496**	**40,239**	**1,191**	**58**	**1,020**	**354,713**
Carrying amount:									
Balance at January 1, 2025	$	**318,609**	**118,208**	**22,325**	**7,324**	**2,123**	**156**	**83**	**468,828**
Balance at March 31, 2025	$	**322,622**	**116,679**	**19,528**	**6,289**	**2,031**	**150**	**63**	**467,362**
Balance at January 1, 2024	$	**298,732**	**121,967**	**32,313**	**8,327**	**1,695**	**179**	**190**	**463,403**
Balance at March 31, 2024	$	**311,108**	**124,178**	**30,704**	**7,265**	**1,764**	**173**	**112**	**475,304**

None of the intangible assets held by the Group were pledged collateral as of March 31, 2025, December 31, and March 31, 2024.

(j) Other current assets and other non-current assets

The other current assets and other non-current assets of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Other current assets:			
Prepayments	$ 54,089	40,412	42,534
Others	2,620	5,149	1,433
	$ 56,709	**45,561**	**43,967**
Other non-current assets:			
Refundable deposits	$ 6,749	6,772	5,148
Others	-	-	19
	$ 6,749	**6,772**	**5,167**

(k) Short-term borrowings

The short-term borrowings of the Group were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	**$ 730,000**	**729,000**	**552,000**
Unused short-term credit lines	**$ 499,000**	**480,000**	**507,000**
Range of interest rates	**1.118%~2.01%**	**1.117%~2.075%**	**1.82%~2.135%**

(i) Issuing and repayment the borrowings

For the three months ended March 31, 2025, the Group had the additional short-term borrowings amounting to $50,000 thousand, with an interest rate of 2%, maturing in September 2025. For the three months ended March 31, 2025, the repayments amounted to $49,000 thousand. There was no such transaction for the three months ended March 31, 2024.

(ii) Collateral for short-term borrowings

The Group sets out the assets as pledged collateral for short-term borrowings in note 8.

(l) Lease liabilities

The lease liabilities of the Group were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	**$ 35,590**	**39,271**	**37,845**
Non-current	**$ 78,505**	**82,662**	**99,452**

For the maturity analysis, please refer to note 6(w) Financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest expense on lease liabilities	**$ 876**	**1,038**
Expenses relating to short-term leases	**$ 2,283**	**1,327**

The amounts recognized in the statement of cash flows were as follows:

	For the three months ended March 31	
	2025	2024
Total cash outflow for leases	**$ 13,161**	**11,830**

(i) Building leases

The Group leases buildings for the use of offices and plants with lease terms of 1 to 15 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases machinery, transportation equipment, and other equipment with lease terms of 2 to 5 years.

(m) Other payables

The other payables of the Group were summarized as follows:

		March 31, 2025	December 31, 2024	March 31, 2024
Salary and bonus payable	$	71,037	60,266	46,046
Pensions payable		2,273	2,130	1,933
Employee and director compensation payable		27,419	21,830	9,679
Commission payable		18,693	22,504	36,117
Dividends payable		164,850	-	-
Others		128,016	84,244	106,655
	$	**412,288**	**190,974**	**200,430**

(n) Long-term borrowings

The long-term borrowings of the Group were summarized as follows:

		March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	$	520,087	522,201	435,000
Secured bank loans		468,000	468,000	518,294
		988,087	990,201	953,294
Less: current portion		(423,571)	(423,524)	(4,913)
		564,516	**566,677**	**948,381**
Unused long-term credit lines		**822,000**	**822,000**	**961,706**
Range of interest rates		**2.038%~2.398%**	**2.036%~2.396%**	**1.897%~2.22%**

(i) Issuance and repayment of the borrowings

For the three months ended March 31, 2025 and 2024, the repayment amounted to $2,114 thousand and $0 thousand, respectively. There were no additional proceeds from long-term borrowings for the three months ended March 31, 2025 and 2024.

(ii) Syndicated loan

The Group entered into US$38,100 thousand and NT$526,000 thousand syndicated loan agreement with Taishin International Bank in October 2019 with annual interest rate of 2.084%. The agreement period is 5 years, which can be extended for 2 years upon application for once only. The funds were used to acquire 100% ownership of Winbro UK.

The Group has re-signed the syndicated loan agreement with Taishin International Bank in July 2023. The loan amount was NT$1,290,000 thousand with a 5-year credit period. The funds obtained from the syndicated loan agreement were used to repay outstanding loans and enrich medium-term working capital.

Under the syndicated loan agreement re-signed in 2023, the ratios and limitations shall be maintained as follows and calculated based on independent auditors’ annual and semi-annual consolidated financial statements from 2023. For the collateral for long-term borrowings, please refer to note 8.

1) Current ratio (current assets / current liabilities) – not less than 100%.
2) Gearing ratio (total liabilities deduct cash / total equity) – not higher than 200%.
3) Interest coverage ratio (sum of profit before income tax, depreciation expenses, amortizations, and interest expenses / interest expenses) – not less than 300%.
4) Equity – not less than $1,000,000 thousand.

As of March 31, 2025, December 31, and March 31, 2024, the Group was in compliance with the above borrowing covenants.

(iii) Collateral for long-term borrowings

The Group set out the assets as pledged collateral for long-term borrowings in note 8.

(o) Provisions

		March 31, 2025	December 31, 2024	March 31, 2024
Current–Warranties	$	19,317	19,401	21,140
Non-current–Employee benefits		4,763	4,679	4,748
	$	**24,080**	**24,080**	**25,888**

There were no significant changes in provisions for the three months ended March 31, 2025 and 2024. Please refer to note 6(m) to the consolidated financial statements for the year ended December 31, 2024 for other related information.

(p) Employee benefits

(i) Defined benefit plans

Since there were no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.
The pension costs recognized in profit or loss for the Group were as follows:

		For the three months ended March 31	
		2025	2024
Operating cost	$	(67)	(40)
Selling expenses		(29)	(17)
Administration expenses		(23)	(14)
	$	**(119)**	**(71)**

(ii) Defined contribution plans

The pension costs of the Group under the defined contribution pension plans were as follows and contributed to the Bureau of Labor Insurance.

		For the three months ended March 31	
		2025	2024
Operating cost	$	4,986	4,432
Selling expenses		828	672
Administration expenses		2,194	2,048
Research and development expenses		1,257	206
	$	**9,265**	**7,358**

(q) Income tax

(i) The income tax of the Group was as follows:

		For the three months ended March 31	
		2025	2024
Current tax expenses			
Current period	$	47,810	17,520
Adjustment for prior periods		(29,016)	-
		18,794	17,520
Deferred tax expenses			
Origination and reversal of temporary differences		7,762	7,998
Income tax expense	**$**	**26,556**	**25,518**

(ii) The amounts of income tax recognized in other comprehensive income were as follows:

	For the three months ended March 31	
	2025	**2024**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ (11,625)**	**(11,647)**

(iii) The Company's income tax returns for the year 2022 has been examined and approved by the tax authorities.

(r) Capital and other equity

Except for the following disclosure, there was no significant change in capital and capital surplus for the periods from January 1 to March 31, 2025 and 2024. For the related information, please refer to note 6(p) to the consolidated financial statements for the year ended December 31, 2024.

(i) Retained earnings

In accordance with the Company's articles of incorporation, in the event that the annual audit renders earnings, the Company shall pay taxes according to law and cover cumulative losses before setting aside 10% to be the legal reserve; if the legal reserve has reached the Company's paid-in capital size, however, it is allowed not to set aside further earnings. From the remainder the special reserve shall be set aside or reversed as required by law and any further remainder after that shall be brought forth in the shareholder's meeting based on the Earnings Distribution Proposal prepared by the Board of Directors along with accumulated retained earnings for a decision on assignment of stock dividend bonus to shareholders.

The Company shall make distribution of dividend with a total amount no lower than 10% of the earnings distributable for the year based on the overall circumstances and growth characteristics of the industry, in consideration of the Company's profiting status and future operation needs, with the sustainable operations of the Company as objective and shareholders' equity and the Company's long-term financial planning taken into account.

The distribution of dividends by the Company can be in the form of cash or issuing new shares according to the Company's annual surplus in the current year and the overall industry's environment. However, cash dividends shall not be lower than 60% of the total dividends distributed, which may be adjusted in the shareholders' meeting based on the actual profit in the current year or the state of operations.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

As the Company opted for the exemptions allowed under IFRS1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the IFRSs as endorsed by the FSC, it is stipulated to set aside the same amount of special surplus reserve of $2,724 thousand were reclassified to retained earnings. A special reserve is appropriated from retained earnings for the aforementioned reclassification. In addition, during the use, disposal or reclassifications of relevant assets, this special reserve is reverted to distributable earnings proportionately.

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On March 11, 2025, the Company's Board of Directors resolved to appropriate the 2024 earnings. On May 31, 2024, the shareholders' meeting resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2024		2023	
	Amount per share (NT dollars)	**Total amount**	**Amount per share (NT dollars)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 3	164,850	0.534	29,343

(ii) Other comprehensive income accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2025	$ 89,122
Exchange differences on foreign operations	58,126
Income tax	(11,625)
Balance at March 31, 2025	**$ 135,623**
Balance at January 1, 2024	$ 15,086
Exchange differences on foreign operations	58,234
Income tax	(11,647)
Balance at March 31, 2024	**$ 61,673**

(s) Earnings per share

The calculations of the Group's basic earnings per share and diluted earnings per share were as follows:

(i) Basic earnings per share

	For the three months ended March 31	
	2025	**2024**
Net profit attributable to ordinary shareholders of the Company (basic)	**$ 54,440**	**47,880**
Weighted average number of ordinary shares outstanding (in thousands of shares)	**54,950**	**54,950**
Basic earnings per share (expressed in NT dollars)	**$ 0.99**	**0.87**

(ii) Diluted earnings per share

	For the three months ended March 31	
	2025	**2024**
Net profit attributable to ordinary shareholders of the Company (diluted)	**$ 54,440**	**47,880**

		For the three months ended March 31	
		2025	**2024**
Weighted average number of ordinary shares outstanding (basic) (in thousands of shares)		54,950	54,950
Effect of dilutive potential ordinary shares			
Effect on employees' compensation		192	129
Weighted average number of ordinary shares outstanding (diluted) (in thousands of shares)		**55,142**	**55,079**
Diluted earnings per share (expressed in NT dollars)	**$**	**0.99**	**0.87**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

		For the three months ended March 31	
		2025	**2024**
Primary geographical markets			
Europe	$	373,881	251,428
Asia		159,555	250,276
Americas		275,666	189,794
Others		650	170
	$	**809,752**	**691,668**
Major products/services			
Sales of goods	$	649,069	541,495
Rendering of services		160,683	150,173
	$	**809,752**	**691,668**

(ii) Contract balances

		March 31, 2025	December 31, 2024	March 31, 2024
Contract liabilities	**$**	**109,120**	**159,728**	**235,409**

For details on trade and notes receivables and allowance for impairment, please refer to note 6(c).

The amounts of revenue recognized for the three months ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were $62,298 thousand and $69,314 thousand, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(u) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 5.52% of the profit as employee compensation and less than 2.07% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the three months ended March 31, 2025 and 2024, the Company estimated its employee compensation amounting to $4,065 thousand and $3,575 thousand, and directors' remuneration amounting to $1,524 thousand and $1,341 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses during the period. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

For the years ended December 31, 2024 and 2023, the Company estimated its employee compensation amounting to $15,880 thousand and $3,464 thousand, and directors' remuneration amounting to $5,950 thousand and $1,299 thousand, respectively. Related information would be available at the Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

		For the three months ended March 31	
		2025	**2024**
Interest income from bank deposits	$	367	1,608
Other interest income		1,349	-
	$	**1,716**	**1,608**

(ii) Other income

The details of other income were as follows:

		For the three months ended March 31	
		2025	**2024**
Rent income	$	32	37
Government grants		43	69
Others		105	126
	$	**180**	**232**

(iii) Other gains and losses

The details of other gains and losses were as follows:

		For the three months ended March 31	
		2025	**2024**
Foreign exchange gains	$	6,251	20,888
Losses on financial assets and liabilities at fair value through profit or loss		(606)	(2)
Gains on disposals of property, plant and equipment		10	307
Others		(62)	(89)
	$	**5,593**	**21,104**

(iv) Finance costs

The details of finance costs were as follows:

		For the three months ended March 31	
		2025	**2024**
Interest expenses-bank loans	$	8,804	7,460
Interest expenses-lease liabilities		876	1,038
	$	**9,680**	**8,498**

(w) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group’s financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(u) to the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of March 31, 2025, December 31, and March 31, 2024, the Group's major customers consisted of five customers which accounted for 53%, 49% and 45%, respectively, of trade receivable. Thus, credit risk is significantly centralized.

3) Receivables and debt securities

For credit risk exposure of notes and trade receivable, please refer to note 6(c). Other financial assets at amortized cost includes other receivables. The financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Other receivables had no impairment provision for the three months ended March 31, 2025 and 2024.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

		Carrying amount	Contractual cash flows	Within 1 year	Over 1 year
March 31, 2025					
Non derivative financial liabilities					
Short-term borrowings	$	730,000	732,532	732,532	-
Trade and other payables		701,737	701,737	701,737	-
Long-term borrowings (current portion included)		988,087	1,035,841	440,679	595,162
Lease liabilities (current and non-current)		114,095	114,489	35,847	78,642
	$	**2,533,919**	**2,584,599**	**1,910,795**	**673,804**
December 31, 2024					
Non derivative financial liabilities					
Short-term borrowings	$	729,000	731,556	731,556	-
Trade and other payables		421,560	421,560	421,560	-
Long-term borrowings (current portion included)		990,201	1,043,362	443,119	600,243
Lease liabilities (current and non-current)		121,933	122,354	39,525	82,829
	$	**2,262,694**	**2,318,832**	**1,635,760**	**683,072**
March 31, 2024					
Non derivative financial liabilities					
Short-term borrowings	$	552,000	553,458	553,458	-
Trade and other payables		471,703	471,703	471,703	-
Long-term borrowings (current portion included)		953,294	1,016,234	5,663	1,010,571
Lease liabilities (current and non-current)		137,297	137,596	38,035	99,561
	$	**2,114,294**	**2,178,991**	**1,068,859**	**1,110,132**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group’s significant exposure to foreign currency risk were as follows:

		March 31, 2025			**December 31, 2024**			**March 31, 2024**		
		Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial assets										
Monetary items										
EUR	$	4,855	35.97	174,649	5,116	34.14	174,657	1,746	34.46	60,160
USD		14,313	33.205	475,258	11,004	32.785	360,779	15,778	32.000	504,904
CNY		3,039	4.573	13,899	921	4.478	4,123	280	4.408	1,235
Financial liabilities										
Monetary items										
EUR		252	35.97	9,066	288	34.14	9,820	305	34.46	10,516
USD		232	33.205	7,714	1	32.785	26	80	32.000	2,556

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables; and trade and other payables that are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD against the EUR, USD, and CNY as of March 31, 2025 and 2024, would have increased (decreased) the net profit after tax by $5,176 thousand and $4,426 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $6,251 thousand and $20,888 thousand, respectively.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Group’s net income would have increased or decreased by $4,295 thousand and $3,763 thousand for the three months ended March 31, 2025 and 2024, with all other variable factors remaining constant. This is mainly due to the Group’s borrowing at variable rates.

(iv) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group’s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2025				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 614,705	-	-	-	-
Notes and trade receivable (including from related parties)	1,123,687	-	-	-	-
Other receivables (including from related parties)	199,328	-	-	-	-
Refundable deposits	6,749	-	-	-	-
Subtotal	**$ 1,944,469**	**-**	**-**	**-**	**-**
Financial liabilities at FVTPL					
Held-for-trading financial	**$ 606**	**-**	**606**	**-**	**606**

	March 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
liabilities					
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 730,000	-	-	-	-
Accounts and notes payable and other payables (including from related parties)	701,737	-	-	-	-
Long-term borrowings (current portion included)	988,087	-	-	-	-
Lease liabilities (current and non-current)	114,095	-	-	-	-
Subtotal	**$ 2,533,919**	**-**	**-**	**-**	**-**

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 810,330	-	-	-	-
Notes and trade receivable (including from related parties)	945,381	-	-	-	-
Other receivables (including from related parties)	122,017	-	-	-	-
Refundable deposits	6,772	-	-	-	-
Subtotal	**$ 1,884,500**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 729,000	-	-	-	-
Accounts and notes payable and other payables (including from related parties)	421,560	-	-	-	-
Long-term borrowings (current portion included)	990,201	-	-	-	-
Lease liabilities (current and non-current)	121,933	-	-	-	-
Subtotal	**$ 2,262,694**	**-**	**-**	**-**	**-**

	March 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Derivative financial assets mandatorily measured at	**$ 30**	**-**	**30**	**-**	**30**

	March 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
FVTPL					
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 596,511	-	-	-	-
Notes and trade receivable (including from related parties)	986,568	-	-	-	-
Other receivables (including from related parties)	23,545	-	-	-	-
Refundable deposits	5,148	-	-	-	-
Subtotal	**$ 1,611,772**	**-**	**-**	**-**	**-**
Financial liabilities at FVTPL					
Held-for-trading financial liabilities	**$ 32**	**-**	**32**	**-**	**32**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 552,000	-	-	-	-
Accounts and notes payable and other payables	471,703	-	-	-	-
Long-term borrowings (current portion included)	953,294	-	-	-	-
Lease liabilities (current and non-current)	137,297	-	-	-	-
Subtotal	**$ 2,114,294**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments not measured at fair value

The Group’s valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

2.1) Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

2.2) Financial assets and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

Measurement of the fair value of derivative financial instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

4) Transfers between Level 1 and Level 2

There was no transfer between the fair value hierarchy levels for the three months ended March 31, 2025 and 2024.

(x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(v) to the consolidated financial statements for the year ended December 31, 2024.

(y) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(w) to the consolidated financial statements for the year ended December 31, 2024 for further details.

(z) Investing and financing activities not affecting the current cash flow

The Group’s investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2025 and 2024, were as follows:

(i) Acquisition of right-of-use assets through lease, please refer to note 6(g) and (l).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

				Non-cash changes		
		January 1, 2025	**Cash flows**	**Increase (decrease) for the period**	**Foreign exchange movement**	**March 31, 2025**
Short-term borrowings	$	729,000	1,000	-	-	730,000
Lease liabilities (current and non-current)		121,933	(10,002)	883	1,281	114,095
Long-term borrowings (current portion included)		990,201	(2,114)	-	-	988,087
Total liabilities from financing activities	**$**	**1,841,134**	**(11,116)**	**883**	**1,281**	**1,832,182**

				Non-cash changes		
		January 1, 2024	**Cash flows**	**Increase (decrease) for the period**	**Foreign exchange movement**	**March 31, 2024**
Short-term borrowings	$	552,000	-	-	-	552,000
Lease liabilities (current and non-current)		135,940	(9,465)	5,576	5,246	137,297
Long-term borrowings (current portion included)		953,294	-	-	-	953,294
Total liabilities from financing activities	**$**	**1,641,234**	**(9,465)**	**5,576**	**5,246**	**1,642,591**

7. Related-party transactions

(a) Names and relationship with the Group

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Zhongshan Xuguang Machinery Technology Co., Ltd. (Zhongshan Xuguang)	Associate
Lerinc Werkzeugmaschinen & Automation GmbH (LWA)	Associate (from May 2024)
MWA Magdeburger Werkzeugmaschinen & Automation GmbH (MWA)	Associate (from May 2024)

(b) Significant transactions with related parties

(i) Sales of goods to related parties

The amounts of significant sales and receivables by the Group to its related parties were as follows:

Account	Type/Name of related party	For the three months ended March 31 2025	2024
	Associate:		
Sale of goods	LWA	$ 46,034	-
Sale of goods	Zhongshan Xuguang	12,059	224
		$ 58,093	**224**

The sales price of the Group to its related parties is not materially different from those of non-related parties. The collection term for sales to associate Zhongshan Xuguang and LWA are T/T 90 days and T/T 180 days, respectively.

(ii) Receivables from related parties

The details of the Group's receivables from related parties were as follows:

Account	Type/Name of related party	March 31, 2025	December 31, 2024	March 31, 2024
	Associate：			
Trade receivable	LWA	$ 94,463	109,816	227
Trade receivable	Zhongshan Xuguang	12,292	1,490	-
		$ 106,755	**111,306**	**227**
	Associate：			
Other receivables	Zhongshan Xuguang	**$ -**	**-**	**519**

Trade receivables due from related parties were not pledged as collateral. As of March 31 2025 and December 31, 2024, the amounts of trade receivables from related parties of the associated company LWA were $102,432 thousand and $119,332 thousand. The impairment provision recognized for the three months ended March 31 2025 and 2024 were $173 thousand and $9,649 thousand, and the loss allowance were $7,969 thousand and $9,516 thousand.

(iii) Payables to related parties

The payables to related parties were as follows:

Account	Type/Name of related party	March 31, 2025	December 31, 2024
	Associate:		
Accounts payables	LWA	**$ 40**	**38**

(iv) Property transaction

(1) Purchases of investment property

Prices of investment property purchased from related parties are summarized as follows:

Type/Name of related party	For the three months ended March 31, 2025
Associate:	
LWA	**$ 89,396**

In February 2025, the Group purchased both the land and building located in Germany from associate LWA, with an area of approximately 1,051.79 ping. The total price of the land was NT$10,811 thousand and the total price of the buildings was NT$78,585 thousand, totaling NT$89,396 thousand. As of March 31, 2025, the transfer procedures have been completed, and there was no remaining unpaid balance. The acquisition price of the investment real estate was based on the appraisal report of Jones Lang LaSalle SE, a real estate appraisal company. Please refer to note 6(h) for details.

(2) Disposal of property, plant and equipment

The details of disposal of property, plant and equipment by the Group to related parties were summarized as follows:

	For the three months ended March 31, 2024	
Type/Name of related party	**Disposal price**	**Disposal gain (loss)**
Associate:		
Zhongshan Xuguang	$ 512	512

The Group sold other equipment to associate Zhongshan Xuguang in March 2024 for $512 thousand. As of March 31, 2024, the unpaid balance was $519 thousand. For further property, plant and equipment information, please refer to note 6(f).

(v) Loans to related parties

The loans to related parties were as follows:

Account	**Type/Name of related party**	**March 31, 2025**	**December 31, 2024**
Financing:	Associate:		
Other receivables	LWA	$ 160,126	94,226
Other receivables	MWA	6,834	6,487
		$ 166,960	**100,713**
Interest income:	Associate:		
Other receivables	LWA	$ 3,575	2,315
Other receivables	MWA	98	-
		$ 3,673	**2,315**

The interest charged by the Group to related parties is based on the average interest rate charged by financial institutions on the Group’s borrowings. The loans to related parties are unsecured. As of March 31, 2025, the Group's other receivables from its associates LWA were $169,720 thousand. The impairment provision recognized for the three months ended March 31, 2025 was $3,896 thousand, and the loss allowance was $6,019 thousand.

(c) Key management personnel compensation

	For the three months ended March 31	
	2025	**2024**
Short-term employee benefits	$ 4,358	3,913
Post-employment benefits	242	92
	$ 4,600	**4,005**

8. Pledged Assets

The carrying values of pledged assets were as follows:

Pledged Assets	**Subject of pledge guarantee**	**March 31, 2025**	**December 31, 2024**	**March 31, 2024**
Land	Collateral for bank borrowings and credit lines	$ 123,978	123,978	123,978
Buildings and structures	Collateral for bank borrowings and credit lines	8,038	8,288	9,547
		$ 132,016	**132,266**	**133,525**

9. Significant commitments and contingencies

The Group’s unrecognized contractual commitments were as follows:

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	$ 4,438	81,463	532

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Other

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item		For the three months ended March 31					
		2025			2024		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary	$	85,388	79,428	164,816	78,909	56,279	135,188
Labor and health insurance		12,526	9,066	21,592	10,643	5,423	16,066
Pension		4,921	4,225	9,146	4,392	2,895	7,287
Others		625	1,719	2,344	530	1,741	2,271
Depreciation		23,326	8,938	32,264	24,136	8,574	32,710
Amortization		21	7,413	7,434	73	7,147	7,220

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicality factors.

13. Other disclosures

(a) Information on significant transaction

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2025:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties (Note 4)	Reasons for short-term financing	Loss allowance	Collateral Item	Collateral Value	Individual funding loan limits (Note 1)	Maximum limit of fund financing (Note 2)
0	The Company	Winbro LLC	Other receivables	Yes	14,683	14,683	14,683		1	129,347	-	-	-	-	161,757	647,027
0	The Company	Winbro Ltd	Other receivables	Yes	26,381	15,177	15,177		1	59,845	-	-	-	-	161,757	647,027
0	The Company	LWA	Other receivables	Yes	11,739	11,739	11,739		1	87,623	-	2,123	-	-	161,757	647,027
0	The Company	LWA	Other receivables	Yes	89,925	89,925	89,925	4.50%	2	-	Operational development	-	-	-	161,757	647,027
1	Quaser Europe	Quaser Europe Gmbh	Other receivables	Yes	44,016	43,848	43,848		1	-	-	-	-	-	187,340	187,340
2	Winbro Ltd	Winbro LLC	Other receivables	Yes	55,422	55,253	55,253		1	160,959	-	-	-	-	2,858,904	2,858,904

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(In Thousands of New Taiwan Dollars)

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties (Note 4)	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 1)	Maximum limit of fund financing (Note 2)
													Item	Value		
2	Winbro Ltd	The Company	Other receivables	Yes	44,752	18,616	18,616		1	116,360	-	-	-	-	2,858,904	2,858,904
3	Winbro LLC	The Company	Other receivables	Yes	2,516	2,508	2,508		1	-	-	-	-	-	1,430,916	1,430,916
4	Quaser America	Winbro LLC	Other receivables	Yes	66,625	66,422	66,422		1	-	-	-	-	-	440,924	440,924
5	Quaser Europe Gmbh	MWA	Other receivables	Yes	6,834	6,834	6,834	5.26%	2	-	Operational development	-	-	-	17,796	71,185
5	Quaser Europe Gmbh	LWA	Other receivables	Yes	9,352	9,352	9,352	5.26%	2	-	Operational development	-	-	-	17,796	71,185

Note 1: Individual financing amount must be less than 10%, 400%, 400%, 400%, 400% and 10% of the Company's, Quaser Europe's, Winbro Ltd's, Winbro LLC's, Quaser America's and Quaser Europe Gmbh's latest net asset value (the Company's net asset value as of March 31, 2025 was $1,617,567 thousand × 10% = $161,757 thousand; Quaser Europe's net asset value as of March 31, 2025 was $46,835 thousand × 400% = $187,340 thousand; Winbro Ltd's net asset value as of March 31, 2025 was $714,726 thousand × 400% = $2,858,904 thousand; Winbro LLC's net asset value as of March 31, 2025 was $357,729 thousand × 400% = $1,430,916 thousand; Quaser America's net asset value as of March 31, 2025 was $110,231 thousand × 400% = $440,924 thousand; Quaser Europe Gmbh's net asset value as of March 31, 2025 was $177,963 thousand × 10% = $17,796 thousand).

Note 2: The maximum amount must be less than 40%, 400%, 400%, 400%, 400% and 40% of the Company's, Quaser Europe's, Winbro Ltd's, Winbro LLC's, Quaser America's and Quaser Europe Gmbh's latest net asset value (the Company's net asset value as of March 31, 2025 was $1,617,567 thousand × 40% = $647,027 thousand; Quaser Europe's net asset value as of March 31, 2025 was $46,835 thousand × 400% = $187,340 thousand; Winbro Ltd's net asset value as of March 31, 2025 was $714,726 thousand × 400% = $2,858,904 thousand; Winbro LLC's net asset value as of March 31, 2025 was $357,729 thousand × 400% = $1,430,916 thousand; Quaser America's net asset value as of March 31, 2025 was $110,231 thousand × 400% = $440,924 thousand; Quaser Europe Gmbh's net asset value as of March 31, 2025 was $177,963 thousand × 40% = $71,185 thousand).

Note 3: The nature of financing provided could be:
1) business relationship.
2) short-term financial assistance.

Note 4: When the nature of financing provided was for business relationship, the business transaction amount should be listed. The amounts were from the business transactions of the most recent year between the lender and the borrower.

Note 5: Significant intercompany accounts and transactions have been eliminated.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD 100 million or 20% of the capital stock: None.

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of capital stock:

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(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Relationship	Balance of receivable from related party	Turnover rate (Note)	Overdue		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
The Company	Kunshan Quaser	Subsidiary company	112,042	3.36	-	-	-	-
The Company	Winbro LLC	Sub-subsidiary company	147,143	1.72	14,683	Accounting for other receivables.	-	-
The Company	LWA	Associate	241,657	1.89	11,739	Accounting for other receivables.	-	2,123
Winbro Ltd	Winbro LLC	Sub-subsidiary company	229,685	2.58	55,253	Accounting for other receivables.	-	-

Note: The calculation of turnover rate does not include other receivables.

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Kunshan Quaser	1	Sales	76,491	T/T 180 days	9%
0	The Company	Kunshan Quaser	1	Trade receivable	112,042	T/T 180 days	3%
0	The Company	Quaser Europe Gmbh	1	Sales	7,349	T/T 180 days	1%
0	The Company	Quaser Europe Gmbh	1	Sales	8,981	T/T 180 days	-%
0	The Company	Quaser America	1	Other payable	33,205	T/T 180 days	1%
0	The Company	Winbro Ltd	2	Sales	7,000	T/T 180 days	1%
0	The Company	Winbro Ltd	2	Trade receivable	7,488	T/T 180 days	-%
0	The Company	Winbro Ltd	2	Accounts payable	24,412	T/T 30 days	1%
0	The Company	Winbro Ltd	2	Other receivables	35,744	T/T 180 days	1%
0	The Company	Winbro LLC	2	Sales	52,409	T/T 180 days	6%
0	The Company	Winbro LLC	2	Purchases	15,469	T/T 30 days	2%
0	The Company	Winbro LLC	2	Trade receivable	124,237	T/T 180 days	3%
0	The Company	Winbro LLC	2	Accounts payable	15,658	T/T 30 days	-%
0	The Company	Winbro LLC	2	Other receivables	22,906	T/T 180 days	1%
1	Quaser America	Winbro LLC	4	Trade receivable	67,478	T/T 120 days	2%
2	Quaser Europe Gmbh	Quaser Europe	3	Accounts payable	46,169	T/T 180 days	1%
3	Winbro Ltd	Winbro LLC	5	Sales	74,493	T/T 120 days	9%
3	Winbro Ltd	Winbro LLC	5	Trade receivable	174,432	T/T 120 days	4%
3	Winbro Ltd	Winbro LLC	5	Other receivables	55,253	T/T 120 days	1%

Note 1: Companies are numbered as follows:
1) “0” represents the parent company.
2) Subsidiaries are sorted in a numerical order starting from “1”.

Note 2: The relationships between transaction parties are numbered as follows:
1) “1” represents the transactions from parent company to subsidiary.
2) “2” represents the transactions from parent company to sub-subsidiary.
3) “3” represents the transactions between subsidiaries.
4) “4” represents the transactions from subsidiary to sub-subsidiary.
5) “5” represents the transactions between sub-subsidiaries.

(b) Information on investees:

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The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in mainland China):

(In Thousands of NTD, GBP, USD and EUR) (Unit: Shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Amount held at the end of the period			Net income (loss) of the investee	Investment income (loss) recognized by the Company (Note 1)	Note
				End of the period	End of the previous year	Shares	Percentage of ownership	Carrying value			
The Company	Quaser Europe	Switzerland	Buys and sells machines	3,076	3,076	1,000	100%	46,835	12	12	Subsidiary
The Company	Quaser America	America	Buys and sells machines	189,455	189,455	6,000,000	100%	110,231	(393)	(393)	Subsidiary (Note 3)
The Company	Winbro UK	United Kingdom	Overseas reinvested holding company	1,804,141	1,804,141	27,054,625	100%	1,500,885	33,851	22,845	Subsidiary
The Company	Quaser Europe Gmbh	Germany	Buys and sells machines	206,706	206,706	25,000	100%	174,078	506	506	Subsidiary
Winbro UK	Winbro Ltd	United Kingdom	Aerospace machinery manufacturing and machining	GBP 90	GBP 90	9,029,804	100%	GBP 16,602	GBP (1,534)	(Note 2)	Sub-subsidiary
Winbro UK	Winbro LLC	America	Aerospace machinery manufacturing and machining	USD 33,576	USD 33,576	-	100%	USD 10,773	USD 2,799	(Note 2)	Sub-subsidiary
Quaser Europe Gmbh	MWA	Germany	Buys and sells machines	EUR 430	EUR 430	42,995	43%	EUR -	EUR (507)	(Note 2)	Associate

Note 1: Except for MWA, the remaining significant intercompany accounts and transactions have been eliminated.
Note 2: According to regulations, it does not need to fill out.
Note 3: The liquidation of the Company’s subsidiary, Quaser America, was resolved by the Board of Directors in 2022. Based on the Group's operation plan, the Company's Board of Directors resolved to cancel the resolution on August 7, 2024.

(c) Information on investment in mainland China:

(i) The names of investees in mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars/In Thousands of Chinese Yuan/In Thousands of United States Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of beginning of this period	Investment		Accumulated outflow of investment from Taiwan as of end of this period	Net income (losses) of the investee	Percentage of ownership	Investment income (loss) recognized	Book value as of March 31, 2025	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Kunshan Quaser (Note)	Buys and sells machines	49,238 (USD 1,500)	The investment was made direct investments in companies in mainland China	38,500 (USD 1,280)	-	-	38,500 (USD 1,280)	6,230	100%	6,230	27,491	-
Zhongshan Xuguang	Manufacturing and selling machines	86,220 (CNY 20,000)	The investment was made direct investments in companies in mainland China	34,889 (CNY 8,000)	-	-	34,889 (CNY8,000)	(8,582)	40%	(3,432)	27,026	-

Note: Significant intercompany accounts and transactions have been eliminated.

(ii) Limitation on investment in mainland China:

(In Thousands of New Taiwan Dollars/In Thousands of Chinese Yuan/In Thousands of United States Dollars)

Accumulated investment in mainland China as of March 31, 2025	Investment amount authorized by Investment Commission, MOEA	Upper limit on investment
NTD$ 73,389 (USD$ 1,280) (CNY$ 8,000)	NTD$ 73,389 (USD$ 1,280) (CNY$ 8,000)	970,540

(iii) Significant transactions

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

14. Segment information

The Group’s operating segment information and reconciliation were as follows:

	For the three months ended March 31, 2025		
	Computer numerical control machines	**Aerospace processing machines**	**Total**
Total revenue	$ **348,438**	**461,314**	**809,752**
Reportable segment profit (loss)	$ **(33,210)**	**120,400**	**87,190**

	For the three months ended March 31, 2024		
	Computer numerical control machines	**Aerospace processing machines**	**Total**
Total revenue	$ **342,365**	**349,303**	**691,668**
Reportable segment profit (loss)	$ **5,734**	**53,552**	**59,286**

Segment revenue reported above represents revenue generated from external customers. The intersegment sales had been eliminated for the three months ended March 31, 2025 and 2024.

Segment profit represented the profit before tax earned by each segment without other income, other gains and losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.