Stock Code: 3444

Niching Industrial Corporation and Subsidiaries

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

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of
NICHING INDUSTRIAL CORP.：

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 10 of the consolidated financial statements, the financial statements of non-significant subsidiaries for the same period included in the consolidated financial statements were not reviewed by independent auditors. The total assets of these subsidiaries amounted to $48,867 thousand and $ 47,945 thousand, representing 3% of total consolidated assets; and the total liabilities amounted to $ 3,249 thousand and $ 3,617 thousand, representing 1% of total consolidated liabilities as of March 31, 2026 and 2025, respectively. Total comprehensive (loss) income of these subsidiaries amounted to $ (1,058) thousand and $ 2,194 thousand, each accounting representing (5%) and 6%, respectively, of consolidated comprehensive income for the three month ended March 31, 2026 and 2025.

As described in Note 11 indicated, the un-reviewed balance of investment amounted to $50,946 thousand and $207,254 thousand; the recognized share of profits of associates under the equity method of these investments amounted to $ 5,590 thousand and $ 10,898 thousand for the three months ended March 31, 2026 and 2025, respectively. Additionally, the relevant information disclosed in Note 28 to the consolidated financial statements, pertaining to the aforementioned non-significant subsidiaries and investee companies, has also not been reviewed by auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investee companies been reviewed by independent accountants as described in the preceding paragraph, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of Mach 31, 2026 and 2025, its consolidated financial performance as of March 31, 2026 and 2025, and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Jui-Lung Hsu, and Shu-Ching Chiang.

Deloitte & Touche

Taipei, Taiwan

Republic of China

May 7, 2026

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSET	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6)	$ 488,742	34	$ 509,696	34	$ 244,289	16
Notes receivable (Notes 7 and 17)	221	-	208	-	146	-
Trade receivables from unrelated parties(Notes 7 and 17)	351,328	24	402,328	27	547,422	37
Trade receivables from related parties(Notes 7, 17 and 24)	51,999	4	53,152	4	50,329	3
Other receivables (Notes 24)	4,032	-	1,740	-	15,898	1
Current income tax asset (Notes 4 and 20)	-	-	733	-	-	-
Inventories (Notes 8)	74,123	5	65,653	4	54,235	4
Other current assets	13,020	1	13,078	1	4,627	-
Total current assets	983,465	68	1,046,588	70	916,946	61
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 9)	84,115	6	85,948	6	57,492	4
Investments accounted for using the equity method (Notes 11 and 24)	50,946	4	43,498	3	207,254	14
Property, plant and equipment (Notes 12 ,25 and 26)	291,464	20	289,547	19	288,953	19
Right-of-use assets (Notes 13)	4,153	-	4,387	-	8,570	1
Other intangible assets	73	-	88	-	88	-
Deferred tax assets (Notes 4 and 20)	8,058	1	8,020	1	5,970	-
Prepayments for equipment	966	-	1,112	-	-	-
Net Defined Benefit Asset - Non-current(Notes 4 and 15)	13,273	1	12,321	1	-	-
Other non-current assets	7,513	-	7,124	-	8,718	1
Total non-current assets	460,561	32	452,045	30	577,045	39
TOTAL	$ 1,444,026	100	$ 1,498,633	100	$ 1,493,991	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	$ 360	-	$ 643	-	$ 879	-
Trade payables	280,216	20	345,767	23	254,850	17
Other payables (Notes 14)	124,389	9	56,561	4	175,400	12
Current tax liabilities (Notes 4 and 20)	3,422	-	-	-	19,890	1
Lease liabilities - current (Notes 13)	2,861	-	3,111	-	5,412	1
Other current liabilities	4,987	-	4,553	-	4,584	-
Total current liabilities	416,235	29	410,635	27	461,015	31
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 20)	7,457	1	6,627	1	7,294	1
Lease liabilities - non-current (Notes 13)	1,474	-	1,486	-	3,426	-
Guarantee deposits	803	-	799	-	799	-
Total non-current liabilities	9,734	1	8,912	1	11,519	1
Total liabilities	425,969	30	419,547	28	472,534	32
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Ordinary shares	449,969	31	449,969	30	449,969	30
Capital surplus	261,106	18	261,106	17	261,106	17
Retained earnings						
Legal reserve	163,690	11	163,690	11	153,426	10
Special reserve	23,828	2	23,828	1	10,465	1
Unappropriated earnings	156,562	11	219,003	15	168,804	11
Other equity						
Exchange differences on translation of foreign financial statements	(1,368)	-	(4,423)	-	(1,791)	-
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(35,730)	(3)	(34,087)	(2)	(20,522)	(1)
Total equity	1,018,057	70	1,079,086	72	1,021,457	68
TOTAL	$ 1,444,026	100	$ 1,498,633	100	$ 1,493,991	100

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

(With Deloitte & Touche auditors’ review report dated May 7, 2026)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
SALES (Notes 17 and 24)				
Sales revenue	$ 290,458	92	$ 270,013	90
Service revenue	25,493	8	31,138	10
SALES	315,951	100	301,151	100
COST OF GOODS SOLD (Notes 8 and 18)	253,511	80	228,555	76
GROSS PROFIT	62,440	20	72,596	24
OPERATING EXPENSES				
Selling and marketing expenses (Notes 18)	24,887	8	24,842	9
General and administrative expenses (Notes 18)	18,474	6	15,689	5
Research and development expenses (Notes 18)	7,570	2	9,608	3
Expected credit loss (Notes 7 and 24)	1	-	-	-
Total operating expenses	50,932	16	50,139	17
PROFIT FROM OPERATIONS	11,508	4	22,457	7
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates accounted for using the equity method (Note 11)	5,590	2	10,898	4
Interest income	1,595	1	1,312	1
Rental income	897	-	896	-
Other income (Note 24)	1,277	-	1,279	-
Net foreign exchange gain (Note 27)	2,993	1	5,581	2
Finance costs (Notes 18)	(75)	-	(122)	-
Other expenses	(30)	-	(165)	-
Total non-operating income and expenses	12,247	4	19,679	7

(Continued)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	$ 23,755	8	$ 42,136	14
INCOME TAX EXPENSE (Notes 4 and 20)	5,202	2	6,486	2
NET PROFIT FOR THE PERIOD	18,553	6	35,650	12
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investment in equity instruments at fair value through other comprehensive income	(1,833)	(1)	416	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	190	-	(299)	-
	(1,643)	(1)	117	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	1,197	-	876	-
Exchange differences on translation, associates and joint ventures accounted for using equity method	1,858	1	522	-
	3,055	1	1,398	-
Other comprehensive income for the year	1,412	-	1,515	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 19,965	6	$ 37,165	12
EARNINGS PER SHARE (Note 21)				
Basic	$ 0.41		$ 0.79	
Diluted	$ 0.41		$ 0.79	

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

(With Deloitte & Touche auditors’ review report dated May 7, 2026) (Concluded)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31,2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Corporation							
			Retained Earnings (Note 16)			Other Equity		
	Ordinary Shares (Note 16)	Capital Surplus (Note 16)	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations (Note 11)	Unrealized Gain (Loss) on Financial Through Other Comprehensive Income (Note 9)	Total Equity
BALANCE AT JANUARY 1, 2025	$ 449,969	$ 261,106	$ 153,426	$ 10,465	$ 223,147	($ 3,189)	($ 20,639)	$ 1,074,285
Appropriation of 2024 earnings								
Cash dividends	-	-	-	-	(89,993)	-	-	(89,993)
Net profit for the three months ended March 31, 2025	-	-	-	-	35,650	-	-	35,650
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	1,398	117	1,515
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	35,650	1,398	117	37,165
BALANCE AT MARCH 31, 2025	$ 449,969	$ 261,106	$ 153,426	$ 10,465	$ 168,804	($ 1,791)	($ 20,522)	$ 1,021,457
BALANCE AT JANUARY 1, 2026	$ 449,969	$ 261,106	$ 163,690	$ 23,828	$ 219,003	($ 4,423)	($ 34,087)	$ 1,079,086
Appropriation of 2025 earnings								
Cash dividends	-	-	-	-	(80,994)	-	-	(80,994)
Net profit for the three months ended March 31, 2026	-	-	-	-	18,553	-	-	18,553
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	3,055	(1,643)	1,412
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	18,553	3,055	(1,643)	19,965
BALANCE AT MARCH 31, 2026	$ 449,969	$ 261,106	$ 163,690	$ 23,828	$ 156,562	($ 1,368)	($ 35,730)	$ 1,018,057

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

(With Deloitte & Touche auditors' review report dated May 7, 2026)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31,2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 23,755	$ 42,136
Adjustments for:		
Depreciation expenses	4,426	4,645
Amortization expenses	15	14
Expected credit loss	1	-
Finance costs	75	122
Interest income	(1,595)	(1,312)
Share of profit of subsidiaries and associates accounted for using the equity method	(5,590)	(10,898)
Impairment loss recognized on non-financial assets	191	189
Unrealized foreign currency exchange gain	1,371	(175)
Amortization of prepayments	753	961
Changes in operating assets and liabilities		
Notes receivable	(13)	56
Trade receivables	51,019	(47,890)
Other receivables	(2,289)	(2,499)
Inventories	(8,661)	6,188
Other current assets	75	1,042
Notes payable	(283)	(411)
Trade payables	(65,715)	(59,949)
Other payables	(13,392)	(12,428)
Other current liabilities	439	5
Net defined benefit liabilities	(952)	(1,888)
Cash generated from operations	(16,370)	(82,092)
Interest received	1,594	1,296
Interest paid	(75)	(122)
Income tax paid	(79)	(15)
Net cash generated used in operating activities	(14,930)	(80,933)

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NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31,2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	($ 3,783)	($ 3,940)
Decrease (Increase) in refundable deposits	-	(984)
Increase in other non-current assets	(1,115)	(1,074)
Increase in prepayments for machinery and equipment	(966)	(1,256)
Net cash generated used in investing activities	(5,864)	(7,254)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	4	-
Repayment of the principal portion of lease liabilities	(1,300)	(1,384)
Net cash used in financing activities	(1,296)	(1,384)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	1,136	701
NET DECREASE IN CASH AND CASH QUIVALENTS	(20,954)	(88,870)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	509,696	333,159
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 488,742	$ 244,289

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

(With Deloitte & Touche auditors' review report dated May 7, 2026)

1. GENERAL INFORMATION

Niching Industrial Corporation (the “Company”) was incorporated in May, 1993. Its main business activities include the import, export, trading, and manufacturing of various raw materials, components, and equipment required for the semiconductor and optoelectronic industries.

The Company obtained approval from the Financial Supervisory Commission (the "FSC") Securities and Futures Bureau for public issuance in August 2004. In June 2008, it was approved for listing on the Taipei Exchange. Subsequently, in September 2008, the Company's shares were officially listed and traded on the exchange.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 7, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC.

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies:

<u>Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”</u>

A. The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

a) if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

b) to clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

c) to clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

B. The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company.
Refer to Note 10, Tables 2 and 4 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025

1) Derecognition of financial liabilities

Financial liabilities are derecognized on the settlement date, which is the date on which the liability s extinguished because the Group’s obligations are discharged, cancelled or have expired, or the liability is substantially modified or exchanged for a debt instrument with substantially different terms. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2) Retirement benefits

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

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the management underlying assumptions are reviewed on an ongoing basis. The material accounting judgments and key sources of estimation uncertainty of these interim consolidated financial statements are the same as those applied to the preparation of the consolidated financial statements for the year ended December 31, 2025

6. CASH AND CASH EQUIVALENTS

	March 31,2026	December 31,2025	March 31,2025
Cash on hand	$ 939	$ 874	$ 1,004
Checking accounts and demand deposits	82,299	120,575	86,410
Cash equivalents			
Time deposits (investments with original maturities of 3 months or less)	405,504	388,247	156,875
	$ 488,742	$ 509,696	$ 244,289

7. NOTES RECEIVABLES AND TRADE RECEIVABLES

	March 31,2026	December 31,2025	March 31,2025
Notes receivable			
At amortized cost			
Gross carrying amount	$ 221	$ 208	$ 146

Less: Allowance for impairment loss	-	-	-
	$ 221	$ 208	$ 146

	March 31,2026	December 31,2025	March 31,2025
Trade receivables			
At amortized cost			
Gross carrying amount	$ 407,602	$ 459,754	$ 602,025
Less: Allowance for impairment loss	(4,275)	(4,274)	(4,274)
	$ 403,327	$ 455,480	$ 597,751

The average collection period for selling products and rendering services of the Group is 75 to 150 days. No interest is charged on accounts receivable. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. And determines the expected credit loss rate by reference to the past due days of accounts receivable.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and trade receivables:

	Less than 150 days	151 to 365 Days	Over 365 Days	The transaction partner has shown signs of default	Total
March 31,2026					
Expected credit loss rate (%)	-	0.02-21.97	100	100	
Gross carrying amount	$ 391,944	$ 12,690	$ -	$ 3,189	$ 407,823
Loss allowance	-	(1,086)	-	(3,189)	(4,275)
Amortized cost	$ 391,944	$ 11,604	$ -	$ -	$ 403,548
December 31,2025					
Expected credit loss rate (%)	-	0.02-22.35	100	100	
Gross carrying amount	$ 446,126	$ 10,609	$ 57	$ 3,170	$ 459,962
Loss allowance	-	(1,047)	(57)	(3,170)	(4,274)
Amortized cost	$ 446,126	$ 9,562	$ -	$ -	$ 455,688
March 31,2025					
Expected credit loss rate (%)	-	0-30.48	100	100	
Gross carrying amount	$ 583,248	$ 15,695	$ -	$ 3,228	$ 602,171
Loss allowance	-	(1,046)	-	(3,228)	(4,274)
Amortized cost	$ 583,248	$ 14,649	$ -	$ -	$ 597,897

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

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	$ 4,274	$ 4,274
Net remeasurement of loss allowance	1	-
Balance at March 31	$ 4,275	$ 4,274

8. INVENTORIES

	March 31,2026	December 31,2025	March 31,2025
Merchandise	$ 74,123	$ 65,653	$ 54,235

The cost of inventories recognized as cost of goods sold or the Three Months Ended March 31,2026 and 2025 was $253,511 thousand and $228,555 thousand, respectively.

Operating costs include the following items:

	For the Three Months Ended March 31	
	2026	2025
Inventory loss from write-down	$ 191	$ 189

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

Name of Investee Company	March 31,2026	December 31,2025	March 31,2025
Unlisted ordinary shares			
Enplas niching technology corporation (ENPLAS) (Notes 11)	$ 36,560	$ 34,517	$ -
Ming Chun Yuan Micro Precise Technology Co., Ltd. (MCY)	14,401	14,508	11,432
Global Simmtech Co., Ltd. (GST)	13,309	13,943	16,547
UNITECH TECHNOLOGY YEH CORPORATION (UTYC)	13,071	15,570	-
Advanced Processing Equipment Technology Co., Ltd. (APET)	6,706	7,025	17,823
QiangFang Technology Co., Ltd. (QiangFang)	68	385	603
Eliting Technology Corporation (ELITING)	-	-	11,087
Precision Chemtech Company Limited (PCCL)	-	-	-
	$ 84,115	$ 85,948	$ 57,492

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In September 2025, UTYC merged with ELITING, with UTYC as the surviving entity. The Group exchanged its ordinary shares of ELITING for ordinary shares of UTYC at a swap ratio of 1:1. Accordingly, the unrealized gain of $12,879 thousand in other equity—financial assets at FVTOCI related to this investment was transferred to retained earnings.

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

			% of Ownership		
Investor	Investee	Main Business	March 31,2026	December 31,2025	March 31,2025
The Company	Advanced Corporation (Advanced)	Holding company	100	100	100
Advanced	Niching Co., LTD (Niching Suzhou)	Trading industry	100	100	100

The subsidiaries are immaterial subsidiaries; their financial statements have not been reviewed for the three months ended March 31, 2026 and 2025.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31,2026		December 31,2025		March 31,2025	
Investee	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Private entity						
Enplas niching technology corporation（ENPLAS）	$ -	-	$ -	-	$ 170,710	30
STNC Hong Kong Holdings Limited（STNC）	50,946	49	43,498	49	36,544	49
	$ 50,946		$ 43,498		$ 207,254	

The Group's 29.97% equity investment in ENPLAS was originally accounted for using the equity method in 2024. On April 1, 2025, the Group lost significant influence over ENPLAS following the disposal of a 24.49% equity interest for $159,780 thousand. The fair value of the remaining 5% equity interest held by the Group was $31,823 thousand as of the date of disposal, which was reclassified to financial assets at fair value through other comprehensive income. The gain (loss) recognized in profit or loss resulting from this transaction is calculated as follows:

Proceeds from disposal	$ 159,780
Add: Fair value of remaining 5% investment	31,823
Less: Carrying amount of investment on the date significant influence was lost	(170,710)
Add: Share of profit or loss of subsidiaries and associates accounted for using the equity method	2
Recognized gain	$ 20,895

The gain recognized for the Year Ended December 31,2025 includes a realized gain of $17,551 thousand (proceeds of $159,780 thousand less the carrying amount of the disposed equity of $142,229 thousand), and an unrealized gain of $3,344 thousand (fair value of the retained 5% equity interest less its carrying amount).

The summarized financial information of ENPLAS has been prepared on the basis of its consolidated financial statements prepared in accordance with IFRS, the rest reflects the adjustments the Company made for equity accounting purposes.

Refer to Table 2 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the joint ventures.

12. PROPERTY, PLANT AND EQUIPMENT

	March 31,2026	December 31,2025	March 31,2025
Assets used by the Company	$ 235,270	$ 233,119	$ 218,156
Assets subject to operating leases	56,194	56,428	70,797
	$ 291,464	$ 289,547	$ 288,953

a. Assets used by the Company

	For the Three Months Ended March 31, 2026					
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Cost						
Land	$ 48,699	$ -	$ -	$ -	$ -	$ 48,699
Buildings and improvements	130,171	-	-	-	-	130,171
Machinery and equipment	30,268	158	(7,092)	632	-	23,966
Transportation equipment	1,473	-	-	480	27	1,980
Office equipment	12,164	210	-	-	104	12,478
Miscellaneous equipment	101	-	-	-	2	103
Construction in progress	76,552	3,543	-	-	-	80,095
	299,428	$ 3,911	($ 7,092)	$ 1,112	$ 133	297,492
Accumulated depreciation						
Buildings and improvements	40,270	$ 849	$ -	$ -	$ -	41,119
Machinery and equipment	18,588	1,409	(7,092)	-	-	12,905
Transportation equipment	483	116	-	-	5	604
Office equipment	6,895	543	-	-	79	7,517
Miscellaneous equipment	73	2	-	-	2	77
	66,309	$ 2,919	($ 7,092)	$ -	$ 86	62,222
	$ 233,119					$ 235,270

	For the Three Months Ended March 31, 2025					
Cost						
Land	$ 42,733	$ -	$ -	$ -	$ -	$ 42,733
Buildings and improvements	116,272	228	-	1,520	-	118,020
Machinery and equipment	28,017	-	-	320	-	28,337
Transportation equipment	1,470	-	-	-	19	1,489
Office equipment	10,753	116	-	-	73	10,942
Miscellaneous equipment	100	-	-	-	2	102
Construction in progress	65,885	3,562	-	-	-	69,447
	265,230	$ 3,906	$ -	$ 1,840	$ 94	271,070
Accumulated depreciation						
Buildings and improvements	32,760	$ 751	$ -	$ -	$ -	33,511
Machinery and equipment	12,085	1,603	-	-	-	13,688
Transportation equipment	129	88	-	-	1	218
Office equipment	4,862	516	-	-	50	5,428
Miscellaneous equipment	65	2	-	-	2	69
	49,901	$ 2,960	$ -	$ -	$ 53	52,914
	$ 215,329					$ 218,156

No impairment losses were recognized or reversed for the three months ended March 31, 2026 and 2025.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	50 years
Decoration equipment	5-10 years
Machinery and equipment	2-8 years
Transportation equipment	3-7 years
Office equipment	3-11 years
Miscellaneous equipment	3-9 years

Considering the operational development needs, the Group resolved in the board of meeting in March 2024 to purchase a corporate operations headquarters. The contract was signed in March 2024 with a total contract price of $371,580 thousand. According to the payment schedule, $80,095 thousand has been recorded as construction in progress. As of

March 31, 2026, the project has not yet been inspected and handed over. Please refer to Note 26.

Property, plant and equipment used by the Group pledged as collateral for bank borrowings are set out in Note 25.

b. Assets subject to operating leases

	For the Three Months Ended March 31, 2026		
	Beginning Balance	**Additions**	**Ending Balance**
Cost			
Land	$ 21,601	$ -	$ 21,601
Buildings and improvements	46,288	-	46,288
	67,889	$ -	67,889
Accumulated depreciation			
Buildings and improvements	11,461	$ 234	11,695
	$ 56,428		$ 56,194

	For the Three Months Ended March 31, 2025		
Cost			
Land	$ 27,567	$ -	$ 27,567
Buildings and improvements	58,215	-	58,215
	85,782	$ -	85,782
Accumulated depreciation			
Buildings and improvements	14,692	$ 293	14,985
	$ 71,090		$ 70,797

The Group leases certain office space and parking lots under operating leases, with lease terms of 1 to 5 years. Upon the termination of the lease period, the lessee has no bargain purchase option for the contacts.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	50 years
Decoration equipment	5-10 years

Property, plant and equipment subject to operating leases pledged as collateral for bank borrowings are set out in Note 25.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31,2026	December 31,2025	March 31,2025
Carrying amounts			
Land	$ 119	$ 136	$ 187
Buildings and improvements	-	406	1,653
Transportation equipment	4,034	3,845	6,730
	$ 4,153	$ 4,387	$ 8,570

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ 1,032	$ 2,625
Depreciation charge for right-of-use assets		
Land	$ 16	$ 16
Buildings and improvements	413	408
Transportation equipment	844	968
	$ 1,273	$ 1,392

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2026and 2025

b. Lease liabilities

	March 31,2026	December 31,2025	March 31,2025
Carrying amounts			
Current	$ 2,861	$ 3,111	$ 5,412
Non-current	$ 1,474	$ 1,486	$ 3,426

Range of discount rate for lease liabilities was as follows:

	March 31,2026	December 31,2025	March 31,2025
Land	5.84%	5.84%	5.84%
Buildings and improvements	4.45%	4.45%	4.45%
Transportation equipment	5.74%-6.48%	5.74%-6.48%	5.74%-6.48%

c. Material leasing activities and terms

The Group leases certain land and transportation equipment with lease terms of 3 to 10 years. Upon the termination of the lease period, the Group has no renewal and bargain purchase option for the contacts.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	$ 101	$ 152
Expenses relating to low-value asset leases	$ 8	$ 25
Total cash outflow for leases	($ 1,484)	($ 1,683)

The Group's leases of Buildings and improvements qualify as short-term leases and low-value office equipment leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER PAYABLES

	March 31,2026	December 31,2025	March 31,2025
Dividends	$ 80,994	$ -	$ 89,993
Pension	-	-	33,893
Salaries and rewards	13,282	31,615	21,855
Compensation of employees and remuneration of directors	13,444	11,066	18,582
Payables for annual leave	3,953	3,952	3,976
Others	12,716	9,928	7,101
	$ 124,389	$ 56,561	$ 175,400

15. RETIREMENT BENEFIT PLANS

In March 2025, the Company resolved by the Board of Directors to settle the service years under the retirement pension system in accordance with the Labor Standards Act, through agreement with employees and in compliance with relevant regulations. This settlement was approved by the competent authority. The Company recognized a settlement gain of 1,734 thousand, comprising the derecognition of net defined benefit liabilities for which it no longer has a payment obligation, and the refund of the remaining balance from the settled pension fund account. This amount was recorded as a deduction from pension expenses under operating expenses. Please refer to Note 18, (b) Employee Benefits Expenses, Depreciation, and Amortization.

16. EQUITY

a. ordinary shares

	March 31,2026	December 31,2025	March 31,2025
Shares authorized (in thousands of shares)	50,000	50,000	50,000
Shares authorized	$ 500,000	$ 500,000	$ 500,000
Shares issued and fully paid (in thousands of shares)	44,997	44,997	44,997
Shares issued	$ 449,969	$ 449,969	$ 449,969

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

b. Capital surplus

	March 31,2026	December 31,2025	March 31,2025
Issuance of ordinary shares	$ 261,040	$ 261,040	$ 261,040
Invalid employee shares	66	66	66
	$ 261,106	$ 261,106	$ 261,106

The capital surplus generated from donations and the excess of the issuance price over the par value of capital stock may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, limited to a certain percentage of the Company’s capital surplus and once a year.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, except when the legal reserve equals the Company’s total issued capital, and setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan. When the distribution is made by issuing new shares, it shall be distributed upon resolution at the shareholders' meeting. When it is made in cash, it shall be distributed upon resolution by the board of directors.

Dividends and bonuses or all or part of the statutory surplus reserve and capital reserve to be distributed by the Company in cash shall be distributed upon resolution by the board of directors attended by two-thirds or more of the directors and approved by more than half of the directors present, as stipulated in Article 240, Paragraph 5 of the Company Law, and shall be reported to the shareholders' meeting.

The Company’s dividend policy is to distribute dividends in consideration of the current and future development plans, investment environment, funding needs, and domestic and international competitive conditions, while also taking into account shareholders' interests. When distributing shareholders' dividends, at least 40% of the distributable surplus for the year shall be allocated as shareholders' dividends, which may be in cash or stock, with cash dividends not being less than 10% of the total dividends.

For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 19.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company specifies that when the special reserve is allocated from the net deduction of other equity accumulated in the previous period, if there is a reversal of the deduction in the current year, the amount can only be allocated from the previous period's undistributed earnings.

The appropriations of earnings for 2025and 2024were as follows:

	For the Year Ended December 31	
	2025	2024
Legal reserve	$ 10,948	$ 10,264
Special reserve	14,682	13,363
Cash dividends	80,994	89,993
Cash dividend per share (NT$)	1.8	2

The above appropriations for cash dividends had been approved by by the board of directors in March, 2026and 2025 respectively; the other proposed appropriations of earnings for 2024 had been approved in the shareholders' meeting in June , 2025 and the other appropriation of earnings for 2025is subject to the resolution of the shareholders in their meeting to be held in June , 2026

17. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Sales revenue		
Semiconductor products	$ 248,116	$ 160,192
Optoelectronics products	40,466	106,152
Other	1,876	3,669
	290,458	270,013
Service revenue	25,493	31,138
	$ 315,951	$ 301,151

Contract information

	March 31,2026	December 31,2025	March 31,2025	January 1,2025
Notes receivable and trade receivables	$ 403,548	$ 455,688	$ 597,897	$ 550,569

18. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on lease liabilities	$ 75	$ 122

b. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses	Total
For the Three Months Ended March 31, 2026			
Employee benefits			
Salaries and bonuses	$ 913	$ 31,945	$ 32,858
Labor and health insurance	38	1,292	1,330
Defined contribution plans	147	3,722	3,869
Other employee benefits	311	4,115	4,426
Depreciation expenses	-	15	15
Amortization expenses	$ 913	$ 31,945	$ 32,858
For the Three Months Ended March 31, 2025			
Employee benefits			
Salaries and bonuses	722	32,176	32,898
Labor and health insurance	37	1,212	1,249
Defined contribution plans	-	(1,734)	(1,734)
Other employee benefits	134	3,741	3,875
Depreciation expenses	233	4,412	4,645
Amortization expenses	-	14	14

19. COMPENSATION OF EMPLOYEES AND REMUNERATION OF DIRECTORS

According to the Company's Articles of Incorporation, the Company distributes employees' compensation and remuneration to directors at rates of no less than 2% and no more than 3%, respectively, of pre-tax profit before deducting employees' compensation and remuneration to directors for the current year. Following the amendments to the Securities and Exchange Act in August 2024, the Company's shareholders' meeting in 2025 resolved to amend the Articles of Incorporation to stipulate that 10% of the employees' compensation distributed for the year shall be allocated as compensation for entry-level employees. or the three months ended March 31, 2026 and 2025 the compensation of employees (including compensation for entry-level employees) and the remuneration of directors were as follows:

	For the Three Months Ended March 31			
	2025		2024	
	Accrual rate	Amount	Accrual rate	Amount
Compensation of employees	7%	$ 3,245	5%	$ 1,994
Remuneration of directors	2.1%	973	2.1%	837

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

The appropriations of compensation of employees and remuneration of directors for 2025 and 2024which were resolved by the board of directors in March,2026 and March 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
Compensation of employees	$ 8,512	$ 11,049
Remuneration of directors	2,554	3,315

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31,2025 and 2024.

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

20. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current year	$ 4,220	$ 5,603
Deferred tax		
In respect of the current year	982	883
Income tax expense recognized in profit or loss	$ 5,202	$ 6,486

Advanced Company, according to the laws of the Independent State of Samoa, is exempt from tax on its offshore income.

Niching Suzhou Company, in accordance with the Enterprise Income Tax Law of the People's Republic of China, is subject to an income tax rate of 25%.

b. Income tax expense in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax		
In respect of the current period－unrealized Gain (Loss) on Financial Through Other Comprehensive Income	$ 190	$ -

c. The tax returns of the Company through 2022 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2026	2025
Basic earnings per share	$ 0.41	$ 0.69
Diluted earnings per share	$ 0.41	$ 0.69

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

Net Profit for the Year

	For the Three Months Ended March 31	
	2026	2025
Profit for the year attributable to owners of the Company	$ 18,553	$ 35,650

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

Unit: Thousand shares

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	44,997	44,997
Effect of potentially dilutive ordinary shares：		
Compensation of employees	138	178
Weighted average number of ordinary shares used in the computation of diluted earnings per share	45,135	45,175

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. CAPITAL MANAGEMENT

The objectives, policies, and procedures for the consolidated company's capital risk management, as well as the composition of the consolidated company's capital structure, are the same as those described in the consolidated financial statements for the year 2025.

23. FINANCIAL INSTRUMENTS

a. Financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and liabilities not measured at fair value approximate its fair value or its fair value cannot be reliably measured.

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

1) Fair value hierarchy

March 31,2026	Level 1	Leve2	Leve3	Total
Financial assets at financial assets at fair value through other comprehensive income				
Domestic unlisted shares	$ -	$ -	$ 84,115	$ 84,115
December 31, 2025				
Financial assets at financial assets at fair value through other comprehensive income				
Domestic and foreign unlisted shares	$ -	$ -	$ 85,948	$ 85,948
March 31,2025				
Financial assets at financial assets at fair value through other comprehensive income				
Domestic unlisted shares	$ -	$ -	$ 57,492	$ 57,492

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

2) Reconciliation of Level 3 fair value measurements on financial instruments

	Financial assets at financial assets at fair value through other comprehensive income	
	Equity instruments	
	For the Three Months Ended March 31	
Financial assets	2026	2025
Balance at the beginning of the year	$ 85,948	$ 57,076
Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income	(1,833)	416
Balance at the end of the year	$ 84,115	$ 57,492

3) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The securities of emerging stocks held by the Group have no market price reference and thus are evaluated under the cost approach and market approach.

c. Categories of financial instruments

	March 31,2026	December 31,2025	March 31,2025
Financial assets			
Financial assets at amortized cost	$ 901,192	$ 971,975	$ 864,187
Financial assets at FVTOCI	84,115	85,948	57,492
Financial liabilities			
Amortized cost	293,082	356,142	263,629

The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and refundable deposits, and other financial assets measured at amortized cost.

The balances include financial liabilities at amortized cost, which comprise notes payable, accounts payable, other payables and guarantee deposits received and other financial liabilities measured at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity, trade receivables, trade payables and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

i. Foreign currency risk

The Group had foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Approximately 50%~55% of the Group's sales is denominated in currencies other than the functional currency of the entity in the Group making the sale, whilst almost 43 %~45 % of costs is denominated in currencies other than the functional currency of the entity in the Group.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusted their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit with the relevant currency strengthen 5% against New Taiwan dollars. For a 5% weakening of the relevant of the relevant currency against New Taiwan dollars, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	Impact of fluctuations in exchange rate on profit or loss	
	For the Three Months Ended March 31	
	2026	**2025**
USD	$ 7,523	$ 21,160

ii. Interest rate risk

The Group is exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and lease liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31,2026	**December 31,2025**	**March 31,2025**
Fair value interest rate risk			
Financial assets	$ 405,504	$ 388,247	$ 156,875
Lease liabilities	4,335	4,597	8,838
Cash flow interest rate risk			
Financial assets	81,592	119,667	85,266

Sensitivity analysis

If interest rates had been 0.25% basis points higher/lower and all other variables been held constant, the Group's pre-tax profits for the three months ended March 31, 2026 and 2025 would have increased/decreased by $51 thousand and $53 thousand, respectively. A 0.25% basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

i. The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

ii. The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group uses other publicly available financial information and mutual transaction records to rate major customers, continuously monitoring credit exposure and counterparties' credit ratings. The total transaction amount is distributed among customers with qualified credit ratings, and the credit limits for each counterparty are reviewed and approved annually by management to control credit risk.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the balances of accounts receivable from the top two customers were $202,485 thousand, $169,019 thousand and $302,386 thousand, respectively. For the three months ended March 31, 2026 and 2025, the concentration of credit risk for these companies did not exceed 35% of the total monetary assets, and the concentration of credit risk for other counterparties did not exceed 29% of the total monetary assets.

3) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. As of March 31. 2026, December 31, 2025 and March 31, 2025, the Group had undrawn loan amounts are as follows:

	March 31,2026	**December 31,2025**	**March 31,2025**
Undrawn loan amounts	$ 515,000	$ 515,000	$ 515,000

Liquidity and interest rate risk tables

The Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

Non-derivative financial liabilities	**Less Than 1 Year**	**More than 1 Years**
March 31, 2026		
Non-interest bearing	$ 373,273	$ 803
Lease liabilities	3,053	1,507
	$ 376,326	$ 2,310
December 31, 2025		
Non-interest bearing	$ 355,343	$ 799
Lease liabilities	3,293	1,528
	$ 358,636	$ 2,327

Non-derivative financial liabilities	Less Than 1 Year	More than 1 Years
March 31, 2025		
Non-interest bearing	$ 352,823	$ 799
Lease liabilities	5,849	3,597
	$ 358,672	$ 4,396

24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

1) Related party name and categories

Related Party Name	Related Party Categories
Simmtech Co., Ltd.（Simmtech）	Other related party
Simmtech Graphics Co., Ltd.（STG）	Other related party
SI	Other related party
ENPLAS	Associate (Note)

Note：As of April 2025, no longer a related party of the Company.

2) Sales revenue

Related Party Category/Name	For the Three Months Ended March 31 2026	2025
Other related party		
SI	$ 17,975	$ 16,919
Simmtech	5,620	5,293
	$ 23,595	$ 22,212

The commission rates for intermediary services provided above are not significantly different from those charged to non-related parties; the payment terms are also not materially different.

3) Non-operating income - other income

Related Party Category	For the Three Months Ended March 31 2026	2025
Associate	$ -	$ 14

4) Receivables to related parties

Related Party Category/Name	March 31,2026	December 31,2025	March 31,2025
Other related party			
SI			
Gross carrying amount	$ 38,076	$ 38,102	$ 33,724
Less: Allowance for impairment loss	(348)	(280)	(293)
	37,728	37,822	33,431
Simmtech			
Gross carrying amount	14,465	15,570	17,309
Less: Allowance for impairment loss	(194)	(240)	(411)
	14,271	15,330	16,898
	$ 51,999	$ 53,152	$ 50,329

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2026 and 2025, an allowance for doubtful accounts of $ (22) thousand and $ (450) thousand was respectively reversed (recognized).

5) Other receivables

Related Party Category/Name	March 31,2026	December 31,2025	March 31,2025
Other related party			
Simmtech	$ 537	$ 633	$ 1,332

6) Remuneration of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$ 9,529	$ 9,372
Post-employment benefits	81	100
	$ 9,610	$ 9,472

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for long-term bank loans:

	March 31,2026	December 31,2025	March 31,2025
Property, plant and equipment	$ 166,603	$ 167,294	$ 169,365

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at March 31,2026 were as follows:

Unrecognized commitments were as follows:

	March 31,2026	December 31,2025	March 31,2025
Acquisition of property, plant and equipment	$ 291,485	$ 295,028	$ 302,133

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies are as follows:

	March 31,2026			December 31,2025		
Financial assets	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Monetary items						
USD	$ 8,039	31.995	$ 257,211	$ 9,504	31.43	$ 298,722
Financial liabilities						
Monetary items						
USD	3,336	31.995	106,745	3,766	31.43	118,370

	March 31,2025		
Financial assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary items			
USD	$ 16,213	33.205	$ 538,369
RMB	99	4.557	450
JPY	2,828	0.2230	631
Financial liabilities			
Monetary items			
USD	3,468	33.205	115,166

For the Three Months Ended March 31,2026 and 2025, realized and unrealized net foreign exchange gains were $2,993 thousand and $5,581 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

28. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: None.

3) Marketable securities held (non-excluding investment in subsidiaries and associates): Table 1.

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table None.

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

6) Other: intercompany relationships and significant intercompany transactions: Table 3.

b. Information on investees: Table 2.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the mainland China area: Table 4.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 3.

ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 3.

iii. The amount of property transactions and the amount of the resultant gains or losses: None.

iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: Table 3.

29. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

a. Segment revenue, results and non-current assets

For the Three Months Ended March 31, 2026	Domestic	Asia	Others	Adjustments and Eliminations	Consolidated
Revenue from customers other than the Company and consolidated subsidiaries	$ 315,732	$ 219	$ -	$ -	$ 315,951
Revenue from the Company and consolidated subsidiaries	-	1,722	-	(1,722)	-
Segment Revenue	$ 315,732	$ 1,941	$ -	($ 1,722)	$ 315,951
Segment income	$ 23,828	($ 1,758)	($ 2,254)	$ 4,014	$ 23,830
Interest expense					(75)
Profit before tax (continuing operations)					$ 23,755

For the Three Months Ended March 31, 2025	Domestic	Asia	Others	Adjustments and Eliminations	Consolidated
Revenue from customers other than the Company and consolidated subsidiaries	$ 300,700	$ 261	$ 190	$ -	$ 301,151
Revenue from the Company and consolidated subsidiaries	36	5,374	-	(5,410)	-
Segment Revenue	$ 300,736	$ 5,635	$ 190	($ 5,410)	$ 301,151
Segment income	$ 42,238	$ 1,460	$ 1,318	($ 2,758)	$ 42,258
Interest expense					(122)
Profit before tax (continuing operations)					$ 42,136

Segment profit represents the profit earned by each segment without allocation of central administration costs and interest expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
March 31, 2026
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership(%)	Fair Value	
The Company	Shares							
	APET	None	Financial assets at FVTOCI - non current	282,700	$ 6,706	6	$ 6,706	
	GST	Other related party	Financial assets at FVTOCI - non current	147,972	13,309	1	13,309	
	MCY	None	Financial assets at FVTOCI - non current	2,120,981	14,401	6	14,401	
	UTYC	None	Financial assets at FVTOCI - non current	335,925	13,071	2	13,071	
	QiangFang	None	Financial assets at FVTOCI - non current	435,000	68	15	68	
	PCCL	None	Financial assets at FVTOCI - non current	1,360,000	-	17	-	
	ENPLAS	None	Financial assets at FVTOCI - non current	105,600	36,560	5	36,560	

Note: For information on the investments in subsidiaries and associates, see Tables 2 and 4.

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31 , 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
The Company	Advanced	Samoa	General investment business and import-export trade	$ 45,496	$ 45,496	1,800,293	100	$ 47,745	($ 2,254)	($ 2,254)	(Note 1)
	STNC	Hongkong	General investment business and import-export trade	44,506	44,506	490,000	49	50,946	11,408	5,590	

Note 1: Significant intercompany accounts and transactions have been eliminated.

Note 2: For information on investments in mainland China, see Table 4.

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

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

No.	Investee Company	Counterparty (Note 2)	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Terms % to Total Sales or Assets
0	The Company	Advanced	Note 1	Other income	$ 12	—	-
		Niching Suzhou	Note 1	Cost of goods sold	1,722	90 days	1
				Trade payables	1,736	—	-
				Other payables	390	—	-
				Other receivables	$ 12	—	-

Note 1: Parent company to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
For The Three Months Ended March 31, 2026
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company (Note 1)	Main Businesses and Products	Paid in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain Loss (Note 3)	Carrying Amount as of March 31, 2026 (Note 3)	Accumulated Repatriation of Investment Income as of March 31,2026
					Outward	Inward						
Niching Co., LTD	Wholesale, import and export, commission agency (excluding auctions), and related supporting businesses for equipment, materials, and parts required for the manufacturing of semiconductor, optoelectronic, electronic, and mechanical products.	$ 64,492 (USD 2,100)	(Note 2)	$ 53,366 (USD 1,735)	$ -	$ -	$ 53,366 (USD 1,735)	($ 1,760)	100%	($ 1,760)	$ 27,800	$ -
Simmtech Niching (Suzhou) Co., Ltd.	Wholesale, import and export, commission agency (excluding auctions), and related supporting businesses for equipment, materials, and parts required for the manufacturing of semiconductor, optoelectronic, electronic, and mechanical products.	29,570 (USD 1,000)	(Note 2)	44,453 (USD 1,438)	-	-	44,453 (USD 1,438)	11,619	49%	5,693	47,778	65,304

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2025	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA(Note4)
$ 97,819 (USD 3,173)	$ 101,956 (USD 3,238)	$ 610,834

Note 1: This investment project has been approved by the Investment Commission, with an investment amount of USD $3,238 thousand. However, as of Maech 31, 2026, USD $3,173 thousand has been remitted.

Note 2: Investment in Mainland China companies through a company invested and established in a third region.

Note 3: In accordance with reports audited by the CPA from the parent company.

Note 4: Limitation is calculated under 'Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China'.

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