

Niching Industrial Corporation and Subsidiaries

**Consolidated Financial Statements for the Nine
Months Ended September 30, 2025 and 2024
and Independent Auditors' Review Report**

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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 September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the 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 described in Note 10, the financial statements of certain non-significant subsidiaries and in , investments accounted for using the equity method were prepared and not reviewed by the independent auditors as of and for the Nine Months Ended September 30, 2025 and 2024. Total assets of these subsidiaries amounted to \$ 53,420 thousand and \$ 45,996 thousand, representing 4% and 3% of the related consolidated totals, and total liabilities amounted to \$ 6,088 thousand and \$ 5,510 thousand, respectively, each accounting for 2% and 1% of the related consolidated totals, as at September 30, 2025 and 2024, respectively ; for the three months ended September 30, 2025 and 2024, the amounts of combined comprehensive income (loss) of these subsidiaries

were NT\$(1,046) thousand and NT\$534 thousand, representing (2%) and 5%, respectively, of the consolidated total comprehensive income, and for the nine months ended September 30, 2025 and 2024, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$557 thousand and NT\$59 thousand, representing 1% and 0%, respectively, of the consolidated total comprehensive income.

As described in Note 11 indicated, the un-reviewed balance of investment amounted to \$38,709 thousand and \$186,222 thousand; the recognized share of profits of associates under the equity method of these investments for the three months Ended September 30, 2025 and 2024, amounted to \$2,531 thousand and \$8,349 thousand, respectively ; for the nine months Ended September 30, 2025 and 2024, amounted to \$15,739 thousand and \$22,582 thousand, respectively. Additionally, the relevant information disclosed in Note 29 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 September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Jui-Lung Hsu, and Ting-Chien Su.s

Deloitte & Touche

Taipei, Taiwan

Republic of China

November 6, 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

(In Thousands of New Taiwan Dollars)

| ASSET | September 30, 2025 | | December 31, 2024 | | September 30, 2024 | |
|--------------------------------------------------------------------------------------------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| | Amount | % | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Notes 6) | \$ 472,295 | 34 | \$ 333,159 | 22 | \$ 299,668 | 21 |
| Notes receivable (Notes 7 and 18) | 75 | - | 202 | - | 61 | - |
| Trade receivables from unrelated parties(Notes 7 and 18) | 343,696 | 25 | 506,599 | 34 | 463,837 | 33 |
| Trade receivables from related parties(Notes 7, 18 and 25) | 56,848 | 4 | 43,768 | 3 | 47,695 | 3 |
| Other receivables (Notes 25) | 3,653 | - | 1,296 | - | 4,786 | - |
| Current income tax asset (Notes 4 and 21) | 4,915 | 1 | - | - | - | - |
| Inventories (Notes 8) | 55,832 | 4 | 60,611 | 4 | 53,267 | 4 |
| Other current assets | <u>10,327</u> | <u>1</u> | <u>5,646</u> | <u>-</u> | <u>7,194</u> | <u>1</u> |
| Total current assets | <u>947,641</u> | <u>69</u> | <u>951,281</u> | <u>63</u> | <u>876,508</u> | <u>62</u> |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through other comprehensive income - non-current (Notes 9) | 72,514 | 5 | 57,076 | 4 | 50,447 | 4 |
| Investments accounted for using the equity method (Notes 11 and 25) | 38,709 | 3 | 195,834 | 13 | 186,222 | 13 |
| Property, plant and equipment (Notes 12, 26 and 27) | 287,938 | 21 | 286,419 | 19 | 284,479 | 20 |
| Right-of-use assets (Notes 13) | 5,709 | - | 7,300 | - | 8,581 | 1 |
| Other intangible assets | 88 | - | 102 | - | 102 | - |
| Deferred tax assets (Notes 4 and 21) | 8,879 | 1 | 6,310 | - | 6,067 | - |
| Prepaid investments | 1,058 | - | 584 | - | 2,450 | - |
| Net Defined Benefit Asset - Non-current(Notes 4 and 16) | 12,139 | 1 | - | - | - | - |
| Other non-current assets | <u>7,937</u> | <u>-</u> | <u>7,600</u> | <u>1</u> | <u>6,966</u> | <u>-</u> |
| Total non-current assets | <u>434,971</u> | <u>31</u> | <u>561,225</u> | <u>37</u> | <u>545,314</u> | <u>38</u> |
| TOTAL | <u>\$ 1,382,612</u> | <u>100</u> | <u>\$ 1,512,506</u> | <u>100</u> | <u>\$ 1,421,822</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Notes 14) | \$ - | - | \$ - | - | \$ 10,000 | 1 |
| Notes payable | 7 | - | 1,290 | - | 155 | - |
| Trade payables | 271,630 | 20 | 315,611 | 21 | 265,694 | 19 |
| Other payables (Notes 15) | 53,356 | 4 | 64,917 | 4 | 51,767 | 3 |
| Current tax liabilities (Notes 4 and 21) | - | - | 14,302 | 1 | 10,288 | 1 |
| Lease liabilities - current (Notes 13) | 3,952 | - | 4,838 | 1 | 4,910 | - |
| Other current liabilities | <u>5,493</u> | <u>-</u> | <u>4,573</u> | <u>-</u> | <u>4,377</u> | <u>-</u> |
| | <u>334,438</u> | <u>24</u> | <u>405,531</u> | <u>27</u> | <u>347,191</u> | <u>24</u> |
| NON-CURRENT LIABILITIES | | | | | | |
| Deferred tax liabilities (Notes 4 and 21) | 5,380 | 1 | 6,452 | - | 6,565 | 1 |
| Lease liabilities - non-current (Notes 13) | 2,003 | - | 2,720 | - | 3,917 | - |
| Net defined benefit liabilities - non-current (Notes 4 and 16) | - | - | 22,719 | 2 | 16,623 | 1 |
| Guarantee deposits | <u>799</u> | <u>-</u> | <u>799</u> | <u>-</u> | <u>805</u> | <u>-</u> |
| Total non-current liabilities | <u>8,182</u> | <u>1</u> | <u>32,690</u> | <u>2</u> | <u>27,910</u> | <u>2</u> |
| Total liabilities | <u>342,620</u> | <u>25</u> | <u>438,221</u> | <u>29</u> | <u>375,101</u> | <u>26</u> |
| EQUITY | | | | | | |
| Ordinary shares | 449,969 | 32 | 449,969 | 30 | 449,969 | 32 |
| Capital surplus | 261,106 | 19 | 261,106 | 17 | 261,106 | 18 |
| Retained earnings | | | | | | |
| Legal reserve | 163,690 | 12 | 153,426 | 10 | 153,426 | 11 |
| Special reserve | 23,828 | 2 | 10,465 | 1 | 10,465 | 1 |
| Unappropriated earnings | 183,180 | 13 | 223,147 | 15 | 191,870 | 13 |
| Other equity | | | | | | |
| Exchange differences on translation of foreign financial statements | (8,074) | (1) | (3,189) | - | (4,074) | - |
| Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | <u>(33,707)</u> | <u>(2)</u> | <u>(20,639)</u> | <u>(2)</u> | <u>(16,041)</u> | <u>(1)</u> |
| Total equity | <u>1,039,992</u> | <u>75</u> | <u>1,074,285</u> | <u>71</u> | <u>1,046,721</u> | <u>74</u> |
| TOTAL | <u>\$ 1,382,612</u> | <u>100</u> | <u>\$ 1,512,506</u> | <u>100</u> | <u>\$ 1,421,822</u> | <u>100</u> |

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

(With Deloitte & Touche auditors' review report dated November 6, 2025)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

| | For the Three Months Ended September 30 | | | | For the Nine Months Ended September 30 | | | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----|------------|-------|----------------------------------------|-------|------------|-------|
| | 2025 | | 2024 | | 2025 | | 2024 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| SALES (Notes 18 and 25) | | | | | | | | |
| Sales revenue | \$ 278,529 | 91 | \$ 262,062 | 86 | \$ 835,721 | 90 | \$ 728,264 | 86 |
| Service revenue | 28,347 | 9 | 42,477 | 14 | 94,891 | 10 | 115,746 | 14 |
| SALES | 306,876 | 100 | 304,539 | 100 | 930,612 | 100 | 844,010 | 100 |
| COST OF GOODS SOLD (Notes 8 and 19) | 245,029 | 80 | 225,386 | 74 | 725,213 | 78 | 627,931 | 74 |
| GROSS PROFIT | 61,847 | 20 | 79,153 | 26 | 205,399 | 22 | 216,079 | 26 |
| OPERATING EXPENSES | | | | | | | | |
| Selling and marketing expenses (Notes 19) | 26,178 | 9 | 26,019 | 9 | 69,250 | 8 | 76,284 | 9 |
| General and administrative expenses (Notes 19) | 16,965 | 5 | 16,185 | 5 | 49,947 | 5 | 48,822 | 6 |
| Research and development expenses (Notes 19) | 9,105 | 3 | 8,715 | 3 | 26,891 | 3 | 24,354 | 3 |
| Expected credit loss (gain) (Notes 7) | - | - | (1) | - | - | - | 3,166 | - |
| Total operating expenses | 52,248 | 17 | 50,918 | 17 | 146,088 | 16 | 152,626 | 18 |
| PROFIT FROM OPERATIONS | 9,599 | 3 | 28,235 | 9 | 59,311 | 6 | 63,453 | 8 |
| NON-OPERATING INCOME AND EXPENSES | | | | | | | | |
| Share of profit or loss of subsidiaries and associates accounted for using the equity method (Note 11) | 2,531 | 1 | 8,349 | 3 | 15,739 | 2 | 22,582 | 3 |
| Interest income | 1,733 | 1 | 1,392 | 1 | 4,867 | 1 | 4,267 | - |
| Rental income | 893 | - | 898 | - | 2,678 | - | 2,900 | - |
| Dividend income | - | - | - | - | 10,742 | 1 | 1,680 | - |
| Other income (Note 25) | 303 | - | 459 | - | 1,896 | - | 1,399 | - |
| Gains on disposals of investment property | - | - | - | - | 20,895 | 2 | - | - |
| Net foreign exchange gain (loss) (Note 27) | 10,091 | 3 | (11,664) | (4) | (33,479) | (3) | 6,571 | 1 |
| Finance costs (Notes 19) | (95) | - | (151) | - | (331) | - | (359) | - |
| Other expenses | (2) | - | - | - | (178) | - | (1,530) | - |
| Total non-operating income and expenses | 15,454 | 5 | (717) | - | 22,829 | 3 | 37,510 | 4 |
| PROFIT BEFORE INCOME TAX | 25,053 | 8 | 27,518 | 9 | 82,140 | 9 | 100,963 | 12 |
| INCOME TAX EXPENSE (Notes 4 and 21) | 5,707 | 2 | 20,245 | 6 | 8,487 | 1 | 29,598 | 4 |
| NET PROFIT FOR THE PERIOD | 19,346 | 6 | 7,273 | 3 | 73,653 | 8 | 71,365 | 8 |
| 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 | 20,356 | 7 | 3,810 | 1 | (16,385) | (2) | (14,156) | (2) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 21) | (824) | - | (671) | - | 3,317 | 1 | (245) | - |
| | 19,532 | 7 | 3,139 | 1 | (13,068) | (1) | (14,401) | (2) |

(Continued)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | For the Three Months Ended September 30 | | | | For the Nine Months Ended September 30 | | | |
|------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------|------------------|----------|----------------------------------------|-------------|------------------|-------------|
| | 2025 | | 2024 | | 2025 | | 2024 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | | |
| Exchange differences on translating foreign operations | \$ 2,250 | 1 | \$ 44 | - | (\$ 2,729) | (1) | \$ 1,798 | - |
| Exchange differences on translation, associates and joint ventures accounted for using equity method | <u>1,734</u> | <u>-</u> | <u>340</u> | <u>-</u> | <u>(2,156)</u> | <u>-</u> | <u>2,954</u> | <u>1</u> |
| | <u>3,984</u> | <u>1</u> | <u>384</u> | <u>-</u> | <u>(4,885)</u> | <u>(1)</u> | <u>4,752</u> | <u>1</u> |
| Other comprehensive income for the year | <u>23,516</u> | <u>8</u> | <u>3,523</u> | <u>1</u> | <u>(17,953)</u> | <u>(2)</u> | <u>(9,649)</u> | <u>(1)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 42,862</u> | <u>14</u> | <u>\$ 10,796</u> | <u>4</u> | <u>\$ 55,700</u> | <u>6</u> | <u>\$ 61,716</u> | <u>7</u> |
| EARNINGS PER SHARE (Note 22) | | | | | | | | |
| Basic | <u>\$ 0.43</u> | | <u>\$ 0.16</u> | | <u>\$ 1.64</u> | | <u>\$ 1.59</u> | |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>\$ 0.43</u> | | <u>\$ 0.16</u> | | <u>\$ 1.63</u> | | <u>\$ 1.58</u> | |

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

(With Deloitte & Touche auditors' review report dated November 6, 2025)

(Concluded)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of the Corporation | | | | | Other Equity | | |
|--------------------------------------------------------------------------------|--------------------------------------------------|---------------------------|-----------------------------|-----------------|-------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------|
| | | | Retained Earnings (Note 17) | | | Exchange Differences on Translating the Financial Statements of Foreign Operations | Unrealized Gain (Loss) on Financial Through Other Comprehensive Income | Total Equity |
| | Ordinary Shares(Note 17) | Capital Surplus (Note 17) | 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 | | | | | | | | |
| Legal reserve | - | - | 9,503 | - | (9,503) | - | - | - |
| Special reserve | - | - | - | 10,465 | (10,465) | - | - | - |
| Cash dividends | - | - | - | - | (101,464) | - | - | (101,464) |
| Stock dividends | 8,823 | - | - | - | (8,823) | - | - | - |
| Net profit for the nine months ended September 30, 2024 | - | - | - | - | 71,365 | - | - | 71,365 |
| Other comprehensive income (loss) for the nine months ended September 30, 2024 | - | - | - | - | - | 4,752 | (14,401) | (9,649) |
| Total comprehensive income (loss) for the nine months ended September 30, 2024 | - | - | - | - | 71,365 | 4,752 | (14,401) | 61,716 |
| BALANCE AT SEPTEMBER 30, 2024 | \$ 449,969 | \$ 261,106 | \$ 153,426 | \$ 10,465 | \$ 191,870 | (\$ 4,074) | (\$ 16,041) | \$ 1,046,721 |
| 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 | | | | | | | | |
| Legal reserve | - | - | 10,264 | - | (10,264) | - | - | - |
| Special reserve | - | - | - | 13,363 | (13,363) | - | - | - |
| Cash dividends | - | - | - | - | (89,993) | - | - | (89,993) |
| Net profit for the nine months ended September 30, 2025 | - | - | - | - | 73,653 | - | - | 73,653 |
| Other comprehensive income (loss) for the nine months ended September 30, 2025 | - | - | - | - | - | (4,885) | (13,068) | (17,953) |
| Total comprehensive income (loss) for the nine months ended September 30, 2025 | - | - | - | - | 73,653 | (4,885) | (13,068) | 55,700 |
| BALANCE AT SEPTEMBER 30, 2025 | \$ 449,969 | \$ 261,106 | \$ 163,690 | \$ 23,828 | \$ 183,180 | (\$ 8,074) | (\$ 33,707) | \$ 1,039,992 |

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

(With Deloitte & Touche auditors' review report dated November 6, 2025)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

| | For the Nine Months Ended September 30 | |
|-----------------------------------------------------------------------------------------|---------------------------------------------------|---------------|
| | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 82,140 | \$ 100,963 |
| Adjustments for: | | |
| Depreciation expenses | 14,004 | 13,310 |
| Amortization expenses | 14 | 48 |
| Expected credit loss | - | 3,166 |
| Finance costs | 331 | 359 |
| Interest income | (4,867) | (4,267) |
| Dividend income | (10,742) | (1,680) |
| Share of profit of subsidiaries and associates accounted for using the equity method | (15,739) | (22,582) |
| Loss on disposal of property, plant and equipment | 2 | 308 |
| Loss on disposal of intangible assets | - | 473 |
| Gain on disposal of investments accounted for using the equity method | (20,895) | - |
| Impairment loss(income) recognized on non- financial assets | (960) | 3,029 |
| Unrealized foreign currency exchange loss (gain) | 4,201 | (2,884) |
| Amortization of prepayments | 2,088 | 1,521 |
| Changes in operating assets and liabilities | | |
| Notes receivable | 127 | (20) |
| Trade receivables | 144,681 | (66,508) |
| Other receivables | (2,321) | (3,474) |
| Inventories | 5,736 | 10,726 |
| Prepayments | (4,732) | (104) |
| Other current assets | (1,283) | (787) |
| Notes payable | (43,279) | 30,529 |
| Trade payables | (10,896) | 1,110 |
| Other payables | (3,980) | 205 |
| Other current liabilities | (34,858) | (4,210) |
| Cash generated from operations | 98,772 | 59,231 |
| Interest received | 4,837 | 4,812 |
| Interest paid | (331) | (359) |
| Income tax paid | (23,113) | (35,574) |
| Net cash generated from operating activities | <u>80,165</u> | <u>28,110</u> |

(Continued)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

| | For the Nine Months Ended September 30 | |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------|
| | 2025 | 2024 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of investments accounted for using equity method | \$ - | (\$ 35,628) |
| Net cash generated from disposal of investments accounted for using the equity method | 159,780 | - |
| Payments for property, plant and equipment | (10,109) | (69,808) |
| Proceeds from disposal of property, plant and equipment | 4 | 1,202 |
| Increase in refundable deposits | (502) | (670) |
| Increase in other non-current assets | (1,966) | (895) |
| Increase in prepayments for machinery and equipment | (2,314) | (3,704) |
| Dividends received | <u>10,742</u> | <u>75,453</u> |
| Net cash generated from (used in) investing activities | <u>155,635</u> | (<u>34,050</u>) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term loans | - | 10,000 |
| Increase in guarantee deposits received | - | 6 |
| Repayment of the principal portion of lease liabilities | (4,144) | (3,321) |
| Cash dividends paid | (<u>89,993</u>) | (<u>101,464</u>) |
| Net cash used in financing activities | (<u>94,137</u>) | (<u>94,779</u>) |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES | (<u>2,527</u>) | <u>1,590</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 139,136 | (99,129) |
| 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>\$ 472,295</u> | <u>\$ 299,668</u> |

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

(With Deloitte & Touche auditors' review report dated November 6, 2025)

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 November 6, 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

| <u>New, Amended and Revised Standards and Interpretations</u> | <u>Effective Date Announced by IASB</u> |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity” | January 1, 2026 |
| Annual Improvements to IFRS Accounting Standards - Volume 11 | January 1, 2026 |
| IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17) | January 1, 2023 |

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

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.

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 and will disclose the relevant impact when the assessment is completed.

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

| <u>New, Amended and Revised Standards and Interpretations</u> | <u>Effective Date Announced by IASB(Note 1)</u> |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| 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 Disclosure 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 |

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”

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

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-----------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| Cash on hand | \$ 914 | \$ 962 | \$ 1,130 |
| Checking accounts and demand deposits | 147,547 | 130,479 | 162,934 |
| Cash equivalents | | | |
| Investments with original maturities for 3 months or less | <u>323,834</u> | <u>201,718</u> | <u>135,604</u> |
| | <u>\$ 472,295</u> | <u>\$ 333,159</u> | <u>\$ 299,668</u> |

7. NOTES RECEIVABLE AND TRADE RECEIVABLES

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-------------------------------------|------------------------------|-----------------------------|------------------------------|
| <u>Notes receivable</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$ 75 | \$ 202 | \$ 61 |
| Less: Allowance for impairment loss | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 75</u> | <u>\$ 202</u> | <u>\$ 61</u> |
| <u>Trade receivables</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$ 404,818 | \$ 554,641 | \$ 515,813 |
| Less: Allowance for impairment loss | <u>(4,274)</u> | <u>(4,274)</u> | <u>(4,281)</u> |
| | <u>\$ 400,544</u> | <u>\$ 550,367</u> | <u>\$ 511,532</u> |

The average collection period for selling products and rendering services of the Group is 75 to 150 days, excluding accounts receivable. The Group's policy is to only engage in transactions with counterparties rated investment grade or higher (inclusive), and to obtain sufficient collateral, if necessary, to mitigate the risk of financial loss due to defaults. The Group evaluates the creditworthiness of its major customers using publicly available financial information and historical transaction records. It continuously monitors credit exposures and the credit ratings of counterparties, and diversifies total transaction amounts among credit-rated qualified customers. Additionally, the management annually reviews and approves credit limits for counterparties to manage credit exposures.

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 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 trade receivables:

| | Less than 150 days | 151 to 365 Days | Over 365 Days | The transaction partner has shown signs of default | Total |
|-------------------------------|-----------------------|--------------------|------------------|----------------------------------------------------------------|-------------------|
| September 30, 2025 | | | | | |
| Expected credit loss rate (%) | - | 0.05-30.85 | 100 | 100 | |
| Gross carrying amount | \$ 389,491 | \$ 12,230 | \$ 34 | \$ 3,138 | \$ 404,893 |
| Loss allowance | - | (1,102) | (34) | (3,138) | (4,274) |
| Amortized cost | <u>\$ 389,491</u> | <u>\$ 11,128</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 400,619</u> |
| December 31, 2024 | | | | | |
| 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> |
| September 30, 2024 | | | | | |
| Expected credit loss rate (%) | - | 0-23.38 | 100 | 100 | |
| Gross carrying amount | \$ 510,774 | \$ 1,938 | \$ - | \$ 3,162 | \$ 515,874 |
| Loss allowance | - | (1,119) | - | (3,162) | (4,281) |
| Amortized cost | <u>\$ 510,774</u> | <u>\$ 819</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 511,593</u> |

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

| | For the Nine Months Ended September 30 | |
|-------------------------------------|-----------------------------------------------|-----------------|
| | 2025 | 2024 |
| Balance at January 1 | \$ 4,274 | \$ 1,115 |
| Net remeasurement of loss allowance | - | 3,166 |
| Balance at September 30 | <u>\$ 4,274</u> | <u>\$ 4,281</u> |

8. INVENTORIES

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-------------|----------------------|---------------------|----------------------|
| Merchandise | \$ 55,832 | \$ 60,611 | \$ 53,267 |

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2025 and 2024 was \$245,029 thousand and \$225,386 thousand, respectively, and the cost of inventories recognized as cost of goods sold for the nine months ended September 30, 2025 and 2024 was \$725,213 thousand and \$627,931 thousand, respectively.

Operating costs include the following items:

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|---------------------------------------------------------|--------------------------------------------|--------|-------------------------------------------|----------|
| | 2025 | 2024 | 2025 | 2024 |
| Inventory loss from write-down (reversal of write-down) | (\$ 469) | \$ 104 | (\$ 960) | \$ 3,029 |

The recovery of the net realizable value of inventories is due to the clearance of inventory.

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

| Name of Investee Company | September 30,2025 | December 31,2024 | September 30,2024 |
|------------------------------------------------------------------|----------------------|---------------------|----------------------|
| Unlisted ordinary shares | | | |
| Enplas niching technology corporation (ENPLAS) (Notes 11) | \$ 32,853 | \$ - | \$ - |
| Global Simmtech Co., Ltd. (GST) | 12,918 | 15,827 | 17,942 |
| Ming Chun Yuan Micro Precise Technology Co., Ltd. (MCY) | 12,366 | 12,302 | - |
| Eliting Technology Corporation (ELITING) | 10,603 | 11,173 | 10,181 |
| Advanced Processing Equipment Technology Co., Ltd. (APET) | 3,372 | 17,048 | 22,324 |
| QiangFang Technology Co., Ltd. (QiangFang) | 402 | 726 | - |
| Precision Chemtech Company Limited (PCCL) | - | - | - |
| | \$ 72,514 | \$ 57,076 | \$ 50,447 |

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 | | |
|-------------|-----------------------------------|------------------|-------------------|------------------|-------------------|
| | | | September 30,2025 | December 31,2024 | September 30,2024 |
| 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 Nine Months Ended September 30, 2025 and 2024.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| Investee | September 30,2025 | | December 31,2024 | | September 30,2024 | |
|------------------------------------------------------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|
| | Carrying Amount | % of Ownership | Carrying Amount | % of Ownership | Carrying Amount | % of Ownership |
| Private entity Enplas niching technology corporation (ENPLAS) | \$ - | - | \$ 162,323 | 30 | \$ 154,475 | 30 |
| STNC Hong Kong Holdings Limited (STNC) | <u>38,709</u> | 49 | <u>33,511</u> | 49 | <u>31,747</u> | 49 |
| | <u>\$ 38,709</u> | | <u>\$ 195,834</u> | | <u>\$ 186,222</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%.

The Group originally accounted for its 29.97% equity investment in ENPLAS using the equity method in 2024. On April 1, 2025, the Group disposed of 24.49% of its equity for \$159,780 thousand, resulting in the loss of significant influence. The remaining 5% equity interest was reclassified as a financial asset measured at fair value through other comprehensive income, with a fair value of \$31,823 thousand on the disposal date. The gain recognized in profit or loss 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 | <u>2</u> |
| Recognized gain | <u>\$ 20,895</u> |

The gain recognized for the Nine Months Ended September 30, 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).

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

| | September 30,2025 | December 31,2024 | September 30,2024 |
|------------------------------------|----------------------|---------------------|----------------------|
| Assets used by the Company | \$ 231,275 | \$ 215,329 | \$ 213,095 |
| Assets subject to operating leases | <u>56,663</u> | <u>71,090</u> | <u>71,384</u> |
| | <u>\$ 287,938</u> | <u>\$ 286,419</u> | <u>\$ 284,479</u> |

a. Assets used by the Company

| For the Nine Months Ended September 30, 2025 | | | | | | |
|----------------------------------------------|----------------------|------------------|--------------------|------------------------|----------------------------|-------------------|
| | Beginning Balance | Additions | Disposals | Reclassified Amount | Translation Adjustments | Ending Balance |
| <u>Cost</u> | | | | | | |
| Land | \$ 42,733 | \$ - | \$ - | \$ 5,966 | \$ - | \$ 48,699 |
| Buildings and improvements | 116,272 | 228 | - | 13,447 | - | 129,947 |
| Machinery and equipment | 28,017 | 1,438 | - | 320 | - | 29,775 |
| Transportation equipment | 1,470 | - | - | - | (41) | 1,429 |
| Office equipment | 10,753 | 854 | (59) | - | (156) | 11,392 |
| Miscellaneous equipment | 100 | - | - | - | (5) | 95 |
| Construction in progress | <u>65,885</u> | <u>7,124</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>73,009</u> |
| | <u>265,230</u> | <u>\$ 9,644</u> | <u>(\$ 59)</u> | <u>\$ 19,733</u> | <u>(\$ 202)</u> | <u>294,346</u> |
| <u>Accumulated depreciation</u> | | | | | | |
| Buildings and improvements | 32,760 | \$ 2,316 | \$ - | \$ 4,346 | \$ - | 39,422 |
| Machinery and equipment | 12,085 | 4,876 | - | - | - | 16,961 |
| Transportation equipment | 129 | 261 | - | - | (1) | 389 |
| Office equipment | 4,862 | 1,531 | (53) | - | (109) | 6,231 |
| Miscellaneous equipment | <u>65</u> | <u>5</u> | <u>-</u> | <u>-</u> | <u>(2)</u> | <u>68</u> |
| | <u>49,901</u> | <u>\$ 8,989</u> | <u>(\$ 53)</u> | <u>\$ 4,346</u> | <u>(\$ 112)</u> | <u>63,071</u> |
| | <u>\$ 215,329</u> | | | | | <u>\$ 231,275</u> |
| For the Nine Months Ended September 30, 2024 | | | | | | |
| | Beginning Balance | Additions | Disposals | Reclassified Amount | Translation Adjustments | Ending Balance |
| <u>Cost</u> | | | | | | |
| Land | \$ 42,733 | \$ - | \$ - | \$ - | \$ - | \$ 42,733 |
| Buildings and improvements | 123,990 | 996 | - | 776 | - | 125,762 |
| Machinery and equipment | 29,104 | 230 | (827) | 1,400 | - | 29,907 |
| Transportation equipment | 3,884 | - | (2,186) | 580 | 78 | 2,356 |
| Office equipment | 8,437 | 2,445 | (364) | 224 | 148 | 10,890 |
| Miscellaneous equipment | 97 | - | - | - | 4 | 101 |
| Construction in progress | <u>-</u> | <u>65,885</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>65,885</u> |
| | <u>208,245</u> | <u>\$ 69,556</u> | <u>(\$ 3,377)</u> | <u>\$ 2,980</u> | <u>\$ 230</u> | <u>277,634</u> |
| <u>Accumulated depreciation</u> | | | | | | |
| Buildings and improvements | 38,508 | \$ 2,905 | \$ - | \$ - | \$ - | 41,413 |
| Machinery and equipment | 12,514 | 4,457 | (543) | - | - | 16,428 |
| Transportation equipment | 2,256 | 337 | (984) | - | 70 | 1,679 |
| Office equipment | 3,833 | 1,355 | (340) | - | 107 | 4,955 |
| Miscellaneous equipment | <u>56</u> | <u>5</u> | <u>-</u> | <u>-</u> | <u>3</u> | <u>64</u> |
| | <u>57,167</u> | <u>\$ 9,059</u> | <u>(\$ 1,867)</u> | <u>\$ -</u> | <u>\$ 180</u> | <u>64,539</u> |
| | <u>\$ 151,078</u> | | | | | <u>\$ 213,095</u> |

No impairment losses were recognized or reversed for the Nine Months Ended September 30, 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 consolidated company resolved in the board of directors 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. As of September 30, 2025 and 2024, amounts of NT\$73,009 thousand and NT\$65,885 thousand, respectively, have been recorded as Construction in Progress according to the payment schedule. As of September 30, 2025, the property has not yet been inspected or handed over. Please refer to Note 27.

Property, plant and equipment used by the Company pledged as collateral for bank borrowings are set out in Note 26.

b. Assets subject to operating leases

| For the Nine Months Ended September 30, 2025 | | | | |
|-----------------------------------------------------|------------------------------|------------------|--------------------------------|---------------------------|
| | Beginning Balance | Additions | Reclassified Amount | Ending Balance |
| <u>Cost</u> | | | | |
| Land | \$ 27,567 | \$ - | (\$ 5,966) | \$ 21,601 |
| Buildings and improvements | <u>58,215</u> | <u>-</u> | <u>(11,927)</u> | <u>46,288</u> |
| | 85,782 | <u>\$ -</u> | <u>(\$ 17,893)</u> | 67,889 |
| <u>Accumulated depreciation</u> | | | | |
| Buildings and improvements | <u>14,692</u> | <u>\$ 880</u> | <u>(\$ 4,346)</u> | <u>11,226</u> |
| | <u>\$ 71,090</u> | | | <u>\$ 56,663</u> |
| For the Nine Months Ended September 30, 2024 | | | | |
| <u>Cost</u> | | | | |
| Land | \$ 27,567 | \$ - | \$ - | \$ 27,567 |
| Buildings and improvements | <u>58,215</u> | <u>-</u> | <u>-</u> | <u>58,215</u> |
| | 85,782 | <u>\$ -</u> | <u>\$ -</u> | 85,782 |
| <u>Accumulated depreciation</u> | | | | |
| Buildings and improvements | <u>13,519</u> | <u>\$ 879</u> | <u>\$ -</u> | <u>14,398</u> |
| | <u>\$ 72,263</u> | | | <u>\$ 71,384</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 26.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

| | September 30,2025 | December 31,2024 | September 30,2024 |
|------------------------------------------------|----------------------------------------------------|---------------------|---------------------------------------------------|
| <u>Carrying amounts</u> | | | |
| Land | \$ 152 | \$ 203 | \$ 220 |
| Buildings and improvements | 772 | 2,024 | 2,467 |
| Transportation equipment | <u>4,785</u> | <u>5,073</u> | <u>5,894</u> |
| | <u>\$ 5,709</u> | <u>\$ 7,300</u> | <u>\$ 8,581</u> |
| | <u>For the Three Months Ended September 30</u> | | <u>For the Nine Months Ended September 30</u> |
| | <u>2025</u> | <u>2024</u> | <u>2025</u> <u>2024</u> |
| Additions to right-of-use assets | | | <u>\$ 2,625</u> <u>\$ 2,817</u> |
| Depreciation charge for right-of-use assets | | | |
| Land | \$ 17 | \$ 17 | \$ 51 \$ 50 |
| Buildings and improvements | 378 | 419 | 1,171 1,243 |
| Transportation equipment | <u>939</u> | <u>765</u> | <u>2,913</u> <u>2,079</u> |
| | <u>\$ 1,334</u> | <u>\$ 1,201</u> | <u>\$ 4,135</u> <u>\$ 3,372</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 Nine Months Ended September 30, 2025 and 2024.

b. Lease liabilities

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-------------------------|----------------------|---------------------|----------------------|
| <u>Carrying amounts</u> | | | |
| Current | <u>\$ 3,952</u> | <u>\$ 4,838</u> | <u>\$ 4,910</u> |
| Non-current | <u>\$ 2,003</u> | <u>\$ 2,720</u> | <u>\$ 3,917</u> |

Range of discount rate for lease liabilities was as follows:

| | September 30,2025 | December 31,2024 | September 30,2024 |
|----------------------------|------------------------------|-----------------------------|------------------------------|
| 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 September 30 | | For the Nine Months Ended September 30 | |
|---------------------------------------------|----------------------------------------------------|---------------|---------------------------------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Expenses relating to short-term leases | <u>\$ 113</u> | <u>\$ 244</u> | <u>\$ 352</u> | <u>\$ 1,144</u> |
| Expenses relating to low-value asset leases | <u>\$ 31</u> | <u>\$ 18</u> | <u>\$ 76</u> | <u>\$ 64</u> |
| Total cash outflow for leases | | | <u>(\$ 4,903)</u> | <u>(\$ 4,846)</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. SHORT TERM BORROWINGS

| | |
|---------------------------------------|------------------------------|
| | September 30,2024 |
| Line of credit borrowings | <u>\$ 10,000</u> |
| <u>Rate of interest per annum (%)</u> | |
| Line of credit borrowings | 2.05 |

15. OTHER PAYABLES

| | September 30,2025 | December 31,2024 | September 30,2024 |
|---------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| Salaries and rewards | \$ 29,563 | \$ 38,164 | \$ 29,544 |
| Compensation of employees and remuneration of directors | 8,223 | 14,364 | 10,107 |
| Payables for annual leave | 3,960 | 3,973 | 3,473 |
| Others | <u>11,610</u> | <u>8,416</u> | <u>8,643</u> |
| | <u>\$ 53,356</u> | <u>\$ 64,917</u> | <u>\$ 51,767</u> |

16. 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 19, (b) Employee Benefits Expenses, Depreciation, and Amortization.

For the three months ended September 30, 2024, and the nine months ended September 30, 2024, the pension expenses of defined benefit plans were \$114 thousand and \$344 thousand, respectively. These were calculated based on the pension cost rate determined by the actuarial valuation as of December 31, 2023.

17. EQUITY

a. ordinary shares

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| 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>44,997</u> |
| Shares issued | <u>\$ 449,969</u> | <u>\$ 449,969</u> | <u>\$ 449,969</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

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 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 20.

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 dividends were distributed according to the resolutions made by the Board of Directors in March 2025 and 2024, respectively. The remaining profit distribution items were also resolved at the annual shareholders' meetings in June 2025 and 2024, respectively.

18. REVENUE

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|--------------------------|-----------------------------------------|-------------------|----------------------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Sales revenue | | | | |
| Semiconductor products | \$ 192,556 | \$ 152,797 | \$ 529,899 | \$ 405,684 |
| Optoelectronics products | 81,319 | 105,461 | 292,965 | 306,580 |
| Other | 4,654 | 3,804 | 12,857 | 16,000 |
| | 278,529 | 262,062 | 835,721 | 728,264 |
| Service revenue | 28,347 | 42,477 | 94,891 | 115,746 |
| | <u>\$ 306,876</u> | <u>\$ 304,539</u> | <u>\$ 930,612</u> | <u>\$ 844,010</u> |

Contract information

| | September 30, 2025 | December 31, 2024 | September 30, 2024 | January 1, 2024 |
|----------------------------------------|--------------------|-------------------|--------------------|-------------------|
| Notes receivable and trade receivables | <u>\$ 400,619</u> | <u>\$ 550,569</u> | <u>\$ 511,593</u> | <u>\$ 443,473</u> |

19. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|-------------------------------|-----------------------------------------|---------------|----------------------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| Interest on lease liabilities | \$ 95 | \$ 109 | \$ 331 | \$ 317 |
| Interest on bank loans | - | 42 | - | 42 |
| | <u>\$ 95</u> | <u>\$ 151</u> | <u>\$ 331</u> | <u>\$ 359</u> |

b. Employee benefits expense, depreciation and amortization expenses

| | Operating Costs | Operating Expenses | Total |
|------------------------------------------------------|-----------------|--------------------|-----------|
| <u>For the Three Months Ended September 30, 2025</u> | | | |
| Employee benefits | | | |
| Salaries and bonuses | \$ 818 | \$ 32,115 | \$ 32,933 |
| Defined contribution plans | 38 | 1,292 | 1,330 |
| Defined benefit plans | - | - | - |
| Other employee benefits | 147 | 3,728 | 3,875 |
| Depreciation expenses | 292 | 4,366 | 4,658 |
| Amortization expenses | - | - | - |

| | Operating Costs | Operating Expenses | Total |
|----------------------------------------------------------------|----------------------------|-------------------------------|--------------|
| <u>For the Three Months Ended</u> <u>September 30, 2024</u> | | | |
| Employee benefits | | | |
| Salaries and bonuses | \$ 799 | \$ 30,580 | \$ 31,379 |
| Defined contribution plans | 35 | 1,244 | 1,279 |
| Defined benefit plans | 7 | 107 | 114 |
| Other employee benefits | 126 | 3,613 | 3,739 |
| Depreciation expenses | 416 | 4,073 | 4,489 |
| Amortization expenses | - | - | - |
| <u>For the Nine Months Ended</u> <u>September 30, 2025</u> | | | |
| Employee benefits | | | |
| Salaries and bonuses | 2,166 | 88,614 | 90,780 |
| Defined contribution plans | 112 | 3,712 | 3,824 |
| Defined benefit plans | - | (1,734) | (1,734) |
| Other employee benefits | 403 | 11,071 | 11,474 |
| Depreciation expenses | 784 | 13,220 | 14,004 |
| Amortization expenses | - | 14 | 14 |
| <u>For the Nine Months Ended</u> <u>September 30, 2024</u> | | | |
| Employee benefits | | | |
| Salaries and bonuses | 2,053 | 90,636 | 92,689 |
| Defined contribution plans | 102 | 3,699 | 3,801 |
| Defined benefit plans | 21 | 323 | 344 |
| Other employee benefits | 351 | 9,913 | 10,264 |
| Depreciation expenses | 1,250 | 12,060 | 13,310 |
| Amortization expenses | - | 48 | 48 |

20. 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 six months ended September 30, 2025 and 2024, the compensation of employees (including grassroots employee remuneration) and the remuneration of directors were as follows:

Accrual rate

| | For the Nine Months Ended September 30 | |
|---------------------------|-----------------------------------------------|-------------|
| | 2025 | 2024 |
| Compensation of employees | 7% | 7% |
| Remuneration of directors | 2.1% | 2.1% |

Amount

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|---------------------------|------------------------------------------------|-------------|-----------------------------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Compensation of employees | \$ 1,929 | \$ 2,120 | \$ 6,325 | \$ 7,775 |
| Remuneration of directors | \$ 579 | \$ 635 | \$ 1,898 | \$ 2,332 |

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.

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|---------------------------------------|------------------------------------------------|------------------|-----------------------------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Current tax | | | | |
| In respect of the current year | \$ 1,871 | \$ 17,724 | \$ 11,122 | \$ 27,734 |
| Adjustment for prior years | - | - | (2,311) | (2,599) |
| | <u>1,871</u> | <u>17,724</u> | <u>8,811</u> | <u>25,135</u> |
| Deferred tax | | | | |
| In respect of the current year | 3,836 | 561 | (324) | 2,503 |
| Adjustment for prior years | - | 1,960 | - | 1,960 |
| | <u>3,836</u> | <u>2,521</u> | <u>(324)</u> | <u>4,463</u> |
| Income tax expense recognized in loss | <u>\$ 5,707</u> | <u>\$ 20,245</u> | <u>\$ 8,487</u> | <u>\$ 29,598</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 September 30 | | For the Nine Months Ended September 30 | |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------|---------------------------------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| <u>Deferred tax income</u> <u>(expenses)</u> | | | | |
| In respect of the current period— unrealized Gain (Loss) on Financial Through Other Comprehensive Income | (\$ 824) | (\$ 671) | \$ 3,317 | (\$ 245) |

c. The tax returns of the Company through 2023 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

| | For the Three Months Ended September 30 | | Unit: NT\$ Per Share For the Nine Months Ended September 30 | |
|----------------------------|----------------------------------------------------|-------------|----------------------------------------------------------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Basic earnings per share | \$ 0.43 | \$ 0.16 | \$ 1.64 | \$ 1.59 |
| Diluted earnings per share | \$ 0.43 | \$ 0.16 | \$ 1.63 | \$ 1.58 |

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 September 30 | | For the Nine Months Ended September 30 | |
|-----------------------------------------------------------------|----------------------------------------------------|-------------|---------------------------------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Profit for the year attributable to owners of the Company | \$ 19,346 | \$ 7,273 | \$ 73,653 | \$ 71,365 |

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

| | Unit: Thousand shares | | | |
|--------------------------------------------------------------------------------------------------|-----------------------------------------|---------------|----------------------------------------|---------------|
| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 44,997 | 44,997 | 44,997 | 44,997 |
| Effect of potentially dilutive ordinary shares : Compensation of employees | <u>110</u> | <u>86</u> | <u>151</u> | <u>99</u> |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>45,107</u> | <u>45,083</u> | <u>45,148</u> | <u>45,096</u> |

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.

23. 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.

24. 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>September 30, 2025</u> | Level 1 | Leve2 | Leve3 | Total |
|---------------------------------------------------------------------------------------|-------------|-------------|------------------|------------------|
| Financial assets at financial assets at fair value through other comprehensive income | | | | |
| Domestic unlisted shares | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 72,514</u> | <u>\$ 72,514</u> |

| <u>December 31,2024</u> | Level 1 | Leve2 | Leve3 | Total |
|---------------------------------------------------------------------------------------|----------------|--------------|--------------|--------------|
| Financial assets at financial assets at fair value through other comprehensive income | | | | |
| Domestic unlisted shares | \$ - | \$ - | \$ 57,076 | \$ 57,076 |

| <u>September 30,2024</u> | | | | |
|---------------------------------------------------------------------------------------|------|------|-----------|-----------|
| Financial assets at financial assets at fair value through other comprehensive income | | | | |
| Domestic unlisted shares | \$ - | \$ - | \$ 50,447 | \$ 50,447 |

There was no transfer of fair value measurements between Level 1 and Level 2 for for the Nine Months Ended September 30,2025 and 2024.

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

| | Financial assets at fair value through other comprehensive income | |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------|
| | Equity instruments | |
| | For the Nine Months Ended September 30 | |
| <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 | (16,385) | (14,156) |
| Reclassification | 31,823 | - |
| Balance at the end of the year | \$ 72,514 | \$ 50,447 |

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. Its fair value is computed in reference to investment assets.

c. Categories of financial instruments

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-----------------------------------------|------------------------------|-----------------------------|------------------------------|
| <u>Financial assets</u> | | | |
| Financial assets at amortized cost | \$ 882,145 | \$ 890,130 | \$ 821,159 |
| Financial assets at FVTOCI | 72,514 | 57,076 | 50,447 |
| <u>Financial liabilities</u> | | | |
| Financial liabilities at amortized cost | 283,006 | 325,148 | 284,306 |

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 53%~59 % 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 28.

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 Nine Months Ended September 30 | |
| | 2025 | 2024 |
| USD | \$ 9,581 | \$ 19,922 |

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:

| | September 30,2025 | December 31,2024 | September 30,2024 |
|-------------------------------|------------------------------|-----------------------------|------------------------------|
| Fair value interest rate risk | | | |
| Financial assets | \$ 323,834 | \$ 201,718 | \$ 135,604 |
| Lease liabilities | 5,955 | 7,558 | 18,827 |
| Cash flow interest rate risk | | | |
| Financial assets | 146,520 | 129,234 | 162,434 |

Sensitivity analysis

If interest rates had been 0.25% basis points higher/lower and all other variables been held constant, the Group's pretax profits for the Nine Months Ended September 30, 2025 and 2024 would have increased/decreased by \$275 thousand and \$305 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 September 30, 2025, December 31, 2024 and September 30, 2024, the balances of accounts receivable from the top two customers were \$163,609 thousand, \$222,106 thousand and \$205,771 thousand, respectively. For the Nine Months Ended September 30, 2025 and 2024, the concentration of credit risk for these companies did not exceed 25% 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 September 30, 2025, December 31, 2024 and September 30, 2024, the Group had undrawn loan amounts are as follows:

| | September 30,2025 | December 31,2024 | September 30,2024 |
|----------------------|------------------------------|-----------------------------|------------------------------|
| Undrawn loan amounts | \$ 515,000 | \$ 555,000 | \$ 555,000 |

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 | 1 Years to 5 Years |
|---------------------------------------------|-----------------------------|---------------------------|
| Non-derivative financial liabilities | | |
| <u>September 30,2025</u> | | |
| Non-interest bearing | \$ 283,006 | \$ - |
| Lease liabilities | <u>4,223</u> | <u>2,076</u> |
| | <u>\$ 287,229</u> | <u>\$ 2,076</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> |
| <u>September 30,2024</u> | | |
| Non-interest bearing | \$ 274,306 | \$ - |
| Lease liabilities | <u>5,357</u> | <u>4,083</u> |
| Fixed-Rate Liability | <u>10,000</u> | <u>-</u> |
| | <u>\$ 289,663</u> | <u>\$ 4,083</u> |

25. 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) Service revenue

| Related Party Category/Name | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|----------------------------------------|----------------------------------------------------|------------------|---------------------------------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Other related party | | | | |
| SI | \$ 18,371 | \$ 25,122 | \$ 55,689 | \$ 70,320 |
| Simmtech | <u>5,660</u> | <u>7,633</u> | <u>15,178</u> | <u>16,080</u> |
| | <u>\$ 24,031</u> | <u>\$ 32,755</u> | <u>\$ 70,867</u> | <u>\$ 86,400</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

| Related Party Category/Name | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|----------------------------------------|----------------------------------------------------|--------------|---------------------------------------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| Associate | | | | |
| ENPLAS | <u>\$ -</u> | <u>\$ 15</u> | <u>\$ 14</u> | <u>\$ 43</u> |

4) Receivables to related parties

| Related Party Category/Name | September 30,2025 | December 31,2024 | September 30,2024 |
|----------------------------------------|------------------------------|-----------------------------|------------------------------|
| Other related party | | | |
| SI | | | |
| Gross carrying amount | \$ 42,181 | \$ 30,577 | \$ 35,256 |
| Less: Allowance for impairment loss | (<u>336</u>) | (<u>32</u>) | (<u>2</u>) |
| | <u>41,845</u> | <u>30,545</u> | <u>35,254</u> |
| Simmtech | | | |
| Gross carrying amount | 15,321 | 13,445 | 12,499 |
| Less: Allowance for impairment loss | (<u>318</u>) | (<u>222</u>) | (<u>58</u>) |
| | <u>15,003</u> | <u>13,223</u> | <u>12,441</u> |
| | <u>\$ 56,848</u> | <u>\$ 43,768</u> | <u>\$ 47,695</u> |

For the three months ended September 30, 2025 and 2024, and the nine months ended September 30, 2025 and 2024, the Group recognized (reversed) allowance for doubtful accounts of \$275 thousand, \$(10) thousand, \$400 thousand, and \$(152) thousand, respectively, for outstanding receivables from related parties without guarantees.

5) Other receivables

| Related Party Category/Name | September 30,2025 | December 31,2024 | September 30,2024 |
|------------------------------------|------------------------------|-----------------------------|------------------------------|
| Other related party | | | |
| Simmtech | <u>\$ 570</u> | <u>\$ 628</u> | <u>\$ 2,045</u> |

6) Acquisition of financial assets

For the Nine Months Ended September 30, 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 | <u>\$ 35,575</u> |

7) Remuneration of key management personnel

| | For the Three Months Ended September 30 | | For the Nine Months Ended September 30 | |
|------------------------------|----------------------------------------------------|-----------------|---------------------------------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Short-term employee benefits | \$ 8,800 | \$ 9,531 | \$ 24,746 | \$ 25,238 |
| Post-employment benefits | <u>81</u> | <u>98</u> | <u>262</u> | <u>303</u> |
| | <u>\$ 8,881</u> | <u>\$ 9,629</u> | <u>\$ 25,008</u> | <u>\$ 25,541</u> |

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

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| Property, plant and equipment | <u>\$ 65,548</u> | <u>\$ 66,407</u> | <u>\$ 66,694</u> |

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at September 30, 2025 were as follows:

Unrecognized commitments were as follows:

| | September 30, 2025 | December 31, 2024 | September 30, 2024 |
|-------------------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Acquisition of property, plant and equipment | <u>\$ 298,571</u> | <u>\$ 305,695</u> | <u>\$ 305,695</u> |

28. 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:

| | September 30, 2025 | | | December 31, 2024 | | |
|------------------------------|---------------------|------------------|--------------------|---------------------|------------------|--------------------|
| | Foreign Currency | Exchange Rate | Carrying Amount | Foreign Currency | Exchange Rate | Carrying Amount |
| <u>Financial assets</u> | | | | | | |
| Monetary items | | | | | | |
| USD | \$ 9,386 | 30.445 | \$ 285,744 | \$ 16,044 | 32.785 | \$ 526,008 |
| RMB | 186 | 4.255 | 791 | 85 | 4.462 | 380 |
| <u>Financial liabilities</u> | | | | | | |
| Monetary items | | | | | | |
| USD | 3,092 | 30.445 | 94,147 | 4,162 | 32.785 | 136,446 |
| | September 30, 2024 | | | | | |
| | Foreign Currency | Exchange Rate | Carrying Amount | | | |
| <u>Financial assets</u> | | | | | | |
| Monetary items | | | | | | |
| USD | \$ 16,331 | 31.65 | \$ 516,867 | | | |
| RMB | 97 | 4.507 | 438 | | | |
| JPY | 12,776 | 0.222 | 2,836 | | | |
| <u>Financial liabilities</u> | | | | | | |
| Monetary items | | | | | | |
| USD | 3,741 | 31.65 | 118,418 | | | |

For three months and nine months ended September 30, 2025 and 2024, realized and unrealized net foreign exchange gains (losses) were \$10,091 thousand, \$(11,664) thousand, \$(33,479) thousand, and \$6,571 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 and functional currencies of the entities in the Group.

29. 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:
- The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 3.
 - The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 3.
 - The amount of property transactions and the amount of the resultant gains or losses: None.
 - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
 - The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
 - 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.

30. 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

| <u>For the Nine Months Ended</u> <u>September 30, 2025</u> | Domestic | Asia | Others | Adjustments and Eliminations | Consolidated |
|----------------------------------------------------------------------------|-------------------|------------------|-------------------|---------------------------------------------|---------------------|
| Income from customers other than the Company and consolidated subsidiaries | \$ 923,933 | \$ 2,300 | \$ 4,379 | \$ - | \$ 930,612 |
| Income from the Company and consolidated subsidiaries | 392 | 10,349 | - | (10,741) | - |
| Total departmental income | <u>\$ 924,325</u> | <u>\$ 12,649</u> | <u>\$ 4,379</u> | <u>(\$ 10,741)</u> | <u>\$ 930,612</u> |
| Department profit and loss | <u>\$ 82,427</u> | <u>\$ 397</u> | <u>\$ 3,285</u> | <u>(\$ 3,638)</u> | <u>\$ 82,471</u> |
| Interest expense | | | | | (331) |
| Net profit before tax from continuing operations | | | | | <u>\$ 82,140</u> |
| <u>September 30, 2025</u> | | | | | |
| Non-current assets | <u>\$ 311,507</u> | <u>\$ 3,274</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 314,781</u> |
| <u>For the Nine Months Ended</u> <u>September 30, 2024</u> | | | | | |
| Income from customers other than the Company and consolidated subsidiaries | \$ 839,644 | \$ 4,187 | \$ 179 | \$ - | \$ 844,010 |
| Income from the Company and consolidated subsidiaries | - | 10,696 | - | (10,696) | - |
| Total departmental income | <u>\$ 839,644</u> | <u>\$ 14,883</u> | <u>\$ 179</u> | <u>(\$ 10,696)</u> | <u>\$ 844,010</u> |
| Department profit and loss | <u>\$ 101,220</u> | <u>\$ 390</u> | <u>(\$ 1,740)</u> | <u>\$ 1,452</u> | <u>\$ 101,322</u> |
| Interest expense | | | | | (359) |
| Net profit before tax from continuing operations | | | | | <u>\$ 100,963</u> |
| <u>September 30, 2024</u> | | | | | |
| Non-current assets | <u>\$ 297,821</u> | <u>\$ 4,655</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 302,476</u> |

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

Non-current assets do not include 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 the chief operating decision maker. Thus, no disclosure is made.

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 Nine Months Ended September 30 | | | |
|------------|-----------------------------------------------|----------|---------------|----------|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| Customer A | \$ 287,892 | 31 | \$ 192,352 | 23 |
| Customer B | 99,918 | 11 | 103,368 | 12 |
| Customer C | 81,955 | 9 | 93,670 | 11 |

TABLE 1

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

September 30, 2025

(In Thousands of New Taiwan Dollars / Per share)

| Holding Company Name | Type and Name of Marketable Securities | Relationship with the Holding Company | Financial Statement Account | September 30, 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 | \$ 3,372 | 6 | \$ 3,372 | |
| | GST | Other related party | Financial assets at FVTOCI - non current | 147,972 | 12,918 | 1 | 12,918 | |
| | MCY | None | Financial assets at FVTOCI - non current | 2,120,981 | 12,366 | 6 | 12,366 | |
| | ELITING | None | Financial assets at FVTOCI - non current | 335,925 | 10,603 | 12 | 10,603 | |
| | QiangFang | None | Financial assets at FVTOCI - non current | 435,000 | 402 | 15 | 402 | |
| | PCCL | None | Financial assets at FVTOCI - non current | 1,360,000 | - | 17 | - | |
| | ENPLAS | None | Financial assets at FVTOCI - non current | 105,600 | 32,853 | 5 | 32,853 | |

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 NINE MONTHS ENDED SEPTEMBER 30 ,2025
(In Thousands of New Taiwan Dollars)**

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount | | As of September 30, 2025 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|------------------|------------------|----------|-----------------------------------------------------|----------------------------|-------------------|--------------------------|-----|-----------------|-----------------------------------|------------------------|------------|
| | | | | September 30, 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 | \$ 48,336 | \$ 3,286 | \$ 3,286 | (Note 1) |
| | STNC | Hongkong | General investment business and import-export trade | 44,506 | 44,506 | 490,000 | 49 | 38,709 | 15,003 | 7,351 | |

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 NINE MONTHS ENDED SEPTEMBER 30 ,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 | \$ 21 | — | - |
| | | | | Cost of goods sold | 10,349 | 90 days | 1 |
| | | | | Trade payables | 1,081 | — | - |
| | | | | Other payables | 291 | — | - |
| | | | | Sales revenue | 392 | 90 days | - |
| | | | | Trade receivables | 337 | — | - |
| | | | | Other payables | 73 | — | - |
| | | | | Other receivables | 32 | — | - |

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 NINE MONTHS ENDED SEPTEMBER 30 ,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 September 30, 2025 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain Loss (Note 3) | Carrying Amount as of September 30, 2025 (Note 3) | Accumulated Repatriation of Investment Income as of September 30,2025 |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------|----------------------------------------------------------------------------------|---------------------|--------|-------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|---------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------|
| | | | | | 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) | \$ 352 | 100% | \$ 352 | \$ 28,998 | \$ - |
| 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) | 15,098 | 49% | 7,398 | 37,347 | 65,304 |

| Accumulated Outward Remittance for Investments in Mainland China as of September 30, 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) | \$ 623,995 |

Note 1: This investment project has been approved by the Investment Commission, with an investment amount of USD \$3,238 thousand. However, as of September 30, 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.