

Niching Industrial Corporation and Subsidiaries

Consolidated Financial Statements For The Three Months Ended March 31, 2025 and 2024 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, 2025 and 2024, 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 persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As 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 \$47,945 thousand and \$ 47,507 thousand, representing 3% of total consolidated assets; and the total liabilities amounted to \$ 3,617 thousand and \$ 5,966 thousand, representing 1% of total consolidated liabilities as of March 31, 2025 and 2024, respectively. Total comprehensive income of these subsidiaries amounted to \$ 2,194 thousand and \$ 872 thousand, each accounting

representing 6% and 5%, respectively, of consolidated comprehensive income for the three month ended March 31, 2025 and 2024.

As described in Note 11 indicated, the un-reviewed balance of investment amounted to \$207,254 thousand and \$245,568 thousand; the recognized share of profits of associates under the equity method of these investments amounted to \$ 10,898 thousand and \$ 9,365 thousand for the three months ended March 31, 2025 and 2024, 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 March 31, 2025 and 2024, its consolidated financial performance as of March 31, 2025 and 2024, 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 Ting-Chien Su.

Deloitte & Touche

Taipei, Taiwan

Republic of China

May 7, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and consolidated financial statements shall prevail.

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024

(In Thousands of New Taiwan Dollars)

ASSET	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6)	\$ 244,289	16	\$ 333,159	22	\$ 263,564	19
Notes receivable (Notes 7 and 17)	146	-	202	-	44	-
Trade receivables from unrelated parties(Notes 7 and 17)	547,422	37	506,599	34	435,895	31
Trade receivables from related parties(Notes 7, 17 and 24)	50,329	3	43,768	3	39,828	3
Other receivables (Notes 24)	15,898	1	1,296	-	2,411	-
Inventories (Notes 8)	54,235	4	60,611	4	60,584	4
Other current assets	<u>4,627</u>	<u>-</u>	<u>5,646</u>	<u>-</u>	<u>5,845</u>	<u>-</u>
Total current assets	<u>916,946</u>	<u>61</u>	<u>951,281</u>	<u>63</u>	<u>808,171</u>	<u>57</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 9)	57,492	4	57,076	4	49,312	4
Investments accounted for using the equity method (Notes 11 and 24)	207,254	14	195,834	13	245,568	17
Property, plant and equipment (Notes 12 ,25 and 26)	288,953	19	286,419	19	282,946	20
Right-of-use assets (Notes 13)	8,570	1	7,300	-	7,980	1
Other intangible assets	88	-	102	-	575	-
Deferred tax assets (Notes 4 and 20)	5,970	-	6,310	-	5,256	-
Prepayments for equipment	-	-	584	-	2,915	-
Other non-current assets	<u>8,718</u>	<u>1</u>	<u>7,600</u>	<u>1</u>	<u>6,705</u>	<u>1</u>
Total non-current assets	<u>577,045</u>	<u>39</u>	<u>561,225</u>	<u>37</u>	<u>601,257</u>	<u>43</u>
TOTAL	<u>\$ 1,493,991</u>	<u>100</u>	<u>\$ 1,512,506</u>	<u>100</u>	<u>\$ 1,409,428</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	\$ 879	-	\$ 1,290	-	\$ 858	-
Trade payables	254,850	17	315,611	21	207,300	15
Other payables (Notes 14)	175,400	12	64,917	4	138,648	10
Current tax liabilities (Notes 4 and 20)	19,890	1	14,302	1	23,686	2
Lease liabilities - current (Notes 13)	5,412	1	4,838	1	4,083	-
Other current liabilities	<u>4,584</u>	<u>-</u>	<u>4,573</u>	<u>-</u>	<u>4,384</u>	<u>-</u>
Total current liabilities	<u>461,015</u>	<u>31</u>	<u>405,531</u>	<u>27</u>	<u>378,959</u>	<u>27</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 20)	7,294	1	6,452	-	4,037	-
Lease liabilities - non-current (Notes 13)	3,426	-	2,720	-	4,116	1
Net defined benefit liabilities - non-current (Notes 4 and 15)	-	-	22,719	2	17,884	1
Guarantee deposits	<u>799</u>	<u>-</u>	<u>799</u>	<u>-</u>	<u>799</u>	<u>-</u>
Total non-current liabilities	<u>11,519</u>	<u>1</u>	<u>32,690</u>	<u>2</u>	<u>26,836</u>	<u>2</u>
Total liabilities	<u>472,534</u>	<u>32</u>	<u>438,221</u>	<u>29</u>	<u>405,795</u>	<u>29</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Ordinary shares	449,969	30	449,969	30	441,146	31
Capital surplus	261,106	17	261,106	17	261,106	19
Retained earnings						
Legal reserve	153,426	10	153,426	10	143,923	10
Special reserve	10,465	1	10,465	1	-	-
Unappropriated earnings	168,804	11	223,147	15	180,375	13
Other equity						
Exchange differences on translation of foreign financial statements	(1,791)	-	(3,189)	-	(5,986)	(1)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(<u>20,522</u>)	(<u>1</u>)	(<u>20,639</u>)	(<u>2</u>)	(<u>16,931</u>)	(<u>1</u>)
Total equity	<u>1,021,457</u>	<u>68</u>	<u>1,074,285</u>	<u>71</u>	<u>1,003,633</u>	<u>71</u>
TOTAL	<u>\$ 1,493,991</u>	<u>100</u>	<u>\$ 1,512,506</u>	<u>100</u>	<u>\$ 1,409,428</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated May 7, 2025)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
SALES (Notes 17 and 24)				
Sales revenue	\$ 270,013	90	\$ 203,920	86
Service revenue	<u>31,138</u>	<u>10</u>	<u>34,154</u>	<u>14</u>
SALES	301,151	100	238,074	100
COST OF GOODS SOLD (Notes 8 and 18)	<u>228,555</u>	<u>76</u>	<u>175,037</u>	<u>73</u>
GROSS PROFIT	<u>72,596</u>	<u>24</u>	<u>63,037</u>	<u>27</u>
OPERATING EXPENSES				
Selling and marketing expenses				
(Notes 18)	24,842	9	24,775	11
General and administrative expenses				
(Notes 18)	15,689	5	13,939	6
Research and development expenses				
(Notes 18)	9,608	3	7,883	3
Expected credit loss (Notes 7 and 24)	<u>-</u>	<u>-</u>	<u>3,199</u>	<u>1</u>
Total operating expenses	<u>50,139</u>	<u>17</u>	<u>49,796</u>	<u>21</u>
PROFIT FROM OPERATIONS	<u>22,457</u>	<u>7</u>	<u>13,241</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates accounted for using the equity method (Note 11)	10,898	4	9,365	4
Interest income	1,312	1	1,096	-
Rental income	896	-	1,119	1
Other income (Note 24)	1,279	-	590	-
Net foreign exchange gain (Note 27)	5,581	2	12,504	5
Finance costs (Notes 18)	(122)	-	(111)	-
Other expenses	<u>(165)</u>	<u>-</u>	<u>(762)</u>	<u>-</u>
Total non-operating income and expenses	<u>19,679</u>	<u>7</u>	<u>23,801</u>	<u>10</u>

(Continued)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 42,136	14	\$ 37,042	16
INCOME TAX EXPENSE (Notes 4 and 20)	<u>6,486</u>	<u>2</u>	<u>5,963</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>35,650</u>	<u>12</u>	<u>31,079</u>	<u>13</u>
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	416	-	(15,291)	(6)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	(<u>299</u>)	<u>-</u>	(<u>-</u>)	(<u>-</u>)
	<u>117</u>	<u>-</u>	(<u>15,291</u>)	(<u>6</u>)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	876	-	1,266	-
Exchange differences on translation, associates and joint ventures accounted for using equity method	<u>522</u>	<u>-</u>	<u>1,574</u>	<u>1</u>
	<u>1,398</u>	<u>-</u>	<u>2,840</u>	<u>1</u>
Other comprehensive income for the year	<u>1,515</u>	<u>-</u>	(<u>12,451</u>)	(<u>5</u>)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 37,165</u>	<u>12</u>	<u>\$ 18,628</u>	<u>8</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 0.79</u>		<u>\$ 0.69</u>	
Diluted	<u>\$ 0.79</u>		<u>\$ 0.69</u>	

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

(With Deloitte & Touche auditors' review report dated May 7, 2025)

(Concluded)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Corporation						Other Equity		Total Equity
	Ordinary Shares (Note 16)	Capital Surplus (Note 16)	Retained Earnings (Note 16)			Exchange Differences on Translating the Financial Statements of Foreign Operations (Note 11)	Unrealized Gain (Loss) on Financial Through Other Comprehensive Income (Note 9)		
			Legal Reserve	Special reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2024	\$ 441,146	\$ 261,106	\$ 143,923	\$ -	\$ 250,760	(\$ 8,826)	(\$ 1,640)	\$ 1,086,469	
Appropriation of 2023 earnings									
Cash dividends	-	-	-	-	(101,464)	-	-	(101,464)	
Net profit for the three months ended March 31, 2024	-	-	-	-	31,079	-	-	31,079	
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	2,840	(15,291)	(12,451)	
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	31,079	2,840	(15,291)	18,628	
BALANCE AT MARCH 31, 2024	\$ 441,146	\$ 261,106	\$ 143,923	\$ -	\$ 180,375	(\$ 5,986)	(\$ 16,931)	\$ 1,003,633	
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	

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

(With Deloitte & Touche auditors' review report dated May 7, 2025)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 42,136	\$ 37,042
Adjustments for:		
Depreciation expenses	4,645	4,387
Amortization expenses	14	48
Expected credit loss	-	3,199
Finance costs	122	111
Interest income	(1,312)	(1,096)
Share of profit of subsidiaries and associates accounted for using the equity method	(10,898)	(9,365)
Loss on disposal of property, plant and equipment	-	24
Impairment loss recognized on non-financial assets	189	271
Unrealized foreign currency exchange gain	(175)	(12,913)
Amortization of prepayments	961	599
Changes in operating assets and liabilities		
Notes receivable	56	(3)
Trade receivables	(47,890)	(16,784)
Other receivables	(2,499)	(567)
Inventories	6,188	6,153
Prepayments	-	1,148
Other current assets	1,042	112
Notes payable	(411)	(84)
Trade payables	(59,949)	(31,997)
Other payables	(12,428)	(13,434)
Other current liabilities	5	213
Net defined benefit liabilities	(1,888)	(2,949)
Cash generated from operations	(82,092)	(35,885)
Interest received	1,296	1,133
Interest paid	(122)	(111)
Income tax paid	(15)	(13)
Net cash generated used in operating activities	(80,933)	(34,876)

(Continued)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	\$ -	(\$ 35,798)
Payments for property, plant and equipment	(3,940)	(60,947)
Decrease (Increase) in refundable deposits	(984)	137
Increase in other non-current assets	(1,074)	(543)
Increase in prepayments for machinery and equipment	(1,256)	(3,389)
Net cash generated used in investing activities	(7,254)	(100,540)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(1,384)	(1,055)
Net cash used in financing activities	(1,384)	(1,055)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>701</u>	<u>1,238</u>
NET DECREASE IN CASH AND CASH QUIVALENTS	(88,870)	(135,233)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>333,159</u>	<u>398,797</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 244,289</u>	<u>\$ 263,564</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 7, 2025)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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, 2025.

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.

Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

- 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
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note : An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - 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.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
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 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- 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.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other 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, 2024.

1) 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.

2) 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, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31,2025	December 31,2024	March 31,2024
Cash on hand	\$ 1,004	\$ 962	\$ 1,044
Checking accounts and demand deposits	86,410	130,479	122,103
Cash equivalents			
Time deposits (investments with original maturities of 3 months or less)	<u>156,875</u>	<u>201,718</u>	<u>140,417</u>
	<u>\$ 244,289</u>	<u>\$ 333,159</u>	<u>\$ 263,564</u>

7. NOTES RECEIVABLES AND TRADE RECEIVABLES

	March 31,2025	December 31,2024	March 31,2024
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 146	\$ 202	\$ 44
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 146</u>	<u>\$ 202</u>	<u>\$ 44</u>

	March 31,2025	December 31,2024	March 31,2024
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 602,025	\$ 554,641	\$ 480,037
Less: Allowance for impairment loss	(<u>4,274</u>)	(<u>4,274</u>)	(<u>4,314</u>)
	<u>\$ 597,751</u>	<u>\$ 550,367</u>	<u>\$ 475,723</u>

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
<u>March 31,2025</u>					
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	<u>\$ 583,248</u>	<u>\$ 14,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597,897</u>
<u>December 31,2024</u>					
Expected credit loss rate (%)	-	0.01-23.67	100	100	
Gross carrying amount	\$ 545,806	\$ 5,876	\$ -	\$ 3,161	\$ 554,843
Loss allowance	-	(1,113)	-	(3,161)	(4,274)
Amortized cost	<u>\$ 545,806</u>	<u>\$ 4,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,569</u>
<u>March 31,2024</u>					
Expected credit loss rate (%)	-	0.02-8.71	100	100	
Gross carrying amount	\$ 473,992	\$ 2,860	\$ -	\$ 3,229	\$ 480,081
Loss allowance	-	(1,085)	-	(3,229)	(4,314)
Amortized cost	<u>\$ 473,992</u>	<u>\$ 1,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,767</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 4,274	\$ 1,115
Net remeasurement of loss allowance	-	3,199
Balance at March 31	<u>\$ 4,274</u>	<u>\$ 4,314</u>

8. INVENTORIES

	March 31,2025	December 31,2024	March 31,2024
Merchandise	<u>\$ 54,235</u>	<u>\$ 60,611</u>	<u>\$ 60,584</u>

The cost of inventories recognized as cost of goods sold or the Three Months Ended March 31,2025 and 2024 was \$228,555 thousand and \$175,037 thousand, respectively.

Operating costs include the following items:

	For the Three Months Ended March 31	
	2025	2024
Inventory loss from write-down	<u>\$ 189</u>	<u>\$ 271</u>

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

<u>Name of Investee Company</u>	March 31,2025	December 31,2024	March 31,2024
Unlisted ordinary shares			
Advanced Processing Equipment Technology Co., Ltd. (APET)	\$ 17,823	\$ 17,048	\$ 21,328
Global Simmtech Co., Ltd. (GST)	16,547	15,827	17,712
Ming Chun Yuan Micro Precise Technology Co., Ltd. (MCY)	11,432	12,302	-
Eliting Technology Corporation (ELITING)	11,087	11,173	10,272
QiangFang Technology Co., Ltd. (QiangFang)	603	726	-
Precision Chemtech Company Limited (PCCL)	-	-	-
	<u>\$ 57,492</u>	<u>\$ 57,076</u>	<u>\$ 49,312</u>

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 October 2024, the Group purchased 2,120,981 shares of common stock in MCY for \$10,605 thousand. This investment is designated as measured financial assets at fair value through other comprehensive income due to its medium to long-term strategic purpose.

10.SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	% of Ownership		
			March 31,2025	December 31,2024	March 31,2024
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, 2025 and 2024.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investee	March 31, 2025		December 31, 2024		March 31, 2024	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
<u>Private entity</u>						
Enplas niching technology corporation (ENPLAS)	\$ 170,710	30	\$ 162,323	30	\$ 154,419	30
STNC Hong Kong Holdings Limited (STNC)	<u>36,544</u>	49	<u>33,511</u>	49	<u>91,149</u>	49
	<u>\$ 207,254</u>		<u>\$ 195,834</u>		<u>\$ 245,568</u>	

Considering the business strategy for group development and strengthening cooperative relationships, the Group resolved in the board of directors meeting on December 28, 2023, to acquire shares of STNC from the related party, Simmtech International Pte., Ltd. (SI Company). On March 29, 2024, the Group acquired a 19% equity interest at a contract price of \$35,575 thousand and related costs of \$53 thousand, increasing the shareholding ratio to 49%.

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were calculated based on the financial statements that have not been reviewed.

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, 2025	December 31, 2024	March 31, 2024
Assets used by the Company	\$ 218,156	\$ 215,329	\$ 210,976
Assets subject to operating leases	<u>70,797</u>	<u>71,090</u>	<u>71,970</u>
	<u>\$ 288,953</u>	<u>\$ 286,419</u>	<u>\$ 282,946</u>

a. Assets used by the Company

Cost	For the Three Months Ended March 31, 2025					
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
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	<u>65,885</u>	<u>3,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,447</u>
	<u>265,230</u>	<u>\$ 3,906</u>	<u>\$ -</u>	<u>\$ 1,840</u>	<u>\$ 94</u>	<u>271,070</u>

(Continue)

For the Three Months Ended March 31, 2025						
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
<u>Accumulated depreciation</u>						
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	<u>65</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>69</u>
	<u>49,901</u>	<u>\$ 2,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>52,914</u>
	<u>\$ 215,329</u>					<u>\$ 218,156</u>
For the Three Months Ended March 31, 2024						
<u>Cost</u>						
Land	\$ 42,733	\$ -	\$ -	\$ -	\$ -	\$ 42,733
Buildings and improvements	123,990	496	-	576	-	125,062
Machinery and equipment	29,104	-	-	1,400	-	30,504
Transportation equipment	3,884	-	-	-	32	3,916
Office equipment	8,437	1,455	(238)	224	62	9,940
Miscellaneous equipment	97	-	-	-	2	99
Construction in progress	<u>-</u>	<u>58,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,761</u>
	<u>208,245</u>	<u>\$ 60,712</u>	<u>(\$ 238)</u>	<u>\$ 2,200</u>	<u>\$ 96</u>	<u>271,015</u>
<u>Accumulated depreciation</u>						
Buildings and improvements	38,508	\$ 959	\$ -	\$ -	\$ -	39,467
Machinery and equipment	12,514	1,525	-	-	-	14,039
Transportation equipment	2,256	109	-	-	29	2,394
Office equipment	3,833	418	(214)	-	43	4,080
Miscellaneous equipment	<u>56</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>59</u>
	<u>57,167</u>	<u>\$ 3,013</u>	<u>(\$ 214)</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>60,039</u>
	<u>\$ 151,078</u>					<u>\$ 210,976</u>

No impairment losses were recognized or reversed for the three months ended March 31, 2025 and 2024.

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, \$69,447 thousand has been recorded as construction in progress. As of March 31, 2025, 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, 2025			
	Beginning Balance	Additions	Ending Balance
<u>Cost</u>			
Land	\$ 27,567	\$ -	\$ 27,567
Buildings and improvements	<u>58,215</u>	<u>-</u>	<u>58,215</u>
	85,782	<u>\$ -</u>	85,782
<u>Accumulated depreciation</u>			
Buildings and improvements	<u>14,692</u>	<u>\$ 293</u>	<u>14,985</u>
	<u>\$ 71,090</u>		<u>\$ 70,797</u>
For the Three Months Ended March 31, 2024			
<u>Cost</u>			
Land	\$ 27,567	\$ -	\$ 27,567
Buildings and improvements	<u>58,215</u>	<u>-</u>	<u>58,215</u>
	<u>85,782</u>	<u>\$ -</u>	<u>85,782</u>
<u>Accumulated depreciation</u>			
Buildings and improvements	<u>13,519</u>	<u>\$ 293</u>	<u>13,812</u>
	<u>\$ 72,263</u>		<u>\$ 71,970</u>

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 31,2025	December 31,2024	March 31,2024
Carrying amounts			
Land	\$ 187	\$ 203	\$ 253
Buildings and improvements	1,653	2,024	3,228
Transportation equipment	<u>6,730</u>	<u>5,073</u>	<u>4,499</u>
	<u>\$ 8,570</u>	<u>\$ 7,300</u>	<u>\$ 7,980</u>

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 2,625</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Land	\$ 16	\$ 17
Buildings and improvements	408	407
Transportation equipment	<u>968</u>	<u>657</u>
	<u>\$ 1,392</u>	<u>\$ 1,081</u>

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, 2025 and 2024.

b. Lease liabilities

	March 31,2025	December 31,2024	March 31,2024
Carrying amounts			
Current	<u>\$ 5,412</u>	<u>\$ 4,838</u>	<u>\$ 4,083</u>
Non-current	<u>\$ 3,426</u>	<u>\$ 2,720</u>	<u>\$ 4,116</u>

Range of discount rate for lease liabilities was as follows:

	March 31,2025	December 31,2024	March 31,2024
Land	5.84%	5.84%	5.84%
Buildings and improvements	4.45%	4.45%	4.45%-4.75%
Transportation equipment	5.74%-6.48%	5.74%-6.48%	5.74%-5.84%

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	
	2025	2024
Expenses relating to short-term leases	<u>\$ 152</u>	<u>\$ 520</u>
Expenses relating to low-value asset leases	<u>\$ 25</u>	<u>\$ 25</u>
Total cash outflow for leases	<u>(\$ 1,683)</u>	<u>(\$ 1,711)</u>

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 31,2025	December 31,2024	March 31,2024
Dividends	\$ 89,993	\$ -	\$ 101,464
Pension	33,893	968	938
Salaries and rewards	21,855	38,164	14,704
Compensation of employees and remuneration of directors	18,582	14,364	11,379
Payables for annual leave	3,976	3,973	3,475
Others	<u>7,101</u>	<u>7,448</u>	<u>6,688</u>
	<u>\$ 175,400</u>	<u>\$ 64,917</u>	<u>\$ 138,648</u>

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.

For the three months ended March 31, 2024, the pension expenses of defined benefit plans were \$112 thousand, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023.

16. EQUITY

a. ordinary shares

	March 31,2025	December 31,2024	March 31,2024
Shares authorized (in thousands of shares)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Shares authorized	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Shares issued and fully paid (in thousands of shares)	<u>44,997</u>	<u>44,997</u>	<u>44,115</u>
Shares issued	<u>\$ 449,969</u>	<u>\$ 449,969</u>	<u>\$ 441,146</u>

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

The company resolved to distribute 882 thousand shares as stock dividends at the annual shareholders' meeting in June 2024. The board of directors set July 29, 2024, as the ex-dividend date, and the distribution was approved by the Securities and Futures Bureau of the Financial Supervisory Commission as of June 18, 2024.

b. Capital surplus

	March 31,2025	December 31,2024	March 31,2024
Issuance of ordinary shares	\$ 261,040	\$ 261,040	\$ 261,040
Invalid employee shares	<u>66</u>	<u>66</u>	<u>66</u>
	<u>\$ 261,106</u>	<u>\$ 261,106</u>	<u>\$ 261,106</u>

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 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 10,264	\$ 9,503
Special reserve	13,363	10,465
Cash dividends	89,993	101,464
Stock dividends	-	8,823
Cash dividend per share (NT\$)	2	2.3
Stock dividends per share (NT\$)	-	0.2

The above appropriations for cash dividends had been approved by the board of directors in March, 2025 and 2024, respectively; the other proposed appropriations of earnings for 2023 had been approved in the shareholders' meeting in June, 2024, and the other appropriation of earnings for 2024 is subject to the resolution of the shareholders in their meeting to be held in June, 2025.

17. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Sales revenue		
Semiconductor products	\$ 160,192	\$ 117,798
Optoelectronics products	106,152	81,680
Other	3,669	4,442
	<u>270,013</u>	<u>203,920</u>
Service revenue	<u>31,138</u>	<u>34,154</u>
	<u>\$ 301,151</u>	<u>\$ 238,074</u>

Contract information

	March 31,2025	December 31,2024	March 31,2024	January 1,2024
Notes receivable and trade receivables	<u>\$ 597,897</u>	<u>\$ 550,569</u>	<u>\$ 475,767</u>	<u>\$ 443,473</u>

18. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on lease liabilities	<u>\$ 122</u>	<u>\$ 111</u>

b. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses	Total
<u>For the Three Months Ended March</u>			
<u>31, 2025</u>			
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
 <u>For the Three Months Ended March</u>			
<u>31, 2024</u>			
Employee benefits			
Salaries and bonuses	576	27,645	28,221
Labor and health insurance	32	1,240	1,272
Defined contribution plans	7	105	112
Other employee benefits	111	3,228	3,339
Depreciation expenses	417	3,970	4,387
Amortization expenses	-	48	48

19. COMPENSATION OF EMPLOYEES AND REMUNERATION OF DIRECTORS

According to the Articles of Incorporation of the Company, the Company accrues compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and the remuneration of directors.

Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company plans to obtain shareholders' approval at the 2025 Annual General Shareholder's Meeting to amend its Articles of Incorporation to specify that 10% of the annual amount allocated for employee remuneration shall be designated as remuneration for grassroots employees. For the three months ended March 31, 2025 and 2024, the compensation of employees (including grassroots employee remuneration) 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 2024 and 2023 which were resolved by the board of directors in March, 2025 and March 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
Compensation of employees	\$ 11,049	\$ 6,020
Remuneration of directors	3,315	2,528

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, 2024 and 2023.

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	
	2025	2024
Current tax		
In respect of the current year	\$ 5,603	\$ 2,972
Deferred tax		
In respect of the current year	883	2,991
Income tax expense recognized in profit or loss	<u>\$ 6,486</u>	<u>\$ 5,963</u>

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	
	2025	2024
<u>Deferred tax</u>		
In respect of the current period—unrealized		
Gain (Loss) on Financial Through Other		
Comprehensive Income	(\$ 299)	\$ -

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	
	2025	2024
Basic earnings per share	<u>\$ 0.79</u>	<u>\$ 0.69</u>
Diluted earnings per share	<u>\$ 0.79</u>	<u>\$ 0.69</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 29, 2024. The basic and diluted earnings per share adjusted for the three months ended March 31, 2024 were as follows:

	Unit: NT\$ Per Share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	\$ 0.70	\$ 0.69
Diluted earnings per share	\$ 0.70	\$ 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	
	2025	2024
Profit for the year attributable to owners of the Company	\$ 35,650	\$ 31,079

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	
	2025	2024
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	178	61
Weighted average number of ordinary shares used in the computation of diluted earnings per share	45,175	45,058

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 2024.

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

<u>March 31,2025</u>	Level 1	Leve2	Leve3	Total
Financial assets at financial assets at fair value through other comprehensive income				
Domestic unlisted shares	\$ _____	\$ _____	\$ <u>57,492</u>	\$ <u>57,492</u>

<u>December 31, 2024</u>				
Financial assets at financial assets at fair value through other comprehensive income				
Domestic and foreign unlisted shares	\$ _____	\$ _____	\$ <u>57,076</u>	\$ <u>57,076</u>

<u>March 31,2024</u>				
Financial assets at financial assets at fair value through other comprehensive income				
Domestic unlisted shares	\$ _____	\$ _____	\$ <u>49,312</u>	\$ <u>49,312</u>

There was no transfer of fair value measurements between Level 1 and Level 2 for for the three months ended March 31,2025 and 2024.

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	
<u>Financial assets</u>	2025	2024
Balance at the beginning of the year	\$ 57,076	\$ 64,603
Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income	<u>416</u>	(<u>15,291</u>)
Balance at the end of the year	\$ <u>57,492</u>	\$ <u>49,312</u>

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 31,2025	December 31,2024	March 31,2024
<u>Financial assets</u>			
Financial assets at amortized cost	\$ 864,187	\$ 890,130	\$ 746,031
Financial assets at FVTOCI	57,492	57,076	49,312
<u>Financial liabilities</u>			
Amortized cost	353,622	325,148	317,109

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 55%~58 % 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 %~47 % 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	
	2025	2024
USD	\$ 21,160	\$ 16,838

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 31,2025	December 31,2024	March 31,2024
Fair value interest rate risk			
Financial assets	\$ 156,875	\$ 201,718	\$ 140,417
Lease liabilities	8,838	7,558	8,199
Cash flow interest rate risk			
Financial assets	85,266	129,234	121,123

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, 2025 and 2024 would have increased/decreased by \$53 thousand and \$76 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, 2025, December 31, 2024 and March 31, 2024, the balances of accounts receivable from the top two customers were \$302,386 thousand, \$222,106 thousand and \$219,147 thousand, respectively. For the three months ended March 31, 2025 and 2024, 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 32% 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, 2025, December 31, 2024 and March 31, 2024, the Group had undrawn loan amounts are as follows:

	March 31,2025	December 31,2024	March 31,2024
Undrawn loan amounts	\$ 515,000	\$ 555,000	\$ 565,000

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.

	Less Than 1 Year	More than 1 Years
Non-derivative financial liabilities		
<u>March 31, 2025</u>		
Non-interest bearing	\$ 353,622	\$ -
Lease liabilities	<u>5,849</u>	<u>3,597</u>
	<u>\$ 359,471</u>	<u>\$ 3,597</u>
<u>December 31, 2024</u>		
Non-interest bearing	\$ 325,148	\$ -
Lease liabilities	<u>5,236</u>	<u>2,832</u>
	<u>\$ 330,384</u>	<u>\$ 2,832</u>

	Less Than 1 Year	More than 1 Years
Non-derivative financial liabilities <u>March 31, 2024</u>		
Non-interest bearing	\$ 317,109	\$ -
Lease liabilities	<u>4,374</u>	<u>4,262</u>
	<u>\$ 321,483</u>	<u>\$ 4,262</u>

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

<u>Related Party Name</u>	<u>Related Party Categories</u>
Simmtech Co., Ltd. (Simmtech)	Other related party
SI	Other related party
ENPLAS	Associate

2) Sales revenue

	<u>For the Three Months Ended March 31</u>	
<u>Related Party Category/Name</u>	<u>2025</u>	<u>2024</u>
Other related party		
SI	\$ 16,919	\$ 20,385
Simmtech	<u>5,293</u>	<u>3,449</u>
	<u>\$ 22,212</u>	<u>\$ 23,834</u>

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

	<u>For the Three Months Ended March 31</u>	
<u>Related Party Category</u>	<u>2025</u>	<u>2024</u>
Associate	<u>\$ 14</u>	<u>\$ 14</u>

4) Receivables to related parties

<u>Related Party Category/Name</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other related party			
SI			
Gross carrying amount	\$ 33,724	\$ 30,577	\$ 33,579
Less: Allowance for impairment loss	(<u>293</u>)	(<u>32</u>)	(<u>65</u>)
	<u>33,431</u>	<u>30,545</u>	<u>33,514</u>
Simmtech			
Gross carrying amount	17,309	13,445	6,328
Less: Allowance for impairment loss	(<u>411</u>)	(<u>222</u>)	(<u>14</u>)
	<u>16,898</u>	<u>13,223</u>	<u>6,314</u>
	<u>\$ 50,329</u>	<u>\$ 43,768</u>	<u>\$ 39,828</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2025 and 2024, an allowance for doubtful accounts of \$ 450 thousand and \$ (133) thousand was respectively reversed (recognized).

5) Other receivables

Related Party Category/Name	March 31,2025	December 31,2024	March 31,2024
Other related party			
Simmtech	\$ 1,332	\$ 628	\$ 472

6) Acquisition of financial assets

For the Three Months Ended March 31, 2024

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Other related party				
SI	Investments accounted for using the equity method	190 thousand shares	STNC	\$ 35,575

7) Remuneration of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 9,372	\$ 6,858
Post-employment benefits	100	100
	\$ 9,472	\$ 6,958

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 31,2025	December 31,2024	March 31,2024
Property, plant and equipment	\$ 66,121	\$ 66,407	\$ 67,267

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 31,2025 were as follows:

Unrecognized commitments were as follows:

	March 31,2025	December 31,2024	March 31,2024
Acquisition of property, plant and equipment	\$ 302,133	\$ 305,695	\$ 312,819

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, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>						
Monetary items						
USD	\$ 16,213	33.205	\$ 538,369	\$ 16,044	32.785	\$ 526,008
RMB	99	4.557	450	85	4.462	380
JPY	2,828	0.2230	631	-	-	-
 <u>Financial liabilities</u>						
Monetary items						
USD	3,468	33.205	115,166	4,162	32.785	136,446
	March 31, 2024					
	Foreign Currency	Exchange Rate	Carrying Amount			
<u>Financial assets</u>						
Monetary items						
USD	\$ 13,956	32.000	\$ 446,576			
RMB	87	4.392	382			
JPY	11,096	0.212	2,352			
 <u>Financial liabilities</u>						
Monetary items						
USD	3,432	32.000	109,822			

For the Three Months Ended March 31, 2025 and 2024, realized and unrealized net foreign exchange gains were \$5,581 thousand and \$12,504 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, 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	<u>\$ 300,736</u>	<u>\$ 5,635</u>	<u>\$ 190</u>	<u>(\$ 5,410)</u>	<u>\$ 301,151</u>
Segment income	<u>\$ 42,238</u>	<u>\$ 1,460</u>	<u>\$ 1,318</u>	<u>(\$ 2,758)</u>	<u>\$ 42,258</u>
Interest expense					(122)
Profit before tax (continuing operations)					<u>\$ 42,136</u>
<u>March 31, 2025</u>					
Non-current assets	<u>\$ 301,670</u>	<u>\$ 4,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,241</u>

For the Three Months Ended March 31, 2024	Domestic	Asia	Others	Adjustments and Eliminations	Consolidated
Revenue from customers other than the Company and consolidated subsidiaries	\$ 236,793	\$ 1,281	\$ -	\$ -	\$ 238,074
Revenue from the Company and consolidated subsidiaries	-	2,145	-	(2,145)	-
Segment Revenue	<u>\$ 236,793</u>	<u>\$ 3,426</u>	<u>\$ -</u>	<u>(\$ 2,145)</u>	<u>\$ 238,074</u>
Segment income	<u>\$ 37,115</u>	<u>(\$ 1,191)</u>	<u>(\$ 2,138)</u>	<u>\$ 3,367</u>	<u>\$ 37,153</u>
Interest expense					(111)
Profit before tax (continuing operations)					<u>\$ 37,042</u>
<u>March 31, 2024</u>					
Non-current assets	<u>\$ 295,017</u>	<u>\$ 5,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,546</u>

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.

Non-current assets exclude investments accounted for using the equity method, financial instruments, deferred tax assets, and other intangible assets.

b. Segment assets

The Group had not reported segment assets and liabilities information to operating decision maker, thus, disclosure thus disclosure is not necessary.

c. Major Products and Service Revenue

The main business operations of the Company and its subsidiaries involve the import, export, and sales of raw materials, components, and equipment required by various semiconductor and optoelectronic industries. All of these fall under a single category of products.

d. Information about major customers

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Customer A	\$ 91,134	30	\$ 52,681	22
Customer B	34,514	11	30,890	13
Customer C	24,964	8	26,368	11

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

March 31, 2025

(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	\$ 17,823	6	\$ 17,823	
	GST	Other related party	Financial assets at FVTOCI - non current	147,972	16,547	1	16,547	
	MCY	None	Financial assets at FVTOCI - non current	2,120,981	11,432	6	11,432	
	ELITING	None	Financial assets at FVTOCI - non current	335,925	11,087	12	11,087	
	QiangFang	None	Financial assets at FVTOCI - non current	435,000	603	15	603	
	PCCL	None	Financial assets at FVTOCI - non current	1,360,000	-	17	-	

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

TABLE 2

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31,2025
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31 , 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
The Company	Advanced	Samoa	General investment business and import-export trade	\$ 45,496	\$ 45,496	1,800,293	100	\$ 49,973	\$ 1,318	\$ 1,318	(Note 1)
	ENPLAS	Hsinchu City	Import and sale of electronic materials	52,621	52,621	633,000	30	170,710	28,011	8,387	
	STNC	Hongkong	General investment business and import-export trade	44,506	44,506	490,000	49	36,544	5,124	2,511	

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

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

TABLE 3

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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 Niching Suzhou	Note 1 Note 1	Other income	\$ 2	—	-
				Cost of goods sold	5,374	90 天	2
				Trade payables	5,412	—	-
				Other payables	274	—	-
				Sales revenue	36	90 天	-
				Trade receivables	36	—	-
				Other receivables	4	—	-

Note 1: Parent company to subsidiary.

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

TABLE 4

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For The Three Months Ended March 31 , 2025

(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, 2025	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain Loss (Note 3)	Carrying Amount as of March 31, 2025 (Note 3)	Accumulated Repatriation of Investment Income as of March 31,2025
					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)	\$ 1,440	100%	\$ 1,440	\$ 32,124	\$ -
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)	5,142	49%	2,520	34,715	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)	\$ 612,874

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, 2025, 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.