Stock Code: 4563

Quaser Machine Tools, Inc.

2026 Annual General Shareholders' Meeting

Meeting Handbook

Shareholder's Meeting will be held by means of: Physical Shareholders' Meeting

May 28, 2026

Quaser Machine Tools, Inc.

2026 Annual General Shareholders' Meeting
Meeting Handbook

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II. Meeting Agenda

1. Shareholder’s Meeting will be held by means of: Physical Shareholders’ Meeting
2. Date & Time: May 28, 2026 (Thursday) at 10 AM.
3. Venue: No. 3, Gong 6th Rd., Youshih Industrial Park, Dajia Dist., Taichung City (Audio-Visual Room at 4F of the Company)
4. Meeting Procedure:
   (1) Reporting the Shares Represented by All Attending Shareholders
   (2) Call Meeting to Order
   (3) Chairman’s Address
   (4) Reported Matters
      1. 2025 Business Report.
      2. 2025 Audit Committee’s Review Report.
   (5) Proposed Resolutions
      1. 2025 Business Report and Financial Statements.
      2. Deficit Compensation for the Year 2025.
   (6) Matters for Discussion
      1. To Amend the Articles of “Procedures for Election of Directors”.
   (7) Extraordinary Motions
   (8) Adjournment

1. Reported Matters

Proposal 1: 2025 Business Report. (Proposed by the Board)

Description: 2025 Business Report is attached hereto as Attachment 1, Pages 5 to 8 of this Handbook.

Proposal 2: 2025 Audit Committee's Review Report. (Proposed by the Board)

Description: 2025 Audit Committee's Review Report is attached hereto as Attachment 2, Page 9 of this Handbook.

2. Proposed Resolutions

Proposal 1: 2025 Business Report and Financial Statements. (Proposed by the Board)

Description:
1. 2025 financial statements have been audited and attested by CPAs Chun-Yuan Wu and Tzu-Hsin Chang of KPMG Taiwan.
2. 2025 Business Report and CPA Audit Report and Financial Statements are attached hereto as Attachment 1, Pages 5 to 8, and Attachment 3, Pages 10 to 25.

Resolution:

Proposal 2: Deficit Compensation for the Year 2025. (Proposed by the Board)

Description: Deficit Compensation for the year 2025 has been resolved in its Board of Directors' meeting on March 10, 2026, and further reviewed by the Audit Committee. The deficit compensation table is attached hereto as Attachment 4, Page 26 of this Handbook.

Resolution:

3. Matters for Discussion

Proposal 1: To Amend the Articles of "Procedures for Election of Directors". (Proposed by the Board)

Description: In accordance with the laws and regulations, the Company has amended its "Procedures for Election of Directors". The comparison table for the procedures before and after amendment is attached hereto as Attachment 5, Page 27 of this Handbook.

Resolution:

4. Extraordinary Motions
5. Adjournment

III. Attachments

Attachment 1

Quaser Machine Tools, Inc.
Business Report

In 2025, the global economy was significantly impacted by the recovery of U.S. domestic demand and strategic policy shifts. New tariff policies triggered disruptions across global supply chains, leading to rising corporate costs and a decline in trade volumes, which in turn delayed corporate investment plans. Against a backdrop of persistent geopolitical tensions, Taiwan's total machine tool export value for 2025 decreased by 9.6% compared to the previous year. This figure underscores the profound structural challenges currently facing the machine tool industry.

In response, the Company has proactively optimized its global footprint to mitigate operational risks. We have successfully extended our operational scope into the aerospace, hydrogen fuel cell, semiconductor, and medical equipment industries. By seeking strategic partners and actively expanding our commercial presence, we remain focused on high-tech and high-growth markets. This multi-industry layout is now yielding tangible results. Beyond hardware development, we are continuously advancing our software capabilities. To address the challenges of smart manufacturing and sustainable development, we have developed carbon-neutral intelligent machine tools featuring: Integrated Smart Energy-Saving Modes、Modular Five-Axis Machine Tools、Intelligent Optimized User Interfaces.

Simultaneously, we continue to push boundaries by introducing our laser equipment into diversified markets and exploring new growth opportunities within the renewable energy sector.

Despite facing numerous unfavorable external factors, our entire team has remained dedicated to rigorous cost containment and strengthening our competitive edge to navigate shifting market dynamics.In fiscal year 2025, while we continued to deepen our expertise in high-end technologies as part of our operational plan, overall profitability experienced a short-term loss. This was primarily due to overseas investment projects not yet reaching their expected returns. In response, the management team has taken decisive restructuring actions. We believe these short-term financial adjustments are necessary to pave the way for a long-term profitability turnaround.Looking ahead to 2026, we will focus on our existing strategic layout to restore and create value for our shareholders. On behalf of the Board of Directors of APEC (Quaser) Machine Tools, Inc., I would like to express our sincere gratitude to all shareholders for your continued support.

The following is a brief report on the Company’s 2025 operational performance and the 2026 business plan.

1. Business Report of 2025

(1) Operating Performance

Unit: NT$/ Thousand

Items	2025	2024	Growth Rate (%)
Consolidated Operating Revenue	2,869,443	3,240,019	(11%)
Consolidated Gross Profit	902,517	1,032,264	(13%)

Items	2025	2024	Growth Rate (%)
Consolidated Operating Income (Loss)	(58,106)	339,854	(117%)
Consolidated Profit after Income (Loss) Tax	(148,433)	212,592	(170%)
Basic Earnings per Share	(2.67)	3.87	(169%)

Description:

In fiscal year 2025, consolidated operating revenue totaled NT$2.869 billion, representing an 11% decline from NT$3.24 billion in 2024. This decrease was primarily attributable to the impact of uncertain tariff policies and unfavorable exchange rate fluctuations on the traditional machine tool sector.

Despite these headwinds, the gross margin for 2025 remained stable at 32%. This resilience was achieved through enhancing product value-add, optimizing the sales mix, and implementing rigorous cost controls, which allowed the Company to maintain its margin levels despite currency pressures.

Through continued expenditure containment, the Company maintained a consistent operating expense ratio. However, the consolidated operating loss for 2025 was NT$58 million, with a consolidated net loss after tax of NT$148 million. This resulted in a net loss margin of (5%), representing a decline of 117% and 170% respectively compared to 2024 levels.

(2) Comparison of 2025 and 2024 Profitability:

Items	2025	2024
Ratio of Operating Income (Loss) to Paid-in Capital (%)	(10.57)	61.85
Ratio of Pre-Tax Income (Loss) to Paid-in Capital (%)	(25.89)	57.74
Profit (Loss) Ratio (%)	(5.17)	6.56
Earnings per Share (NT$)	(2.67)	3.87

(3) R&D Status:

In 2025, the Company’s R&D expenditure as a percentage of total revenue increased to 5%. We continue to invest in pioneering technologies and customized models to enhance product value and deepen our new brand identity and market recognition.

Furthermore, we have integrated ESG carbon reduction principles into our latest product developments. The carbon-neutral intelligent machine tools and modular five-axis machine tools completed in 2025 seamlessly combine the concepts of sustainable development and smart manufacturing, addressing the evolving needs of the global market.

2. Operation Plans for 2026

Quaser serves as a foundry for globally renowned brands and actively evolves the own brand of Quaser/Winbro with its development strategy which attach equal attention to OEM/ODM and own brand, developing an innovative environment and exploring the opportunities for gaining new growth momentum.

(1) Production and Marketing Strategies

1. Independent R&D and production: Focus on the research, design and manufacturing of linear motors and built-in spindles, providing customers with stable and high-quality upgrade solutions.
2. Investment in smart technology: Continue to increase the research and development of smart machinery to solve the problem of labor shortage in the industry and improve production efficiency.
3. Adapt to local conditions: Flexibly develop diversified product portfolios and sales strategies based on different market demands strategies to meet the specific needs of customers in each region.
4. Establishment of regional technology centers: Establish regional technology application centers to provide more efficient and closer circular after-sales services for local markets and industry types.
5. Strengthen sales and customer connections: Optimize sales channels, directly target end customers, strengthen customer relationship management, and thereby increase product unit sales value.

(2) Resource Integration

1. Internal resource integration: In the fields of Sales, R&D, Manufacturing and Management, we will fully integrate the advantages of each company within the group to give full play to the comprehensive benefits and enhance competitiveness.
2. External strategic cooperation: Facing the rapid changes in the global machine tool industry environment, it is no longer possible to fight alone. The company will actively promote upstream and downstream integration, work with strategic partners, jointly expand the business territory, and achieve sustainable growth momentum.

3. Future Development Strategies of the Company

The Company continues to invest in the development of smart machinery and accelerate its global layout to seize business opportunities in supply chain restructuring. From product development, mass production to after-sales service, we implement the concept of carbon reduction in every link and strive to promote green manufacturing and improve energy efficiency.

(1) Dual Engines—Aerospace and Energy: Deepening our presence in these high-barrier, high-margin niche markets to insulate the Company from cyclical fluctuations in any single industry.
(2) Innovation and Redefinition: Redefining the possibilities of precision machinery by harmonizing "Stability" and "Flexibility." We aim to meet the simultaneous demands for efficiency and precision through models that embody sustainability and energy-saving philosophies.
(3) Restructuring Western Markets: Leveraging the restructuring of our German operations, our Taiwan-based team will take direct control of operations in Germany to establish a proprietary marketing network. We are also advancing our layout in

Central and Eastern Europe to prepare for post-war reconstruction demand.

(4) Embracing Change and AI: While the iteration cycle of the machine tool industry differs from the rapid pace of AI, the Company maintains an open and adaptive mindset. We are actively exploring AI applications to optimize workflows and enhance operational efficiency.

4. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

The U.S. government's push for increased tariffs on global imports has raised the entry barriers for Taiwanese machine tools into the U.S. market. Simultaneously, low-price competition from China and the significant depreciation of the Japanese Yen and Korean Won have further pressured the competitiveness of Taiwan's high-end machine tools.

Despite the slowdown in traditional machine tool demand, the recovery of global air travel has surged demand for aerospace maintenance and manufacturing. Additionally, the rapid growth in energy infrastructure provided a vital pillar of support in 2025. These sectors allowed the Company to establish a technical "moat" and deepen our strategic layout amid a harsh macroeconomic climate.

Furthermore, the Company has successfully obtained ISO 14064 Carbon Footprint Verification and continues to develop sustainable, energy-saving models to comply with evolving environmental regulations.

By leveraging the irreplaceability of our high-precision aerospace equipment and our reorganized operations in Europe and the U.S., we are effectively countering the impact of trade protectionism. We will continue to advance smart machinery, expand into the hydrogen fuel cell industry, and optimize our production base layouts. These proactive measures ensure our resilience and competitive strength, securing the Company's sustainable operations and steady growth.

Chairman: Raui-Mu Shieh　General Manager: Tien-Hsin Hsieh　Accounting Manager: Yu-Hsin Lin

Attachment 2

Audit Committee's Review Report

The Company's business report, financial statements and proposal for deficit compensation in 2025 prepared by the Board of Directors have been audited and attested by CPAs Chun-Yuan Wu and Tzu-Hsin Chang of KPMG Taiwan, with an audit report issued. The aforesaid business report along with financial statements and proposal for deficit compensation has been reviewed and determined to be correct and accurate by the Audit Committee, with this Audit Committee Review Report proposed for review pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. For your review.

To

Quaser Machine Tools, Inc. 2026 Annual General Shareholders'

Meeting

Quaser Machine Tools, Inc.

Convener of Audit Committee: Xin-Liang Chen

March 10, 2026

Attachment 3 CPA Review Report and Financial Statements

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Quaser Machine Tools, Inc. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   Refer to Note 4(p) for accounting policies and Note 6(u) for explanation of revenue.

   Description of key audit matter:
   Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. In addition, the Group operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, this is one of the key areas our audit focused on.

   How the matter was addressed in our audit:
   In relation to the key audit matter above, our principal audit procedures included understanding and testing the Group's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Group's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customers' orders and assessing whether the accounting treatment of the related contracts including sales terms is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing the adequacy of the Group's disclosures of its revenue recognition policy and other related disclosures.

2. Impairment assessment of trade receivable

   Refer to Note 4(g) for accounting policies; Note 5(a) for significant accounting assumptions and judgments, and major sources of estimation uncertainty; and Note 6(c) and 7 for explanation of trade receivable.

   Description of key audit matter:
   Trade receivables are concentrated in certain customers, and the allowance for trade receivable and other receivables involves significant subjective judgment by management. Therefore, the impairment assessment of trade receivable and other receivables is considered as one of the key audit matters.

   How the matter was addressed in our audit:
   Our principal audit procedures regarding the aforementioned key audit matters included the following: performing control tests related to collections and reviewing subsequent collection records; performing sampling procedures on accounts receivable aging tables to check the accuracy of accounts receivable aging; understanding the accounts receivable impairment loss provision policy, including whether management was aware of the debtor's significant financial difficulties and the assessment of potential defaults; and obtaining information such as the expected credit loss calculation table during the accounts receivable period to assess the reasonableness of the accounts receivable impairment loss provision of the Group.

3. Valuation of inventory

   Refer to Note 4(h) for accounting policies; Note 5(b) for significant accounting assumptions and judgments, and major sources of estimation uncertainty; and Note 6(d) for explanation of inventory valuation.

   Description of key audit matter:
   Inventories are measured at the lower of cost and net realizable value. Due to the influence of factors such as changes in the international economic climate, the original product outdated may no longer meet the market demand, resulting in the risk that the cost of inventory may exceed its net realizable value. Therefore, inventory valuation is considered as one of the key audit matters.

   How the matter was addressed in our audit:
   Our principal audit procedures regarding the aforementioned key audit matters included the following: evaluate the inventory and test the appropriateness of management's inventory valuation policy; analyze the aging change of inventory for each period; perform sampling procedures to check the accuracy of inventory aging list; and verify the reasonableness of provision for losses on obsolete and slow-moving inventories.

Other Matter

Quaser Machine Tools, Inc. has prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

Notes to Readers

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

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

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
Current assets:				
Cash and cash equivalents (Note 6(a))	$ 923,588	22	810,330	19
Notes receivable, net (Note 6(c))	2,199	-	12,053	-
Trade receivable, net (Note 6(c))	638,574	15	822,022	20
Trade receivable due from related parties (Note 7)	-	-	111,306	3
Other receivables	53,444	1	18,989	-
Other receivables due from related parties (Note 7)	-	-	103,028	3
Current tax assets	14,807	-	14,142	-
Inventories (Note 6(d))	1,279,097	30	1,139,694	27
Other current assets (Note 6(k))	79,402	2	45,561	1
	2,991,111	70	3,077,125	73
Non-current assets:				
Investments accounted for using equity method (Note 6(e))	-	-	30,868	1
Property, plant and equipment (Note 6(g), 7 and 8)	375,659	9	442,547	10
Right-of-use assets (Note 6(h))	167,735	4	114,695	3
Investment property (Note 6(i), and 7)	89,629	2	-	-
Intangible assets (Note 6(j))	178,631	4	150,219	3
Goodwill (Note 6(j))	305,660	7	318,609	7
Deferred tax assets (Note 6(r))	114,102	3	70,841	2
Net defined benefit assets (Note 6(q))	32,423	1	27,575	1
Other non-current assets (Note 6(k))	13,130	-	6,772	-
	1,276,969	30	1,162,126	27
Total assets	**$ 4,268,080**	**100**	**4,239,251**	**100**

Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
Current liabilities:				
Short-term borrowings (Note 6(l))	$ 979,000	23	729,000	17
Current financial liabilities at fair value through profit or loss (Note 6(b))	1,536	-	-	-
Current contract liabilities (Note 6(u))	153,247	4	159,728	4
Notes payable	70	-	-	-
Accounts payable	231,359	6	230,548	5
Accounts payable due from related parties (Note 7)	29	-	38	-
Other payables (Note 6(n))	230,757	6	190,974	5
Other payables due from related parties (Note 7)	49	-	-	-
Current tax liabilities	18,743	-	48,850	1
Current provisions (Note 6(p))	21,009	-	19,401	-
Current lease liabilities (Note 6(m))	21,675	-	39,271	1
Long-term borrowing, current portion (Note 6(o) and 8)	438,715	10	423,524	10
Other current liabilities	6,435	-	1,134	-
	2,102,624	49	1,842,468	43
Non-current liabilities:				
Long-term borrowings (Note 6(o) and 8)	459,962	11	566,677	14
Non-current provisions (Note 6(p))	4,520	-	4,679	-
Deferred tax liabilities (Note 6(r))	59,540	1	58,475	1
Non-current lease liabilities (Note 6(m))	152,902	4	82,662	2
Credit balance of investments accounted for using equity method (Note 6(e))	4,285	-	2,814	-
Other non-current liabilities	320	-	-	-
	681,529	16	715,307	17
Total liabilities	2,784,153	65	2,557,775	60
Equity attributable to owners of parent: (Note 6(s))				
Common stock	549,500	13	549,500	13
Capital surplus	842,246	20	820,363	20
Unappropriated retained earnings (Accumulated deficit)	(86,400)	(2)	222,491	5
Other equity	96,501	2	89,122	2
Equity attributable to owners of parent	1,401,847	33	1,681,476	40
Non-controlling interests	82,080	2	-	-
Total equity	1,483,927	35	1,681,476	40
Total liabilities and equity	**$ 4,268,080**	**100**	**4,239,251**	**100**

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

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
Operating revenues (Note 6(u) and 7)	$	2,869,443	100	3,240,019	100
Operating costs (Note 6(d), (j), (q) and 12)		1,965,455	68	2,204,896	68
Gross profit		903,988	32	1,035,123	32
Unrealized profit from sales		(1,471)	-	(2,859)	-
Gross profit, net		902,517	32	1,032,264	32
Operating expenses (Note 6(j), (q), (v) and 12):					
Selling expenses		180,418	7	155,839	5
Administrative expenses		380,342	13	391,069	12
Research and development expenses		136,542	5	133,193	4
Expected credit loss (Note 6(c) and 7)		263,321	9	12,309	-
		960,623	34	692,410	21
Operating income (loss)		(58,106)	(2)	339,854	11
Non-operating income and expenses (Note 6(w)):					
Interest income		12,167	-	9,270	-
Other income		8,843	-	937	-
Other gains and losses, net (Note 6(f) and (j))		(34,756)	(1)	22,650	1
Finance costs (Note 6(m))		(41,463)	(1)	(35,876)	(1)
Share of loss of associates accounted for using equity method (Note 6(e))		(28,953)	(1)	(19,574)	(1)
		(84,162)	(3)	(22,593)	(1)
Profit (loss) before income tax		(142,268)	(5)	317,261	10
Less: Income tax expenses (Note 6(r))		6,165	-	104,669	3
Profit (loss) for the period		(148,433)	(5)	212,592	7
Other comprehensive income (loss):					
Items that may not be reclassified subsequently to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans (Note 6(q))		3,460	-	4,864	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(r))		(692)	-	(973)	-
		2,768	-	3,891	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign financial statements		12,454	-	92,545	3
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(r))		(1,844)	-	(18,509)	(1)
		10,610	-	74,036	2
Other comprehensive income (after tax)		13,378	-	77,927	2
Total comprehensive income (loss)	$	**(135,055)**	**(5)**	**290,519**	**9**
Profit (loss) attributable to:					
Owners of parent	$	(146,809)	(5)	212,592	7
Non-controlling interests		(1,624)	-	-	-
	$	**(148,433)**	**(5)**	**212,592**	**7**
Comprehensive income (loss) attributable to:					
Owners of parent	$	(136,662)	(5)	290,519	9
Non-controlling interests		1,607	-	-	-
	$	**(135,055)**	**(5)**	**290,519**	**9**
Earnings per share (NT Dollars) (Note 6(t))					
Basic earnings per share	$	**(2.67)**		**3.87**	
Diluted earnings per share	$	**(2.67)**		**3.86**	

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

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years ended December 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 (Accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	$ 549,500	820,363	-	2,724	32,627	35,351	15,086	1,420,300	-	1,420,300
Profit for the period	-	-	-	-	212,592	212,592	-	212,592	-	212,592
Other comprehensive income for the period	-	-	-	-	3,891	3,891	74,036	77,927	-	77,927
Total comprehensive income for the period	-	-	-	-	216,483	216,483	74,036	290,519	-	290,519
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	3,263	-	(3,263)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(29,343)	(29,343)	-	(29,343)	-	(29,343)
Balance at December 31, 2024	**$ 549,500**	**820,363**	**3,263**	**2,724**	**216,504**	**222,491**	**89,122**	**1,681,476**	**-**	**1,681,476**
Balance at January 1, 2025	$ 549,500	820,363	3,263	2,724	216,504	222,491	89,122	1,681,476	-	1,681,476
Loss for the period	-	-	-	-	(146,809)	(146,809)	-	(146,809)	(1,624)	(148,433)
Other comprehensive income for the period	-	-	-	-	2,768	2,768	7,379	10,147	3,231	13,378
Total comprehensive income for the period	-	-	-	-	(144,041)	(144,041)	7,379	(136,662)	1,607	(135,055)
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	21,648	-	(21,648)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(164,850)	(164,850)	-	(164,850)	-	(164,850)
Changes in equity of associates accounted for using equity method	-	21,583	-	-	-	-	-	21,583	-	21,583
Changes in other capital surplus	-	300	-	-	-	-	-	300	-	300
Changes in non-controlling interests	-	-	-	-	-	-	-	-	80,473	80,473
Balance at December 31, 2025	**$ 549,500**	**842,246**	**24,911**	**2,724**	**(114,035)**	**(86,400)**	**96,501**	**1,401,847**	**82,080**	**1,483,927**

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

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

		2025	2024
Cash flows from (used in) operating activities:			
Profit (loss) before tax	$	(142,268)	317,261
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		129,746	134,078
Amortization expense		31,483	29,099
Expected credit loss		263,321	12,309
Net loss on financial assets or liabilities at fair value through profit or loss		1,536	-
Interest expense		41,463	35,876
Interest income		(12,167)	(9,270)
Share of loss of associates accounted for using equity method		28,953	19,574
Loss (gain) on disposal of property, plant and equipment		(246)	220
Gain on disposal of investments accounted for using the equity method		(10,491)	-
Impairment loss on non-financial assets		8,494	-
Unrealized profit from sales		1,471	2,859
Unrealized foreign exchange gain		(237)	(21,502)
Loss on lease modification		197	-
Total adjustments to reconcile profit (loss)		483,523	203,243
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in notes receivable		9,854	18,518
Decrease (increase) in trade receivable (including from related parties)		141,694	(218,675)
Decrease (increase) in other receivables (including from related parties)		(36,945)	(1,188)
Decrease (increase) in inventories		(61,024)	(40,549)
Decrease (increase) in other current assets		(22,369)	12,207
Decrease (increase) in net defined benefit assets		(1,388)	(1,250)
Total changes in operating assets		29,822	(230,937)
Changes in operating liabilities:			
Increase (decrease) in contract liabilities		(6,481)	(24,309)
Increase (decrease) in notes payable		70	(182)
Increase (decrease) in accounts payable (including from related parties)		(38,263)	18,866
Increase (decrease) in other payables (including from related parties)		52,593	(102,857)
Increase (decrease) in provisions		1,619	(2,495)
Increase (decrease) in other current liabilities		5,301	303
Increase (decrease) in other non-current liabilities		320	-
Total changes in operating liabilities		15,159	(110,674)

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

QUASER MACHINE TOOLS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

	2025	2024
Total changes in operating assets and liabilities	44,981	(341,611)
Total adjustments	528,504	(138,368)
Cash inflow generated from operations	386,236	178,893
Interest received	4,463	6,955
Interest paid	(41,211)	(37,616)
Income taxes paid	(72,243)	(107,834)
Net cash flows from (used in) operating activities	277,245	40,398
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(14,944)
Net cash inflow from acquisition of subsidiaries	33,771	-
Acquisition of property, plant and equipment	(55,018)	(115,932)
Proceeds from disposal of property, plant and equipment	817	14,705
Increase in refundable deposits	(6,358)	(2,699)
Increase in other receivable from related parties	(123,000)	(102,121)
Decrease in other receivable from related parties	86,482	-
Acquisition of intangible assets	(23,189)	(4,775)
Acquisition of investment property	(87,595)	-
Decrease in other non-current assets	-	27
Interest received	6,306	-
Net cash flows from (used in) investing activities	(167,784)	(225,739)
Cash flows from (used in) financing activities:		
Increase in short-term loans	748,000	430,000
Decrease in short-term loans	(498,000)	(253,000)
Proceeds from long-term borrowings	400,000	90,000
Repayments of long-term borrowings	(491,524)	(53,093)
Payments of lease liabilities	(42,259)	(42,116)
Cash dividends paid	(164,850)	(29,343)
Other financing activities	300	-
Net cash flows from (used in) financing activities	(48,333)	142,448
Effect of exchange rate changes on cash and cash equivalents	52,130	14,807
Net increase (decrease) in cash and cash equivalents	113,258	(28,086)
Cash and cash equivalents at beginning of period	810,330	838,416
Cash and cash equivalents at end of period	**$ 923,588**	**810,330**

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Quaser Machine Tools, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   Refer to Note 4(o) for accounting policies and Note 6(t) for explanation of revenue.

   Description of key audit matter:
   Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. In addition, the Company operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, this is one of the key areas our audit focused on.

   How the matter was addressed in our audit:
   In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Company's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customers' orders and assessing whether the accounting treatment of the related contracts including sales terms is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

2. Impairment assessment of trade receivable

Refer to Note 4(f) for accounting policies; Note 5(a) for significant accounting assumptions and judgments, and major sources of estimation uncertainty; and Note 6(c) and 7 for explanation of trade receivable.

Description of key audit matter:

Trade receivable are concentrated in certain customers, and the allowance for trade receivable and other receivables involves significant subjective judgment by management. Therefore, the impairment assessment of trade receivable and other receivables is considered as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures regarding the aforementioned key audit matters included the following: performing control tests related to collections and reviewing subsequent collection records; performing sampling procedures on accounts receivable aging tables to check the accuracy of accounts receivable aging; understanding the accounts receivable impairment loss provision policy, including whether management was aware of the debtor's significant financial difficulties and the assessment of potential defaults; and obtaining information such as the expected credit loss calculation table during the accounts receivable period to assess the reasonableness of the accounts receivable impairment loss provision of the Company.

3. Valuation of inventory

Refer to Note 4(g) for accounting policies; Note 5(b) for significant accounting assumptions and judgments, and major sources of estimation uncertainty; and Note 6(d) for explanation of inventory valuation.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the influence of factors such as changes in the international economic climate, the original product outdated may no longer meet the market demand, resulting in the risk that the cost of inventory may exceed its net realizable value. Therefore, inventory valuation is considered as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures regarding the aforementioned key audit matters included the following: evaluate the inventory and test the appropriateness of management's inventory valuation policy; analyze the aging change of inventory for each period; perform sampling procedures to check the accuracy of inventory aging list; and verify the reasonableness of provision for losses on obsolete and slow-moving inventories.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

Notes to Readers

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.

Balance Sheets

December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
Current assets:				
Cash and cash equivalents (Note 6(a))	$ 321,704	9	339,069	9
Notes receivable, net (Note 6(c))	2,199	-	12,053	-
Trade receivable, net (Note 6(c))	180,320	5	308,645	9
Trade receivable due from related parties (Note 7)	221,421	6	307,633	9
Other receivables	3,260	-	5,343	-
Other receivables due from related parties (Note 7)	55,689	2	121,876	3
Current tax assets	-	-	12	-
Inventories (Note 6(d))	481,800	14	562,385	15
Other current assets (Note 6(j))	43,279	1	18,078	-
	1,309,672	37	1,675,094	45
Non-current assets:				
Investments accounted for using equity method (Note 6(e))	1,915,803	54	1,790,580	48
Property, plant and equipment (Note 6(g) and 8)	172,724	5	157,501	4
Right-of-use assets (Note 6(h))	14,425	-	19,122	-
Intangible assets (Note 6(i))	6,514	-	5,884	-
Deferred tax assets (Note 6(q))	114,102	3	70,841	2
Refundable deposits	5,448	-	5,319	-
Net defined benefit assets (Note 6(p))	32,423	1	27,575	1
	2,261,439	63	2,076,822	55
Total assets	**$ 3,571,111**	**100**	**3,751,916**	**100**

Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
Current liabilities:				
Short-term borrowings (Note 6(k))	$ 979,000	28	729,000	20
Current financial liabilities at fair value through profit or loss (Note 6(b))	1,536	-	-	-
Current contract liabilities (Note 6(t))	70,536	2	17,791	-
Notes payable	70	-	-	-
Accounts payable	108,582	3	142,015	4
Accounts payable due from related parties (Note 7)	6,228	-	27,370	1
Other payables (Note 6(m))	39,096	1	62,992	2
Other payables due from related parties (Note 7)	2,306	-	8,964	-
Current tax liabilities	6,941	-	30,842	1
Current provisions (Note 6(o))	6,287	-	9,151	-
Current lease liabilities (Note 6(l))	7,525	-	8,022	-
Long-term borrowing, current portion (Note 6(n) and 8)	438,715	13	423,524	11
Other current liabilities	1,014	-	1,134	-
	1,667,836	47	1,460,805	39
Non-current liabilities:				
Long-term borrowings (Note 6(n) and 8)	459,962	13	566,677	15
Non-current provisions (Note 6(o))	4,520	-	4,679	-
Deferred tax liabilities (Note 6(q))	28,169	1	26,484	1
Non-current lease liabilities (Note 6(l))	4,172	-	8,981	-
Credit balance of investments accounted for using equity method (Note 6(e))	4,285	-	2,814	-
Other non-current liabilities	320	-	-	-
	501,428	14	609,635	16
Total liabilities	2,169,264	61	2,070,440	55
Equity: (Note 6(r))				
Common stock	549,500	15	549,500	15
Capital surplus	842,246	23	820,363	22
Unappropriated retained earnings (Accumulated deficit)	(86,400)	(2)	222,491	6
Other equity	96,501	3	89,122	2
Total equity	1,401,847	39	1,681,476	45
Total liabilities and equity	**$ 3,571,111**	**100**	**3,751,916**	**100**

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.

Statements of Comprehensive Income

For the Years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	**%**	**Amount**	**%**
Operating revenues (Note 6(t) and 7)	$	1,246,802	100	1,653,360	100
Operating costs (Note 6(d), (i), (p), 7 and 12)		1,016,469	82	1,215,452	74
Gross profit		230,333	18	437,908	26
Realized (unrealized) profit from sales		6,023	-	(24,838)	(1)
Gross profit, net		236,356	18	413,070	25
Operating expenses (Note 6(i), (p), (u) and 12):					
Selling expenses		65,525	5	64,910	4
Administrative expenses		83,275	7	111,332	7
Research and development expenses		23,862	2	27,119	1
Expected credit loss (Note 6(c) and 7)		219,991	17	19,174	1
		392,653	31	222,535	13
Operating income (loss)		(156,297)	(13)	190,535	12
Non-operating income and expenses (Note 6(v) and 7):					
Interest income		9,058	1	5,752	-
Other income		21,489	2	23,528	1
Other gains and losses, net (Note 6(e) and (f))		(11,750)	(1)	31,130	2
Finance costs (Note 6(l))		(35,690)	(3)	(31,761)	(2)
Share of profit or loss of subsidiaries and associates accounted for using equity method		(9,922)	(1)	46,555	3
		(26,815)	(2)	75,204	4
Profit (loss) before income tax		(183,112)	(15)	265,739	16
Less: Income tax (benefit) expenses (Note 6(q))		(36,303)	(3)	53,147	3
Profit (loss) for the period		(146,809)	(12)	212,592	13
Other comprehensive income (loss):					
Items that may not be reclassified subsequently to profit or loss:					
Gains (losses) on remeasurements of defined benefit plans (Note 6(p))		3,460	-	4,864	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(q))		(692)	-	(973)	-
		2,768	-	3,891	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign financial statements		9,223	1	92,545	5
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(q))		(1,844)	-	(18,509)	(1)
		7,379	1	74,036	4
Other comprehensive income (after tax)		10,147	1	77,927	4
Total comprehensive income (loss)	**$**	**(136,662)**	**(11)**	**290,519**	**17**
Earnings per share (NT Dollars) (Note 6(s))					
Basic earnings per share	**$**	**(2.67)**		**3.87**	
Diluted earnings per share	**$**	**(2.67)**		**3.86**	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.

Statements of Changes in Equity

For the Years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

			Retained earnings				Other equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (Accumulated deficit)	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	-	-	-	-	212,592	212,592	-	212,592
Other comprehensive income for the period	-	-	-	-	3,891	3,891	74,036	77,927
Total comprehensive income for the period	-	-	-	-	216,483	216,483	74,036	290,519
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	3,263	-	(3,263)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(29,343)	(29,343)	-	(29,343)
Balance at December 31, 2024	**$ 549,500**	**820,363**	**3,263**	**2,724**	**216,504**	**222,491**	**89,122**	**1,681,476**
Balance at January 1, 2025	$ 549,500	820,363	3,263	2,724	216,504	222,491	89,122	1,681,476
Loss for the period	-	-	-	-	(146,809)	(146,809)	-	(146,809)
Other comprehensive income for the period	-	-	-	-	2,768	2,768	7,379	10,147
Total comprehensive income for the period	-	-	-	-	(144,041)	(144,041)	7,379	(136,662)
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	21,648	-	(21,648)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(164,850)	(164,850)	-	(164,850)
Changes in equity of associates accounted for using equity method	-	21,583	-	-	-	-	-	21,583
Changes in other capital surplus	-	300	-	-	-	-	-	300
Balance at December 31, 2025	**$ 549,500**	**842,246**	**24,911**	**2,724**	**(114,035)**	**(86,400)**	**96,501**	**1,401,847**

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.

Statements of Cash Flows

For the Years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

		2025	2024
Cash flows from (used in) operating activities:			
Profit (loss) before tax	$	(183,112)	265,739
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		19,218	17,759
Amortization expense		3,040	2,770
Expected credit loss		219,991	19,174
Net loss on financial assets or liabilities at fair value through profit or loss		1,536	-
Interest expense		35,690	31,761
Interest income		(9,058)	(5,752)
Share of profit or loss of subsidiaries and associates accounted for using equity method		9,922	(46,555)
Gain on disposal of property, plant and equipment		(209)	(326)
Gain on disposal of investments accounted for using equity method		(10,491)	-
Impairment loss on non-financial assets		8,494	-
Unrealized (realized) profit from sales		(6,023)	24,838
Unrealized foreign exchange gain		(12,673)	(14,991)
Loss on lease modification		197	-
Total adjustments to reconcile profit (loss)		259,634	28,678
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in notes receivable		9,854	18,518
Decrease (increase) in trade receivable (including from related parties)		212,389	(252,994)
Decrease (increase) in other receivables (including from related parties)		(101,839)	29,974
Decrease (increase) in inventories		75,060	(10,181)
Decrease (increase) in other current assets		(25,201)	2,600
Decrease (increase) in net defined benefit assets		(1,388)	(1,250)
Total changes in operating assets		168,875	(213,333)
Changes in operating liabilities:			
Increase (decrease) in contract liabilities		52,745	(88,767)
Increase (decrease) in notes payable		70	(182)
Increase (decrease) in accounts payable (including from related parties)		(53,413)	(15,914)
Increase (decrease) in other payables (including from related parties)		(30,524)	23,919
Increase (decrease) in provisions		(3,023)	1,019
Increase (decrease) in other current liabilities		(120)	303
Increase (decrease) in other non-current liabilities		320	-
Total changes in operating liabilities		(33,945)	(79,622)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUASER MACHINE TOOLS, INC.

Statements of Cash Flows

For the Years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollar)

	2025	2024
Total changes in operating assets and liabilities	134,930	(292,955)
Total adjustments	394,564	(264,277)
Cash inflow generated from operations	211,452	1,462
Interest received	2,238	3,437
Interest paid	(35,438)	(33,502)
Income taxes paid	(31,698)	(35,881)
Net cash flows from (used in) operating activities	146,554	(64,484)
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(94,668)	(85,258)
Proceeds from capital reduction of investments accounted for using equity method	-	41,063
Acquisition of property, plant and equipment	(20,910)	(11,385)
Proceeds from disposal of property, plant and equipment	29	519
Increase in refundable deposits	(129)	(2,699)
Increase in other receivable from related parties	(123,000)	(86,482)
Decrease in other receivable from related parties	86,482	-
Acquisition of intangible assets	(3,670)	(3,073)
Interest received	6,306	-
Net cash flows from (used in) investing activities	(149,560)	(147,315)
Cash flows from (used in) financing activities:		
Increase in short-term loans	748,000	430,000
Decrease in short-term loans	(498,000)	(253,000)
Proceeds from long-term borrowings	400,000	90,000
Repayments of long-term borrowings	(491,524)	(53,093)
Payments of lease liabilities	(8,812)	(7,645)
Cash dividends paid	(164,850)	(29,343)
Other financing activities	300	-
Net cash flows from (used in) financing activities	(14,886)	176,919
Effect of exchange rate changes on cash and cash equivalents	527	4,094
Net decrease in cash and cash equivalents	(17,365)	(30,786)
Cash and cash equivalents at beginning of period	339,069	369,855
Cash and cash equivalents at end of period	**$ 321,704**	**339,069**

Attachment 4

Quaser Machine Tools, Inc.
2025 Deficit Compensation Table

Unit: NT$

Items		Amount
Undistributed earnings at the beginning of the year	$	30,005,932
Remeasurement of defined benefit plans recognized in retained earnings		2,767,978
Undistributed earnings after adjustment		32,773,910
Net loss for the current period		(146,808,685)
10% legal reserve		-
Distributable earnings for the year (Accumulated deficit)		(114,034,775)
Distribution Items:		
Cash Dividend (NT $0 per Share)		-
Undistributed earnings at the end of the year (Accumulated deficit)	$	(114,034,775)

Chairman: Raui-Mu Shieh　General Manager: Tien-Hsin Hsieh　Accounting Manager: Yu-Hsin Lin

Attachment 5

Comparison Table for the Company's "Procedures for Election of Directors" before and after Amendment

Before Amendment	After Amendment	Remarks
Article 11: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.	Article 11: Voters must enter the name of the candidate on the ballot. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's name on the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.	Amended in accordance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".
Article 12: A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 5. Other words or marks are entered in addition to the candidate's account name (name) or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.	Article 12: A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate filled in does not correspond with the list of director nominees upon verification. 5. Other words or marks are entered in addition to the candidate's account name (name) or shareholder account number (or identity card number) and the number of voting rights allotted.	Amended in accordance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".

IV. Appendices

Appendix 1 Rules of Procedure for Shareholders Meetings

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors if to convene a shareholders' meeting with video conferencing. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby, and the said materials shall be distributed on site at the shareholders' meeting.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election

in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders' meeting.

Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents

beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1: To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
   (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
   (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
   (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
   (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 8-1: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 11: Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it may adopt exercise of voting rights by electronic means or correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic

means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 13: The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the

shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 15: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 18: In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 19: When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 20: In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction

continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 21: To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with at least the necessary equipment for communication and assistance, and specify the period during which shareholders may apply to the Company and other relevant matters to be noted.

Article 22: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

These Rules were agreed to and signed on August 5, 2014.

1st amendment was made on June 9, 2015;

2nd amendment was made on August 2, 2016;

3rd amendment was made on May 31, 2024.

Appendix 2

Quaser Machine Tools, Inc.
Articles of Incorporation

Chapter 1 General Provisions

Article 1 The Company is incorporated in accordance with the Company Act and registered under the business name of "QUASER MACHINE TOOLS, INC." (百德機械股份有限公司)

Article 2 The Company's scope of services is set out hereunder:
1. CB01010 Mechanical Equipment Manufacturing
2. CB01990 Other Machinery Manufacturing
3. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
4. CC01110 Computer and Peripheral Equipment Manufacturing
5. CD01060 Aircraft and Parts Manufacturing
6. I501010 Product Designing
7. F113010 Wholesale of Machinery
8. F213080 Retail Sale of Other Machinery and Equipment
9. F401010 International Trade

Article 3 The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the board, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 4 The Company may made public announcements in accordance with Article 28 of the Company Act.

Article 5 The Company may perform guarantee externally with a peer in the industry or an associate as the business may require, which shall be conducted in accordance with competent security authorities.

Article 6 The Company may, as the business may require and after resolution of the board of directors, make re-investments to the external or serve as a shareholder of limited liability in other companies. The total amount of the Company's investments to the external is not restricted by Article 13 of the Company Act, under which such investment shall not exceed forty percent of the amount of the Company's own paid-up capital; in addition, the Company may make endorsements/guarantees externally after agreed by the board of directors as the business may require or for investments.

Chapter 2 Shares

Article 7 The total amount of the Company's capital is NT$800,000,000, which is divided into 80,000,000 shares, with a value per share of NT$10 and may be issued by installments, with the unissued shares to be issued by installments by the board of directors under authorization.
Employees of the Company entitled to receive share subscription warrant in accordance, receive restricted stock for employees, or subscribe new shares issued through cash capital increase may include the employees of parent s or subsidiaries of the company meeting certain specific requirements. The conditions, distribution method and subscription method may be determined by the board of directors under authorization.
In the event that the Company may buy back its shares by law, the board of directors under authorization shall conduct such buyback in accordance with laws and regulations.
To transfer shares to employees at less than the average actual share repurchase price, or issue share subscription warrant at a subscription price less than the market price (net value per share), the Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 8 The Company's shares are all registered and shall be signed or stamped by directors representing the Company. The shares are then issued after being certified by the bank as certifier of the issuance. The Company may be exempted from printing its share certificate, yet shall register the issued shares with a centralized securities depositary enterprise and follow the regulations of that enterprise.

Article 9 Where a shareholder of the Company performs share transfer, setting pledge, reporting loss, inheritance, gifting, reporting loss or change of seal, change of address and other stock affairs shall be conducted in accordance with regulations of competent authorities.

Article 10 Except as otherwise provided in laws and regulations or securities regulation, stock affairs of the Company stocks by shareholders of the Company shall be conducted in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 10-1 The Company shall not cancel its public offering without a resolution adopted at a meeting of shareholders.
The provision at the preceding paragraph may not be modified throughout the Company's OTC-trading period or listing period.

Article 11 Transfer of shares will not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders'

meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meeting

Article 12 Shareholders' meeting shall be of the following two kinds:
1. Regular meeting of shareholders: to be held by the board of directors at least once every year within six months after close of each fiscal year; and
2. Special meeting of shareholders: to be held when necessary.
Shareholders' meetings of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 13 When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder may appoint a proxy to attend by offering company issued solicitation document carrying his/her signature or seal. Concerning the proxy attendance as mandated by a shareholder, other than the provisions under Article 177 of the Company Act, the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by competent authority shall govern.

Article 14 The chairman of a shareholders' meeting shall be conducted in accordance with Article 182-1 of the Company Act.

Article 15 Except in the circumstances concerning no voting rights provided for in Article 179 of the Company Act, a shareholder of the Company shall have one voting power in respect of each share in his/her/its possession.

Article 16 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. In accordance with the regulations of the competent authority, a shareholder of the Company may exercise his/her voting power as a shareholder in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, and it is advisable that relevant affairs be conducted in accordance with the law.
Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

Article 17 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within twenty days after the close of the meeting; the said minutes of the meeting along with the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Company.
The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission after the shares of the Company are issued to the public.

Chapter 4 Directors

Article 18 The Company shall have 9 to 11 directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. All directors shall be eligible for re-election.
In accordance with Article 192-1 of the Company Act, a candidates nomination system is adopted by the Company for election of the directors of the Company; the Company adopts a cumulative voting system for election of the directors, in which the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.
The Company shall take out directors liability insurance after a resolution has been made by its board of directors.
Concerning the total shareholding ratio of all directors of the Company, relevant regulations by competent securities authority shall govern.

Article 18-1 The Company may appoint independent directors, which shall account for at least three persons in amongst all directors, and the shareholders shall elect independent directors from among the those listed in the slate of independent director candidates. Independent and non-independent directors of the Company shall be elected at the same time, but in separately calculated numbers. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent securities authority.

Article 18-2 The Company has established its audit committee in accordance with Article 14 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors, and the committee or its members shall perform duties of a supervisor in accordance with the provisions under the Company Act, the Securities and Exchange Act and other laws and regulations.

Article 19 When the number of vacancies in the board of directors of the Company equals to one-third of the total number of directors, the board of directors shall call, within 30 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies. However, in the case of a company whose shares are issued to the public, the special meeting of shareholders for electing succeeding directors shall be convened by the board of directors within 60 days.

Article 20 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 21 Where the Company organizes its board of directors, it shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. All affairs shall be conducted in accordance with the laws and regulations, the Articles of Incorporation of the Company, and resolutions adopted in a shareholders' or directors' meeting.

Article 22 Management guideline and other important matters of the Company shall be determined by the resolutions adopted in its board of directors' meetings. Concerning the meeting of the board of directors, all meetings shall be convened and chaired by the chairman of the Company except for the first meeting of each term of the board of directors that shall be convened in accordance with Article 203 of the Company Act. In case the chairman of the board of directors can not exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

Article 22-1 A board of directors shall meet at least quarterly. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

Article 23 Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. If a director is unable to attend the board meeting, he/she should issue a letter of proxy to another director by specifying the scope of authorization so that the authorized director can attend and exercise the voting right on behalf of the absent director within the scope of authorization; however, a director may accept a proxy from one person only.

In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 24 Resolutions adopted at a meeting of the board of directors shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the Company within twenty days after the close of the meeting. The minutes of shareholders' meeting shall record the summary of the essential points of the proceedings and the results of the meeting. The said minutes of the meeting along with the attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies shall be kept by the Company. The minutes shall be kept persistently throughout the life of the Company. The preparation and distribution of the minutes in the preceding paragraph may be effected by means of electronic transmission.

Article 25 Deleted

Chapter 5 Managerial Officers and Staff

Article 26 The Company may have one general manager and one or more managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act.

Article 27 Deleted

Article 28 Deleted

Chapter 6 Accounting

Article 29 After the close of each fiscal year, the following reports and statements shall be prepared by the board of directors, and shall be submitted to the regular meeting of shareholders for acceptance:

1. Report on Operations.
2. Financial Statements.
3. Proposals Concerning Appropriation of Net Profits of Making Up.

Article 30 If there is a profit after tax in after closing of accounts, the Company shall first complete taxation in accordance with the law, and then make up the losses for the preceding years, set aside a legal reserve of 10% of the net profit. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Aside from the aforesaid legal reserve, the Company may, under its regulations, set aside another sum as special reserve or make reversals thereof; if there are still earnings after the aforesaid distribution, a proposal for distribution of such earnings combined with cumulative undistributed earnings may be proposed by the Board of Directors. Where such distribution is to be made in the form of new share issuance, a proposal shall be submitted to the shareholders' meeting for resolution and distribution.

The Board of Directors under authorization of the Company in accordance with the law shall have the legal reserves and capital reserves as prescribed in Article 241, Paragraph 1 of the Company Act paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The shareholders eligible for the distributed shareholders' dividend shall be limited to those listed on the shareholders' roster as of the record date for the dividend.

Article 30-1 The Company shall make distribution of dividend with a total amount no lower than ten percent 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.
Where the Company distributes dividend, such distribution may be made in cash or new shares based on the earnings status and overall industry circumstances, provided that the distribution in cash dividend is not lower than sixty percent of the total dividend distributed for the year.

Article 30-2 Compensation of the chairman and all directors shall be agreed to by the board of directors under authorization based on their degree of involvement in the operations of the Company and values contributed, with reference to general level as offered by other companies in the same industry.

Article 30-3 The Company should contribute more than 5.52% of the profit as employees' compensation (including no less than 50% of the employee's remuneration as salary adjustment or remuneration distribution for grassroots employees) 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.
The recipients of employee compensation in the form of stocks or cash as referred to in the preceding paragraph shall be those who are still employed on the date of payment, including employees of affiliated companies who meet certain conditions.

Chapter 7 Additions

Article 31 Deleted

Article 32 Deleted

Article 33 Organizational charters and administrative regulations of the Company shall be adopted otherwise by the board of directors.

Article 34 In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Article 35 These Articles of Incorporations were agreed to and signed on May 7, 1991.
1st Amendment was made on October 18, 1991;
2nd Amendment was made on February 6, 1992;
3rd Amendment was made on October 18, 1993;
4th Amendment was made on November 15, 1995;
5th Amendment was made on September 20, 1996;
6th Amendment was made on November 5, 1998;
7th Amendment was made on June 29, 1999;
8th Amendment was made on March 5, 2001;
9th Amendment was made on July 18, 2001;
10th Amendment was made on September 24, 2002;
11th Amendment was made on June 19, 2003;
12th Amendment was made on June 26, 2006;
13th Amendment was made on June 27, 2007;
14th Amendment was made on January 7, 2008;
15th Amendment was made on June 28, 2013;
16th Amendment was made on June 27, 2014;
17th Amendment was made on June 9, 2015;
18th Amendment was made on January 22, 2016;
19th Amendment was made on August 2, 2016;
20th Amendment was made on May 16, 2018;
21st Amendment was made on August 16, 2019;
22nd Amendment was made on June 19, 2020;
23rd Amendment was made on June 16, 2022;
24th Amendment was made on May 31, 2024;
25th Amendment was made on May 29, 2025.

Quaser Machine Tools, Inc.
Chairman: Raui-Mu Shieh

Appendix 3

Quaser Machine Tools, Inc.

Shareholding by All Shareholders

Book Closure Date: March 30, 2026

Role	Name	Number of Shares	Shareholding Percentage
Chairman	Raui-Mu Shieh	5,344,310	9.73%
Director	Xu-De Investment Co., Ltd.	5,107,118	9.29%
Director	National Development Fund, Executive Yuan	1,625,000	2.96%
Director	Yeh-Chiang Technology Corp.	12,433,500	22.63%
Director	Jun-Ya Chen	0	0.00%
Independent Director	Xin-Liang Chen	0	0.00%
Independent Director	Chang-Zhih Lin	0	0.00%
Independent Director	Run-Qing Chen	0	0.00%
Independent Director	Feng-Zhi Lin	0	0.00%
Total Shareholding by All Directors		24,509,928	44.61%

Note: In accordance with " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

(1) The Company's paid-in capital as of March 31, 2026 was NT$549,500,000 (54,950,000 shares).

(2) No minimal number of shares for a supervisor has been applied as the Company has established its audit committee.