Stock Code: 7730

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
AND
INDEPENDENT AUDITORS' REVIEW REPORT

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Nano Electronics and Micro System Technologies, Inc.

Introduction

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

Scope of Review

We conducted our reviews in accordance with Statement of Review Standards No. 2410, "Review of Financial Information Performed by the Independent Review of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Unqualified Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, its consolidated financial performance for the three months ended march 31, 2026 and 2025 and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuo Ming Lee and Yi Ling Kuo.

Crowe (TW) CPAs
Kaohsiung, Taiwan (Republic of China)
May 8 , 2026

<u>*Notice to Readers*</u>

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
Assets	Note	Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6(1)	$478,754	38	$543,381	42	$465,629	44
Financial assets at fair value through profit or loss - current	6(2)	5,229	-	5,331	-	5,359	-
Notes receivable, net	6(3)	13	-	97	-	333	-
Accounts receivable, net	6(4)	226,142	18	287,974	22	221,029	20
Other receivables		2,177	-	1,501	-	477	-
Inventories	6(5)	93,307	7	75,086	6	94,296	8
Prepayments		10,927	1	8,263	1	15,499	1
Other financial assets - current	6(6),8	161,763	13	75,715	6	16,605	1
Total current assets		978,312	77	997,348	77	819,227	74
NONCURRENT ASSETS							
Property, plant and equipment	6(7,8)	264,022	21	265,111	21	264,990	23
Intangible assets	6(8)	965	-	1,245	-	1,631	-
Deferred income tax assets	6(22)	6,907	1	7,342	1	7,141	1
Prepayment for equipment		-	-	302	-	-	-
Refundable deposits		2,905	-	1,938	-	1,189	-
Net defined benefit assets - noncurrent	6(12)	66	-	69	-	79	-
Other financial assets - noncurrent	6(6),8	15,000	1	15,000	1	16,605	2
Total noncurrent assets		289,865	23	291,007	23	291,635	26
TOTAL ASSESTS		$1,268,177	100	$1,288,355	100	$1,110,862	100

Liabilities and Equity	Note	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
CURRENT LIABLITIES							
Contract liabilities - current	6(16)	$18,314	1	$14,963	1	$42,559	4
Accounts payable		75,175	6	85,629	7	97,183	9
Other payables	6(9)	81,528	7	62,347	5	67,844	6
Current income tax liability		8,378	1	6,045	-	9,473	1
Provisions - current	6(10)	6,016	-	4,886	-	3,196	-
Current portion of long-term loans	6(11)	10,624	1	11,582	1	16,461	1
Total current liabilities		200,035	16	185,452	14	236,716	21
NONCURRENT LIABILITIES							
Long-term loans	6(11)	93,079	8	105,363	9	141,556	13
Deferred income tax liabilities	6(22)	1,017	-	441	-	1,116	-
Long-term deferred revenue	6(11)	4,657	-	4,772	-	11,276	1
Total noncurrent liabilities		98,753	8	110,576	9	153,948	14
TOTAL LIABILITIES		298,788	24	296,028	23	390,664	35
EQUITY							
Equity attributable to owners of parent							
Share capital	6(13)						
Common stock		367,968	28	367,968	29	288,598	26
Capital surplus	6(14)	248,516	20	248,516	19	55,390	5
Retained earnings	6(15)						
Legal reserve		88,196	7	88,196	7	79,502	7
Special reserve		-	-	-	-	126	-
Unappropriated retained earnings		264,565	21	287,666	22	296,438	27
Other equity		144	-	(19)	-	144	-
Total equity attributable to owners of the parent		969,389	76	992,327	77	720,198	65
TOTAL EQUITY		969,389	76	992,327	77	720,198	65
TOTAL LIABILITIES AND EQUITY		$1,268,177	100	$1,288,355	100	$1,110,862	100

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

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NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		Three Months Ended March 31			
		2026		2025	
Item	Note	Amount	%	Amount	%
OPERATING REVENUES	6(16)	$92,232	100	$83,131	100
OPERATING COSTS	6(5)	(49,944)	(54)	(47,869)	(58)
GROSS PROFIT		42,288	46	35,262	42
OPERATING EXPENSES					
Sales and marketing expenses		(7,261)	(8)	(11,697)	(14)
General and administrative expenses		(18,661)	(21)	(16,558)	(20)
Research and development expenses		(6,770)	(7)	(6,283)	(8)
Expected credit gain (loss)	6(4)	1,554	2	(2,063)	(2)
Total operating expenses		(31,138)	(34)	(36,601)	(44)
INCOME (LOSS) FROM OPERATIONS		11,150	12	(1,339)	(2)
NON-OPERATING INCOME AND EXPENSES					
Interest income	6(18)	2,276	2	993	1
Other income	6(19)	433	-	544	1
Other gains and losses	6(20)	3,945	6	4,264	5
Finance costs	6(21)	(649)	(1)	(819)	(1)
Total non-operating income and expenses		6,005	7	4,982	6
INCOME (LOSS) BEFORE INCOME TAX		17,155	19	3,643	4
INCOME TAX BENEFIT (EXPENSE)	6(22)	(3,459)	(4)	(764)	(1)
NET INCOME (LOSS)		13,696	15	2,879	3
OTHER COMPREHENSIVE INCOME (LOSS)	6(23)				
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		163	-	127	-
Total other comprehensive income (loss) , net of income tax		163	-	127	-
TOTAL COMPREHENSIVE INCOME (LOSS)		$13,859	15	$3,006	3

Item	Note	Three Months Ended March 31			
		2026		2025	
		Amount	%	Amount	%
NET INCOME (LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent		$13,696	15	$2,879	3
Non-controlling interests		-	-	-	-
Total		$13,696	15	$2,879	3
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Shareholders of the parent		$13,859	15	$3,006	3
Non-controlling interests		-	-	-	-
Total		$13,859	15	$3,006	3
EARNINGS PER SHARE					
Basic	6(24)	$0.37		$0.08	
Diluted	6(24)	$0.37		$0.08	

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

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent							
	Capital Stock		Retained Earnings			Others Equity		
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating foreign Operations	Total Equity Attributable to Shareholders of the Parent	Total Equity
BALANCE AT JANUARY 1, 2025	$288,598	$55,390	$79,502	$126	$322,419	$17	$746,052	$746,052
Appropriations and distributions of prior year' s earnings:								
Cash dividends	-	-	-	-	(28,860)	-	(28,860)	(28,860)
Net income for the three months ended March 31, 2025	-	-	-	-	2,879	-	2,879	2,879
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	127	127	127
Total comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	2,879	127	3,006	3,006
BALANCE AT MARCH 31, 2025	$288,598	$55,390	$79,502	$126	$296,438	$144	$720,198	$720,198
BALANCE AT JANUARY 1, 2026	$367,968	$248,516	$88,196	$ -	$287,666	($19)	$992,327	$992,327
Appropriations and distributions of prior year' s earnings:								
Cash dividends	-	-	-	-	(36,797)	-	(36,797)	(36,797)
Net income for the three months ended March 31, 2026	-	-	-	-	13,696	-	13,696	13,696
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	163	163	163
Total comprehensive income for the three months ended March 31, 2026, net of income tax	-	-	-	-	13,696	163	13,859	13,859
BALANCE AT MARCH 31, 2026	$367,968	$248,516	$88,196	$ -	$264,565	$144	$969,389	$969,389

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

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Item	Three Months Ended March 31 2026	Three Months Ended March 31 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$17,155	$3,643
Adjustments for:		
Income and expenses having no effect on cash flows:		
Depreciation expense	4,531	3,821
Amortization expense	280	405
Expected credit loss (gain)	(1,554)	2,063
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	102	86
Interest expense	649	819
Interest income	(2,276)	(993)
Others	(115)	(237)
Total adjustments to reconcile profit and loss	1,617	5,964
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decerase (increase) in notes receivable	84	(138)
Decrease (increase) in accounts receivable	63,386	9,727
Decrease (increase) in other receivables	189	(210)
Decrease (increase) in inventories	(21,593)	(31,682)
Decrease (increase) in prepayments	(2,664)	(4,883)
Decrease (increase) in other operating assets	3	(79)
Total net changes in operating assets	39,405	(27,265)
Net changes in operating liabilities		
Increase (decrease) in contract liabilities	3,351	13,847
Increase (decrease) in accounts payable	(10,454)	25,288
Increase (decrease) in other payables	(16,634)	(16,624)
Increase (decrease) in provisions	1,130	(811)
Increase (decrease) in net defined benefit liabilities	-	(16)
Total net changes in operating liabilities	(22,607)	21,684
Total net changes in operating assets and liabilities	16,798	(5,581)
Total adjustments	18,415	383
Cash generated from (used in) operations	35,570	4,026
Interest received	1,411	993
Interest paid	(536)	(681)
Income tax refund (paid)	(115)	(95)
Net cash generated from (used in) operating activities	36,330	4,243

Item	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	($1,089)	($20)
Increase in refundable deposits	(967)	-
Decrease in refundable deposits	-	274
Increase in other financial assets	(86,048)	(420)
Decrease in prepayment for equipment	302	-
Net cash generated from (used in) investing activities	(87,802)	(166)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(13,355)	(4,049)
Net cash generated from (used in) financing activities	(13,355)	(4,049)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	200	127
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(64,627)	155
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	543,381	465,474
CASH AND CASH EQUIVALENTS, END OF PERIOD	$478,754	$465,629

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

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Stated Otherwise)

1. GENERAL INFORMATION

Nano Electronics and Micro System Technologies, Inc. (collectively as the "Company") was incorporated in June 2002. The Company primary business activities encompass wholesale distribution of electronic materials, mechanical materials, electrical appliances, international trade, wholesale of other mechanical equipment (plasma cleaning devices), manufacturing of other electrical and electronic machinery and equipment (plasma cleaning devices). In November 2021, our company relocated its operational base to the Tainan Technology Industrial Park. On March 18, 2024, the Company's common shares were registered as Emerging Stock and commenced trading on the Emerging Stock Board. On August 24, 2025, the listing application on the Taiwan Innovation Board (TIB) was approved by the Board of Directors of the Taiwan Stock Exchange (TWSE) upon re-examination. Subsequently, the Company's shares were officially listed and commenced trading on the Taiwan Innovation Board on November 4, 2025. The principal operating activities of the Company and its subsidiaries (collectively as the "Group") are described in Note 4(3)B. In addition, the Company has no ultimate parent company.

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

2. THE AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on May 8, 2026.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

(1) Effect of adoption of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC):

New standards, interpretations and amendments endorsed by the FSC and effective from 2026 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026

New IFRSs	Effective Date Announced by IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

(1) Clarifies and provides additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The scope includes contractual terms that may alter cash flows based on contingent events (e.g., interest rates linked to ESG targets), instruments with nonrecourse features, and contractually linked instruments.

(2) Introduce new disclosure requirements for certain instruments with contractual terms that may alter cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance (ESG) targets). These disclosures include a qualitative description of the nature of the contingent event, quantitative information on the potential changes in contractual cash flows resulting from these contractual terms, and the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to these contractual terms.

(3) Clarifies the recognition and derecognition dates of certain financial assets and liabilities and introduces a new exception for the derecognition of a financial liability (or part of a financial liability) settled through an electronic payment system. Under this exception, an entity is permitted to derecognize a financial liability before the settlement date if, and only if, the entity has initiated a payment instruction and the following conditions are met:

A. The entity does not have the practical ability to revoke, stop, or cancel the payment instruction;

B. The entity no longer has the practical ability to access the cash used for settlement as a result of the payment instruction; and

C. The settlement risk associated with the electronic payment system is not significant.

(4) Update the disclosure requirements for equity instruments designated at fair value through other comprehensive income (FVTOCI). The entity shall disclose the fair value of each class of investment but is no longer required to disclose the fair value of each individual investment. Additionally, the amendments require the entity to disclose the fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains or losses related to investments derecognized during the reporting period; the fair value gains or losses

related to investments held at the end of the reporting period; and any transfers of cumulative gains or losses within equity during the reporting period related to investments derecognized during that period.

2. Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

The amendments apply to contracts that expose an entity to variability in electricity generation due to uncontrollable natural conditions (such as the weather). These amendments include:

(1) Clarifying the application of the ‘own use’ requirements for contracts to buy or sell nature-dependent electricity:

When a contract requires an entity to purchase and take delivery of electricity as it is generated, and the design and operation of the electricity market in which the contract is transacted require the entity to sell any unused electricity within a specified time frame, the entity shall consider reasonable and supportable information regarding its past, current, and expected future electricity transactions within a reasonable period not exceeding 12 months.

An entity applying these amendments to own-use contracts involving nature-dependent electricity shall disclose the following:

A. The variability in the underlying amount of electricity and the risk that the entity may be required to purchase electricity during a delivery interval in which it cannot use electricity;

B. Unrecognized contractual commitments, including the expected future cash flows from purchasing electricity under these contracts; and

C. The impact of these contracts on the entity’s financial performance for the reporting period.

(2) Clarifying the application of hedge accounting for contracts involving nature-dependent electricity as hedging instruments:

An entity is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that aligns with the variable amount of nature-dependent electricity expected to be delivered by the generation facility referenced in the hedging instrument. Additionally, when a contract involving nature-dependent electricity is designated as a hedging instrument in a cash flow hedge relationship, and its cash flows are conditional on the occurrence of a forecast transaction, that forecast transaction is presumed to be highly probable.

For entities that designate contracts involving nature-dependent electricity as hedging instruments, the terms and conditions of such hedging instruments shall be disclosed by risk category in accordance with IFRS 7.

Based on the Group's assessment, the above standards and interpretations do not have a significant impact on the Group's financial position and financial performance.

(2) Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted: None.

(3) Effect of the IFRSs issued by IASB but not yet endorsed and issued into effect by FSC：

New IFRSs	Effective Date Announced by IASB
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 A)
IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note A: On September 25, 2025, the Financial Supervisory Commission (FSC) announced in its press release that public companies shall apply for IFRS 18 starting from fiscal year 2028. In addition, entities that wish to early adopt IFRS 18 may elect to do so after the FSC has endorsed IFRS 18.

1. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendment resolves the difference between IFRS10 and IAS28, transactions in which investors sell (invest) assets to their affiliated companies or joint ventures. Recognition of the gain or loss from the sale or contribution of assets depends on whether the assets constitute a business.

(A) The gain or loss resulting from the sale or contribution of assets that constitute a business between an investor and its associate or joint venture is recognized in full;

(B) The partial gain or loss recognition for transactions between an investor and its associate or joint venture only applies to the gain or loss resulting from the sale or contribution of assets that do not constitute a business.

2. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 and update the structure of the consolidated income statement. Added new disclosures on management performance measurement and strengthened the aggregation and segmentation principles applied to the main financial statements and notes.

3. IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”

IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements instead of the disclosure requirements in other IFRS Accounting Standards.

4. IAS 21 "Translation to a Hyperinflationary Presentation Currency"

This amendment introduces a requirement that, when translating from a functional currency of a non hyperinflationary economy into a presentation currency of a hyperinflationary economy, all amounts, including comparative amounts, shall be translated using the closing rate at the end of the most recent reporting period. The amendment also provides an exception whereby, if both the functional currency and the presentation currency are currencies of hyperinflationary economies, and the foreign operation is an entity with a functional currency of a non hyperinflationary economy, comparative amounts are not required to be retranslated. In addition, the amendment requires disclosures that include the translation method applied and summarized financial information of the foreign operations to which the translation method is applied.

As of the date the company consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2025. These policies have been consistently applied to all the periods presented unless otherwise stated.

(1) Compliance statement

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting”, endorsed and issued into effect by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

a. Financial assets at fair value through profit or loss.

b. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

a. All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

b. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

c. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

e. When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. The consolidated entities were as follows:

Subsidiary	Main Businesses	Percentage of Ownership March 31, 2026	December 31, 2025	March 31, 2025
Stable Promise Group Co., Ltd.	Investments	100.00%	100.00%	100.00%
Kunshan Branch of NEMS Technologies Co., Ltd.	Trade of electronic components and post-sales services	100.00%	100.00%	100.00%

a. The above-mentioned subsidiaries included in the consolidated financial report were all non-significant subsidiaries, and their financial reports have been reviewed by independent auditors.

b. Changes in subsidiaries: None.

C. Subsidiaries not included in the consolidated financial reports: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Material restrictions: None.

F. Contents of the parent company's securities held by subsidiaries: None.

G. Subsidiaries that have non-controlling interest that are material to the Group: None.

(4)Income tax

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's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

(5) Retirement benefits

The 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 curtailments, settlements, or other significant one-off events.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

Except for the following, please refer to Note 6 to the consolidated financial statements for the year ended December 31, 2025.

(1) Cash and cash equivalents

Item	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$618	$723	$395
Demand deposits	192,442	245,191	360,828
Foreign currency deposits	30,895	103,816	104,406
Cash equivalents			
Repurchase Agreement Notes maturing within three months	254,799	193,651	-
Total	$478,754	$543,381	$465,629

A. The financial institutions dealing with the Group are creditworthy, and the Group makes transactions with a number of financial institutions to diversify credit risk that are unlikely to be expected to default.

B. The Group had no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

Item	March 31, 2026	December 31, 2025	March 31, 2025
Non-derivative financial assets			
Mutual funds	$5,229	$5,331	$5,359

A. The Group recognized net gain (loss) on financial assets and liabilities at FVTPL were ($102) thousand and ($86) thousand for the three months ended March 31, 2026 and 2025, respectively.

B. The Group had no financial assets at fair value through profit or loss pledged to others.

C. Please refer to Note 12(3) for credit risk management and evaluation method.

(3) Notes receivable, net

Item	March 31, 2026	December 31, 2025	March 31, 2025
At amortized cost			
Notes receivable	$13	$97	$333
Less: Loss allowance	-	-	-
Net	$13	$97	$333

A. The Group had no notes receivable pledged to others.

B. Please refer to Note 6(4) for the relevant disclosure of loss allowance for notes receivable.

(4) Accounts receivable, net

Item	March 31, 2026	December 31, 2025	March 31, 2025
At amortized cost			
Accounts receivable	$226,831	$290,217	$227,215
Less: Loss allowance	(689)	(2,243)	(6,186)
Net	$226,142	$287,974	$221,029

A. The accounts receivable that were neither past due nor impaired were following the Group's credit policy determined by reference to the industry characteristics, operation scale and current financial position of the counterparties. The average credit period on sales of goods for equipment was 3-6 months (except for the final payment, the final payment is generally about 10%-20%, and the credit period is based on the agreement, usually after the expiration of the warranty period.).

B. The Group had no account receivable pledged to others.

C. The Group applies the simplified approach to provisions for expected credit losses, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit losses on trade receivables are estimated by reference to preparation matrix, past account aging records of the debtor, an analysis of the debtor's current financial position, and industrial trend. The Group classifies receivables based on the characteristics of trade credit risk associated with each customer's location and determines the expected credit loss rates according to the number of days notes and accounts receivable are overdue.

D. The Group measures the loss allowance for notes receivable, accounts receivable according to the preparation matrix:

March 31, 2026	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%	$195,827	$ -	$195,827
Past due within 30 days	0%-1%	2,449	(24)	2,425
Past due 31-90 days	0%-1%	1,752	(4)	1,748
Past due 91-180 days	0%-5%	9,044	-	9,044
Past due 181-365 days	0%-20%	17,772	(661)	17,111
Past over 1 year	0%-100%	-	-	-
Counterparties show signs of default	100%	-	-	-
Total		$226,844	($689)	$226,155

December 31, 2025	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%	$252,635	$ -	$252,635
Past due within 30 days	0%-1%	2,397	(2)	2,395
Past due 31-90 days	0%-1%	16,076	-	16,076
Past due 91-180 days	0%-5%	1,556	-	1,556
Past due 181-365 days	0%-20%	17,643	(2,234)	15,409
Past over 1 year	0%-50%	-	-	-
Counterparties show signs of default	100%	7	(7)	-
Total		$290,314	($2,243)	$288,071

March 31, 2025	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0%-0.05%	$139,380	($2)	$139,378
Past due within 30 days	0%-1%	3,950	(40)	3,910
Past due 31-90 days	0%-1%	27,182	(241)	26,941
Past due 91-180 days	0%-5%	43,620	(2,181)	41,439
Past due 181-365 days	0%-20%	9,276	(1,151)	8,125
Past over 1 year	0%-50%	3,137	(1,568)	1,569
Counterparties show signs of default	100%	1,003	(1,003)	-
Total		$227,548	($6,186)	$221,362

E. Movements of the loss allowance for notes and accounts receivable were as follows:

Item	Three Months Ended March 31	
	2026	2025
Beginning balance	$2,243	$4,123
Add: Provision for impairment	-	2,063
Less: Reversal of impairment	(1,554)	-
Ending balance	$689	$6,186

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 of the receivable. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss. The Group’s trade receivables for offsetting the contract amount are both $0 thousand for the three months ended March 31, 2026 and 2025.

F. Please refer to Note 12 regarding the relevant credit risk management and assessment method.

(5) Inventories and operating costs

Item	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$32,676	$21,106	$31,152
Merchandise inventory	6,535	6,614	3,506
Work in process	54,096	47,366	59,182
Finished goods	-	-	456
Total	$93,307	$75,086	$94,296

A. The related inventory (gain) loss recognized as operating cost were as follows:

	Three Months Ended March 31	
Item	2026	2025
Cost of goods sold	$33,915	$37,504
Costs associated with maintenance	14,903	7,604
Processing cost	224	4
Loss (Gain) on inventory valuation	902	1,011
Unallocated overheads	-	1,746
Total	$49,944	$47,869

B. The provision for impairment and obsolescence losses deducted from various inventory costs for the three months ended March 31, 2026 and 2025 in this group changed as follows:

	Three Months Ended March 31	
Item	2026	2025
Beginning balance	$12,102	$13,093
Add: Provision for impairment	902	1,011
Less: Write-off	(469)	-
Effect of exchange rate changes	42	-
Ending balance	$ 12,577	$ 14,104

C. For the three-month periods ended March 31, 2026 and 2025, the Group wrote down inventories to net realizable value or recognized a recovery in net realizable value due to inventory liquidation and stabilization of market conditions. Accordingly, losses from inventory write-down and obsolescence (or gains from reversal) amounted to $902 thousand and $1,011 thousand, respectively

D. The Group had no inventories pledged to others.

(6) Other financial assets – current and non-current

Item	March 31, 2026	December 31, 2025	March 31, 2025
Other financial assets – current	$146,048	$60,000	$ -
Time deposits with original maturity for more than three months	15,715	15,715	16,605
Pledged Foreign Currency Time Deposits	$161,763	$75,715	$16,605
Other financial assets – non-current	$15,000	$15,000	$16,605

(7) Property, plant and equipment

Item	March 31, 2026	December 31, 2025	March 31, 2025
Land	$117,681	$117,681	$117,681
Buildings	133,724	133,724	133,724
Machinery equipment	58,624	55,294	45,776
Transportation equipment	7,762	7,762	7,762
Office equipment	1,742	1,735	1,268
Miscellaneous equipment	9,690	9,583	7,955
Equipment to be inspected and construction in progress	-	-	-
Total cost	$329,223	$325,779	$314,166
Less: Accumulated depreciation	(65,201)	(60,668)	(49,176)
Total	$264,022	$265,111	$264,990

	Land	Buildings and Structures	Machinery Equipment	Other Equipment (Note)	Equipment to be Inspected and Construction in Progress	Total
Cost						
Balance on January 1, 2026	$117,681	$133,724	$55,294	$19,080	$ -	$325,779
Additions	-	-	-	107	-	107
Transfer from inventories	-	-	3,330	-	-	3,330
Effect of exchange rate changes	-	-	-	7	-	7
Balance on March 31, 2026	$117,681	$133,724	$58,624	$19,194	$ -	$329,223
Accumulated depreciation						
Balance on January 1, 2026	$ -	$24,160	$30,530	$5,978	$ -	$60,668
Depreciation	-	1,612	2,168	751	-	4,531
Effect of exchange rate changes	-	-	-	2	-	2
Balance on March 31, 2026	$ -	$25,772	$32,698	$6,731	$ -	$65,201

Cost	Land	Buildings and Structures	Machinery Equipment	Other Equipment (Note)	Equipment to be Inspected and Construction in Progress	Total
Balance on January 1, 2025	$ 117,681	$133,724	$45,776	$14,251	$ 669	$312,101
Additions	-	-	-	2,065	-	2,065
Disposals	-	-	-	669	(669)	-
Balance on March 31, 2025	$ 117,681	$133,724	$45,776	$16,985	$ -	$314,166
Accumulated depreciation						
Balance on January 1, 2025	$ -	$17,711	$23,604	$4,040	$ -	$45,355
Depreciation	-	1,612	1,654	555	-	3,821
Balance on March 31, 2025	$ -	$19,323	$25,258	$4,595	$ -	$49,176

(Note) Including transportation facilities, office equipment, leasehold improvements and miscellaneous equipment.

A. Reconciliations of current additions and the acquisition of property, plant and equipment in statement of cash flows were as follows:

Item	Three Months Ended March 31 2026	2025
Acquisition of property, plant and equipment	$107	$2,065
Decrease (increase) in equipment payable	982	(2,045)
Cash paid for acquisition of property, plant and equipment	$1,089	$20

B. The details of interest capitalized: None.

C. Impairment loss of property, plant and equipment amounted to both $0 thousand for the three months ended March 31, 2026 and 2025.

D. Property, plant and equipment pledged for the borrowings: Please refer to Note 8.

(8) Intangible assets

Item	March 31, 2026	December 31, 2025	March 31, 2025
Computer software	$3,331	$7,061	$7,220
Less: Accumulated amortization	(2,366)	(5,816)	(5,589)
Net	$965	$1,245	$1,631

Cost	Three Months Ended March 31	
	2026	2025
Beginning balance	$7,061	$7,220
Write-off when due	(3,730)	-
Ending balance	$3,331	$7,220
Accumulated amortization		
Beginning balance	$5,816	$5,184
Amortization	280	405
Write-off when due	(3,730)	-
Ending balance	$2,366	$5,589

(9) Other payables

Item	March 31, 2026	December 31, 2025	March 31, 2025
Wages and salaries payable	$10,815	$23,595	$10,179
Employees compensation payable - current period	1,718	8,032	412
Employees compensation payable - last period	8,032	-	9,782
Remuneration for directors payable - current period	344	1,806	100
Remuneration for directors payable - last period	1,806	-	1,772
Payable on equipment	112	1,094	2,045
Dividends	36,797	-	28,860
Pension payable	3,640	3,504	3,184
Professional service payable	9,410	13,268	3,682
Insurance payable	5,483	5,169	4,145
Receipts under custody	206	592	194
Others	3,165	5,287	3,489
Total	$81,528	$62,347	$67,844

(10) Provisions – current

Item	March 31, 2026	December 31, 2025	March 31, 2025
Warranty provisions	$4,704	$4,051	$2,133
Employee benefits	1,312	835	1,063
Total	$6,016	$4,886	$3,196

Item	Warranty Provisions	Employee Benefits	Total
Balance on January 1, 2026	$4,051	$835	$4,886
Additional provisions recognized	653	1,311	1,964
Used in current period	-	(834)	(834)
Balance on March 31, 2026	$ 4,704	$1,312	$6,016

Item	Warranty Provisions	Employee Benefits	Total
Balance on January 1, 2025	$3,384	$623	$4,007
Additional provisions recognized	454	1,063	1,517
Used in current period	(1,705)	(623)	(2,328)
Balance on March 31, 2025	$ 2,133	$1,063	$3,196

A. The group provides warranties on machine products sold. Provision for warranty is estimated based on these products' historical warranty data.

B. Provision for employee benefits represents vested short-term service leave entitlements accrued.

(11) Long-term loans and current portion of long-term loans

Item	March 31, 2026	December 31, 2025	March 31, 2025
Secured loans	$108,360	$121,717	$169,293
Less: current portion	(10,624)	(11,582)	(16,461)
Less: transfer to Deferred government subsidy benefits-low-interest loans	(4,657)	(4,772)	(11,276)
Long-term loans	$93,079	$105,363	$141,556
Interest rate range	0.955%-2.15%	0.955%~2.15%	0.955%-2.15%

A. The changes in deferred government subsidy benefits (included in long-term deferred revenue) for the three months ended March 31, 2026 and 2025 were as follows:

Item	Three Months Ended March 31	
	2026	2025
Beginning balance	$ 4,772	$ 11,513
Less: Recognized as other income	(115)	(237)
Ending balance	$ 4,657	$ 11,276

B. Refer to Note 8 for assets pledged as collateral for long-term loans.

C. A portion of the long-term borrowings of the company qualifies for government subsidies in the form of low-interest loans under the project of accelerating investment loans of small and medium-sized enterprises. According to the terms of the loan agreement, the company is required to maintain a current ratio of no less than 150% and a debt-to-equity ratio of no more than 120% from the financial reporting date of 2025. The aforementioned financial ratios are reviewed annually, based on the financial statements certified by the auditor each year.

(12) Pension

A. Defined contribution plans

a. The employee pension plan under the Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. Pursuant to the plan, the Company makes monthly contributions of 6% of each individual employee's salary or wage to employees' pension accounts, Subsidiaries outside the Republic of China participate in defined contribution plans administered by local governments, with monthly pension contributions duly remitted to the respective authorities.

b. The amount to be contributed under the defined contribution plans was recognized as expense in the statements of comprehensive income, totaled $1,151 thousand and $1,099 thousand for the three months ended March 31, 2026 and 2025 respectively.

B. Defined benefit plans

a. The pension under the defined benefit plans were $3 thousand and $5 thousand for three months ended March 31, 2026 and 2025, respectively. The pensions were calculated using the actuarially determined pension cost discount rates as of December 31, 2024.

(13)Share capital

	March 31, 2026		March 31, 2025	
Item	Shares (in thousands)	Amount	Shares (in thousands)	Amount
Common stock	36,797	$ 367,968	28,860	$ 288,598

a. As of March 31, 2026, the authorized capital is $600,000 thousand, consisting of 60,000 thousand shares.

b. On June 18, 2025, the Company's shareholders meeting approved a capital increase of $57,720 thousand through the capitalization of earnings. The above capitalization plan was subsequently approved by the Financial Supervisory Commission on July 4, 2025. Accordingly, 5,772 thousand common shares, with a par value of $10 per share, were issued. With the record date for the capital increase set for August 1, 2025, the registration of the capital amendment with the Ministry of Economic Affairs (MOEA) has been completed.

c. To facilitate the public underwriting prior to listing on the Innovation Board, the Company's Board of Directors resolved on September 5, 2025 to conduct a cash capital increase by issuing common shares. A total of 2,165 thousand common shares were issued, each with a par value of $10, resulting in a total issuance amount of $21,650 thousand. This cash capital increase was approved and declared effective by the Taiwan Stock Exchange Corporation on September 22, 2025, as per its letter No. 1141703828. 85% of the issued shares, amounting to 1,841 thousand shares, were publicly underwritten by securities underwriters through competitive auction prior to listing (average auction price: NT$101.88 per share). In accordance with Article 267 of the Company Act, 15% of the increased capital shares, totaling 324 thousand shares, were reserved for employee subscription (subscription price: $72 per share). The capital increase reference date is October 31, 2025, and the registration amendment with the Ministry of Economic Affairs has been completed.

(14)Capital surplus

Item	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital	$248,459	$248,459	$55,333
The warrants have expired	57	57	57
Total	$248,516	$248,516	$55,390

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset deficit or may be distributed as stock dividends or in cash. Capital surplus can’t be used to offset deficit unless legal reserve is insufficient. The capital surplus from long-term investments may not be used for any purpose.

On September 5, 2025, the Company’s Board of Directors resolved to conduct a cash capital increase by issuing common shares, with 15% of the total shares issued reserved for employee subscription in accordance with the law. Pursuant to IFRS 2 "Share-based Payment" as endorsed by the Financial Supervisory Commission (FSC), an entity shall measure and recognize salary expenses based on the fair value of the equity instruments granted at the grant date. For the year 2025, the Company recognized capital surplus from share-based payments in the amount of $3,891 thousand based on the fair value at the grant date. Such capital surplus may be used to offset accumulated deficits, be capitalized, or be distributed as cash dividends.

(15)Retained earnings and dividend policy

A. In accordance with the dividend policy as set forth in the Company’s Articles of Incorporation, where the Company made 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, setting aside a special reserve in accordance with the laws and regulations, and the remainder plus prior year’s unappropriated earnings may be used as dividends or bonus for shareholders after proposed by the Board of Directors and resolved by the shareholders meeting.

B. The distribution of dividends and bonuses, or of all or part of the legal reserve and capital reserve, in the form of cash payments shall be authorized by the Board of Directors with the attendance of at least two-thirds of its members and the approval of a majority of those present, and shall thereafter be reported to the shareholders meeting.

C. The company's dividend policy is designed to align with current and future development plans, taking into account investment environment, capital requirements, domestic and international competitive conditions, and shareholder interests, among other factors. For the fiscal year, a dividend payout of no less than ten percent of distributable profits to shareholders is earmarked, provided that the cumulative distributable profits do not fall below five percent of the issued capital, in which case distribution may be withheld. Dividends to shareholders may be distributed in cash or stock, with the proportion of cash dividends not less than ten percent of the total dividend payout. In the event of significant investments or development policies, dividends may be fully distributed in the form of stock dividends.

D. Legal reserve may be used to offset a deficit and be transferred to capital or distributed in cash. However, legal reserve can be transferred to capital or distributed in cash only when the legal reserve has exceeded 25% of the Company’s paid-in capital.

E. The appropriations of 2025 and 2024 earnings were proposed and resolved at the board meeting in March 2026 and the shareholders' meeting in June 2025, respectively. Details were summarized below:

	Earnings appropriation proposal		Dividends Per Share (NTD)	
Item	2025	2024	2025	2024
Legal reserve	$6,040	$8,694		
Special reserve	19	(126)		
Cash dividends	36,797	28,860	1.00	1.00
Stock Dividend from Retained Earnings	18,398	57,720	0.50	2.00
Total	$61,254	$95,148		

The earnings distribution proposal for 2025 is subject to the resolution of the annual shareholders' meeting to be held in June 2026.

(16) Operating revenues

Item	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Revenue from contracts with customer		
Revenue from sales of product sales	$65,009	$66,998
Maintenance revenue	27,066	16,117
Processing fees revenue	157	16
Total sales revenue from contracts with customers	$92,232	$83,131
Less: Sales discount	-	-
Sales return	-	-
Net operating revenue	$92,232	$83,131

A. Explain of contract revenue

Sales of mechanical products and their components are mainly to electronics industry manufacturers. It is sold at the price agreed in the contract.

B. Contract revenue details

The Group's revenue can be categorized into the following main products and areas:

Three Months Ended March 31, 2026:

	Revenue from product sales	Maintenance revenue	Processing fees revenue	Total
Main area				
Taiwan	$33,350	$18,178	$157	$51,685
China	31,659	853	-	32,512
Singapore	-	4,211	-	4,211
Malaysia	-	2,397	-	2,397
Others	-	1,427	-	1,427
Total	$65,009	$27,066	$157	$92,232
Main products				
The Tainan factory	$62,691	$27,066	$157	$89,914
Kunshan City, Mainland China	2,318	-	-	2,318
Total	$65,009	$27,066	$157	$92,232
Timing of revenue recognition				
At a certain point of time	$65,009	$27,066	$157	$92,232
Gradually over time	-	-	-	-
Total	$65,009	$27,066	$157	$92,232

Three Months Ended March 31, 2025:

	Revenue from product sales	Maintenance revenue	Processing fees revenue	Total
Main area				
Taiwan	$50,965	$13,778	$16	$64,759
Singapore	7,307	1,562	-	8,869
Vietnam	7,023	-	-	7,023
China	1,703	385	-	2,088
Others	-	392	-	392
Total	$66,998	$16,117	$16	$83,131
Main products				
The Tainan factory	$65,295	$16,117	$16	$81,428
Kunshan City, Mainland China	1,703	-	-	1,703
Total	$66,998	$16,117	$16	$83,131
Timing of revenue recognition				
At a certain point of time	$66,998	$16,117	$16	$83,131
Gradually over time	-	-	-	-
Total	$66,998	$16,117	$16	$83,131

C. Contract balances

The Group recognizes the receivable, contract assets and contract liabilities related to contract revenue as follows:

Item	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Receivables	$226,155	$288,071	$221,362	$233,014
Contract assets	-	-	-	-
Total	$226,155	$288,071	$221,362	$233,014
Contract liabilities - current	$18,314	$14,963	$42,559	$28,712

a. Significant changes in contract assets and contract liabilities

The changes in the contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer’s payment, and there are no other significant changes.

b. Amount from previous period’s satisfied performance obligations and beginning contract liabilities recognized in the current period as income were as follows:

Revenue in the current period	Three Months Ended March 31	
	2026	2025
From beginning balance- contract liabilities	$6,473	$20,311
From previous period’s satisfied performance obligations	$ -	$ -

(17) Labor cost, depreciation and amortization

Item	Three Months Ended March 31, 2026		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$10,279	$15,013	$25,292
Insurance	1,015	1,334	2,349
Pension	593	561	1,154
Others	962	763	1,725
Depreciation	245	4,286	4,531
Amortization	200	80	280
Total	$13,294	$22,037	$35,331

Item	Three Months Ended March 31, 2025		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$7,693	$13,209	$20,902
Insurance	801	814	1,615
Pension	552	462	1,014
Others	753	938	1,691
Depreciation	223	3,598	3,821
Amortization	157	248	405
Total	$10,179	$19,269	$29,448

1. The Articles of Incorporation of the Company stipulated the Company to distribute employees’ compensation and remuneration of directors and supervisors at the rates 2%-10% and no higher than 6%, respectively (No less than 45% of the total employee compensation shall be allocated for distribution to basic staff.), of net profit before income tax. The employee’s compensation accrued by the Company were $1,718 thousand and $412 thousand for the three months ended March 31, 2026 and 2025. The remuneration to directors accrued were $344 thousand and $100 thousand for the three months ended March 31, 2026 and 2025.

2. The employees' compensation and remuneration to directors for the years ended December 31, 2025 and 2024 had been approved by the Company's Board of Directors meeting held on March 4, 2026 and March 19, 2025, respectively, and the relevant amounts recognized in the consolidated financial statement were as follows:

	Year ended December 31			
	2025		2024	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
Resolution amount of allotment	$8,032	$1,806	$9,782	$1,772
Recognized in the annual financial statements	8,032	1,806	9,782	1,772
Difference	$ -	$ -	$ -	$ -

The above-mentioned employees' compensation will be paid by cash.

3. Information about the appropriation of employees' compensation and directors' remuneration by the Company as proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18)Interest income

	Three Months Ended March 31	
Item	2026	2025
Interest in bank deposits	$2,276	$993

(19)Other income

	Three Months Ended March 31	
Item	2026	2025
Subsidy for low-interest loans	$115	$237
Subsidy-other	7	175
Sales of electricity	168	-
Others	143	132
Total	$433	$544

(20)Other gains and losses

Item	Three Months Ended March 31	
	2026	2025
Gain (loss) on foreign exchange, net	$4,055	$4,357
Financial assets at FVTPL and gain (loss) on valuation	(102)	(86)
Others	(8)	(7)
Total	$3,945	$4,264

(21)Finance costs

Item	Three Months Ended March 31	
	2026	2025
Interest expense		
Bank loans	$649	$819
Less: Amount qualified for capitalization	-	-
Finance costs	$649	$819

(22)Income tax expense

A. Income tax expense

a.The major components of tax expense were as follows:

Current income tax	Three Months Ended March 31	
	2026	2025
Current tax expense	$2,448	$819
Income tax on unappropriated earrings	-	-
Total	$2,448	$819
Deferred income tax		
The origination and reversal of temporary differences	$1,011	($55)
Total	$1,011	($55)
Income tax expense	$3,459	$764

b. Income tax expense recognized in other comprehensive income: None.

B.The tax rate applicable to the Company applying the Income Tax Law of the Republic of China is 20%. In addition, the tax rate applicable to unappropriated earnings is 5%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

C. The tax authorities have ratified Company’s income tax returns through Year 2023.

(23)Other comprehensive income (loss)

Item	Three Months Ended March 31, 2026 Other Comprehensive Income (Loss), Before Tax	Income Tax Benefit (Expense)	Other Comprehensive Income (Loss), Net of Tax
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$163	$ -	$163
Recognized in other comprehensive income (loss)	$163	$ -	$163

Item	Three Months Ended March 31, 2025 Other Comprehensive Income (Loss), Before Tax	Income Tax Benefit (Expense)	Other Comprehensive Income (Loss), Net of Tax
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$127	$ -	$127
Recognized in other comprehensive income (loss)	$127	$ -	$127

(24)Earnings per share

Item	Three Months Ended March 31 2026	2025
(1) Basic earnings (loss) per share		
Net income (A)	$13,696	$2,879
Adjusted weighted-average shares	36,797	28,860
Weighted average shares outstanding (in thousands) (B)	36,797	34,632
Basic earnings per share (after tax) (A)/(B)	$0.37	$0.08
(2) Diluted earnings (loss) per share		
Net income	$13,696	$2,879
Dilutive impact of potential common shares	-	-
Net income used in computation of diluted earnings per share (C)	$13,696	$2,879

Weighted average shares outstanding after retrospective adjustment (in thousands)	36,797	34,632
Effect of potential dilutive ordinary shares:		
Impact on employees' compensation (in thousands) (Note)	59	413
Weighted average number of ordinary shares outstanding after dilution (in thousands) (D)	36,856	35,045
Diluted earnings per share (after tax) (C)/(D)	$0.37	$0.08

On June 18, 2025, the Company's shareholders meeting approved a capital increase from earnings through the issuance of 5,772 thousand new shares. After retrospective adjustment, the number of shares for the period from January 1 to March 31, 2025 amounted to 34,632 thousand shares.

(Note) Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were 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.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party:

The Group has no parent and ultimate controlling party.

(2) Related party name and category:

Related Party Name	Related Party Category
Xing Dayu Interior Design and Renovation Engineering Corp.	Other related party

(3)Significant transactions with related parties:

A. Sales: None.

B. Purchase: None.

C. Contract assets: None.

D. Contract liabilities: None.

E. Balance of receivables: None.

F. Balance of payables (excluding borrowing from related parties):

Item	Related party category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Other payables	Other related party	$87	$813	$802

G. Prepayments: None.

H. Property transactions

a.Purchase Property, Plant and Equipment

For the three months ended March 31 2026：None.

For the three months ended March 31 2025：

Related Party Category	Transaction Details	Transaction amount
Other related party	Power distribution engineering, etc.	$750

I. Miscellaneous expenses:

	Three Months Ended March 31	
Related Party Category	2025	2024
Other related parties	$96	$56

(4) Key management compensation

	Three Months Ended March 31	
Related Party Category	2026	2025
Salaries and other short-term employee benefits	$3,118	$3,310
Post-employment benefits	27	27
Total	$3,145	$3,337

8、PLEDGED ASSETS

The following assets have been pledged as collateral for long-term and short-term loans:

Item	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment (net)	$228,321	$229,981	$235,408
Other financial assets current (Note)	15,715	15,715	16,605
Other financial assets non-current (Note)	15,000	15,000	16,605
Total	$259,036	260,696	$268,618

(Note) It is due to the pledging of fixed-term deposits as collateral for borrowing limits.

9、SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

(1) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group issued guarantee notes for the sale of machines amounting to $489 thousand each, which were recorded in the accounts of guarantee notes and guarantee notes payable.

10、SIGNIFICANT DISASTER LOSS: NONE.

11、SIGNIFICANT SUBSEQUENT EVENTS

On April 7, 2026, the Company's Board of Directors approved a resolution to introduce strategic investors to meet future development needs. In accordance with Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Converting to Private Placement of Securities", the Board of Directors was authorized to raise capital through a private placement of common stock within one year from the date of the shareholders' meeting resolution, either in a single round or in installments. The private placement shall not exceed 2,000 thousand shares of common stock, with a par value of $10 per share.

12、OTHERS

(1) Seasonality or periodicity of operations

The operation of the Group's is not influenced by seasonality and periodicity.

(2) Capital risk management

There were no significant changes in the Group's policies for capital risk management for the three months ended March 31, 2026 as compared with the consolidated financial statements for the year ended December 31, 2025. Please refer to Note 12(1) of the consolidated financial statements for the year ended December 31, 2025 for the related information.

(3) Financial instruments

A. Financial risk of financial instruments

Financial risk management policies

The Group's activities expose to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To lower down the related financial risk, the Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance. The plans for material treasury activities are reviewed by board of directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Group Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

Significant financial risks and degrees of financial risks

(A) Market risk

a. Foreign exchange rate risk

(a) There were no significant changes in the nature and degree of material financial risk for the three months ended March 31, 2026 as compared with the consolidated financial statements for the year ended December 31, 2025. Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2025 for the related information.

(b) Foreign currency risk and sensitivity analysis

	March 31, 2026					
				Sensitivity analysis		
	Foreign Currency	Exchange Rate	Carrying amount (NTD)	Range of change	Effect on profit or loss	Effects on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary item						
USD:NTD	8,966	31.995	286,899	increase 1%	2,869	-
Financial liabilities						
Monetary item						
USD:NTD	150	31.995	4,811	increase 1%	(48)	-

	December 31, 2025					
				Sensitivity analysis		
	Foreign Currency	Exchange Rate	Carrying amount (NTD)	Range of change	Effect on profit or loss	Effects on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary item						
USD:NTD	4,889	31.43	145,016	increase 1%	1,450	-
Financial liabilities						
Monetary item						
USD:NTD	441	31.43	13,870	increase 1%	(139)	-

	March 31, 2025					
				Sensitivity analysis		
	Foreign Currency	Exchange Rate	Carrying amount (NTD)	Range of change	Effect on profit or loss	Effects on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary item						
USD:NTD	7,654	33.205	254,157	increase 1%	2,542	-
Financial liabilities						
Monetary item						
USD:NTD	191	33.205	6,218	increase 1%	(62)	-

If NTD appreciates against the above-mentioned currencies, held all other variables constant, the impact generated as of March 31, 2026 and 2025 would stay the same with the reverse result. Due to the exchange rate volatility, total exchange gain and loss (including realized and unrealized) from the Group's monetary items amounted to $4,055 thousand and $4,357 thousand for the three months ended March 31, 2026 and 2025, respectively.

b. Price risk

Since the Group's investment in securities is classified as financial assets at FVTPL on the consolidated balance sheet, the Group exposes to price risks of securities.

The Group mainly invests in mutual funds equity instruments. The price of such equity instruments can be affected by changes in future value of those investment targets.

If the equity instruments price goes increase or decrease by 1%, with all other factors held constant, the net income after tax gain or loss for the three months ended March 31, 2026 and 2025 will respectively increase or decrease by $52 thousand and $54 thousand due to gain or loss on financial assets at FVTPL.

c. Interest rate risk

The carrying amount of the Group's financial assets and financial liabilities that are exposed to interest rate risk at the reporting date is stated as follows:

	Carrying Amount		
Item	March 31, 2026	December 31, 2025	March 31, 2025
With fair value interest rate risk:			
Financial assets	$431,562	$284,366	$33,210
Financial liabilities	-	-	-
Net	$431,562	$284,366	$33,210
With cash flow interest rate risk:			
Financial assets	$232,337	$349,007	$465,234
Financial liabilities	(103,703)	(116,945)	(158,017)
Net	$128,634	$232,062	$307,217

(a) Sensitivity analysis of those with fair value interest rate risk: not applicable.

(b) Sensitivity analysis of those with cash flow interest rate risk:

The interest-fluctuated instruments possessed by the Group were floating-interest assets (liabilities). Therefore, the effective interest rate, as well as the future cash flows, changes along with the market movement. Every one percent increase in the market interest will decrease the net profit by $322 thousand and $768 thousand for the three months ended March 31, 2026 and 2025, respectively.

(B) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by counterparties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from receivables under operating activities and bank deposits and other financial instruments under investing activities. Credit risks related to operation and finance risks are managed separately.

a. Business-related credit risk

To maintain the quality of accounts receivable, the Group has established procedures for credit risk management with regards to its operations. Risk assessment of individual customer includes factors that could affect the customer’s ability to pay, such as the customer's financial status, the Group’s internal credit ratings, historical transactions and current economic conditions.

b. Financial credit risk

The credit risks of bank deposits and other financial instruments are measured and monitored by the Group’s financial departments. The Group does not expect significant credit risk because the counterparties are creditworthy and investment-graded financial institutions, companies and government agencies without any significant default concerns. In addition, the Group does not have any debt instrument investments that are either measured at amortized cost or at FVTOCI.

(a) Credit concentration risk

As of March 31, 2026, December 31, 2025 and March 31, 2025, the top ten clients accounted for 73%, 65% and 39% of the Group’s accounts receivable, indicating a credit concentration risk. However, no significant credit concentration risk was shown from the remaining accounts receivable.

(b) Measurement of expected credit impairment loss

(I) Accounts receivables and contract assets apply the simplified approach. Please refer to Note 6.(4) for details.

(II) Indications for determining whether the credit risk is increased significantly: None (the Group does not have any debt instrument investments that are either measured at amortized cost or at FVTOCI).

(c) Collaterals and other credit enhancement held to avoid credit risks from financial assets:

March 31, 2026	Carrying amount	Decreased amount of maximum exposure to credit risks: Collateral	Net settlement agreement	Other credit enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS 9 are applicable	$ -	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at FVTPL	5,229	-	-	-	-
Total	$5,229	$ -	$ -	$ -	$ -

December 31, 2025	Carrying amount	Decreased amount of maximum exposure to credit risks: Collateral	Net settlement agreement	Other credit enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS 9 are applicable	$ -	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at FVTPL	5,331	-	-	-	-
Total	$5,331	$ -	$ -	$ -	$ -

March 31, 2025	Carrying amount	Decreased amount of maximum exposure to credit risks: Collateral	Net settlement agreement	Other credit enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS 9 are applicable	$ -	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable					
Financial assets at FVTPL	5,359	-	-	-	-
Total	$5,359	$ -	$ -	$ -	$ -

(C) Liquidity risk

a. Liquidity risk management:

There were no significant changes in the Group's objects and policies for liquidity risk management for the three months ended March 31, 2026 as compared with the consolidated financial statements for the year ended December 31, 2025.

b. Financial Liabilities Maturity Analysis:

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

	March 31, 2026						
Non-derivative financial liabilities :	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flow	Carrying amount
Accounts payable	$ 75,175	$ -	$ -	$ -	$ -	$ 75,175	$ 75,175
Other payables	73,898	5,568	2,062	-	-	81,528	81,528
Long-term loans (including current portion)	5,312	5,312	10,624	31,873	55,239	108,360	103,703
Total	$154,385	$ 10,880	$ 12,686	$ 31,873	$55,239	$ 265,063	$ 260,406

	December 31, 2025						
Non-derivative financial liabilities :	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flow	Carrying amount
Accounts payable	$ 85,629	$ -	$ -	$ -	$ -	$ 85,629	$ 85,629
Other payables	62,347	-	-	-	-	62,347	62,347
Long-term loans (including current portion)	5,791	5,791	11,583	34,747	63,805	121,717	116,945
Total	$153,767	$ 5,791	$ 11,583	$ 34,747	$63,805	$ 269,693	$ 264,921

Non-derivative financial liabilities :	March 31, 2025 Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flow	Carrying amount
Accounts payable	$97,183	$ -	$ -	$ -	$ -	$ 97,183	$97,183
Other payables	33,100	5,372	512	-	-	38,984	38,984
Long-term loans (including current portion)	9,392	7,069	14,138	42,413	96,281	169,293	158,017
Total	$139,675	$ 12,441	$ 14,650	$ 42,413	$96,281	$ 305,460	$294,184

The Group does not expect that the occurrence point of cash flow in maturity analysis will be significantly earlier or the actual amount will be significantly different.

B. Types of Financial instruments

Financial assets	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets measured at amortized cost			
Cash and cash equivalents	$478,754	$543,381	$465,629
Notes and accounts receivable	226,155	288,071	221,362
Other receivables	2,177	1,501	477
Other financial assets – current	161,763	75,715	16,605
Refundable deposits	2,905	1,938	1,189
Other financial assets – noncurrent	15,000	15,000	16,605
Financial asset at fair value through profit or loss - current	5,229	5,331	5,359
Financial liabilities			
Financial liabilities measured at amortized cost			
Notes and accounts payable	75,175	85,629	97,183
Other payables	81,528	62,347	67,844
Current portion of long-term loans	10,624	11,582	16,461
Long-term loans	93,079	105,363	141,556

(4) Fair Value Information:

A. For information on fair value of financial assets and financial liabilities not measured at fair value, please refer to Note 12(4) C.

B. Definition of the three levels in fair value:

Level 1:

Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2:

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:

Unobservable inputs for the asset or liability.

C. Financial instruments not measured at fair value:

Management of the Group thinks that the carrying amount of financial instruments not measured at fair value, except those listed in the table below, including cash and cash equivalents, accounts receivables, other receivable, other financial assets, refundable deposits, accounts payable, long-term loans (including current portion) and carrying amount of other financial liabilities, is the reasonable approximation of their fair value.

D. Fair value hierarchy:

The fair value hierarchy of financial instruments is measured at fair value on a recurring basis. Information about the Group's fair value hierarchy was disclosed in the following table:

	March 31, 2026			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets measured at FVTPL				
Mutual funds	$5,229	$ -	$ -	$5,229

	December 31, 2025			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets measured at FVTPL				
Mutual funds	$5,331	$ -	$ -	$5,331

	March 31, 2025			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets measured at FVTPL				
Mutual funds	$5,359	$ -	$ -	$5,359

E. Fair value valuation technique for instruments measured at fair value:

(a) The fair value of financial instruments with quoted prices in active markets is the quoted market prices. Market prices published by major trading centers and exchanges for on-the-run government bonds are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in active markets. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry guild, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments with active markets held by the Group are stated by their natures and types as follows:

a. Mutual funds: net worth.

(b) Except for financial assets with an active market, the fair value of other financial assets is obtained either based on the valuation technique or by reference to the quotes from counterparties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, the discounted cash flow method, or other valuation technique e.g. the one that applies market information available on the balance sheet date to a pricing model for calculation

F. Transfers between Level 1 and Level 2 fair value hierarchy: None.

G. Statement of changes in Level 3 fair value hierarchy: None.

(5) Transfer of financial assets: None.

(6) Offset of financial assets and liabilities: None.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information (Before consolidation)

A. Financings provided: None.

B. Endorsement/guarantee provided: None.

C. Marketable securities held (excluding investments in subsidiaries and associates): Table 1.

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

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

F. The business relationship and important transactions between the parent company and the subsidiary company: Table 2.

(2) Information on investees: Table 3.

(3) Information on investments in Mainland China: Table 4.

Table 1

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)

MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars: thousand shares/units)

Investor	Type and Name of Securities	Relationship with the Issuer	General Ledger Account	Ending balance				Remarks
				Number of Shares	Carrying Value	Percentage of Ownership	Fair Value	
Nano Electronics and Micro System Technologies, Inc.	Mutual funds－JPMorgan Investment Funds - Global High Yield Bond Fund A (mth) - USD	-	Financial assets at FVTPL - current	1	2,768	-	2,768	
	Mutual funds－Allianz Income and Growth - Class AM Dis (USD)	-	Financial assets at FVTPL - current	9	2,461	-	2,461	
		Total			5,229		5,229	

Table 2

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Nano Electronics and Micro System Technologies, Inc.	Kunshan Branch of NEMS Technologies Co., Ltd.	1	Maintance revenue	1,134	The pricing is commensurate with that offered to regular clients, with payment terms allowing for receipt within 3 to 4 months.	1.23%
				Accounts receivable	2,826		0.22%
1	Kunshan Branch of NEMS Technologies Co., Ltd.	Nano Electronics and Micro System Technologies, Inc.	2	Services rendered revenues	3,814	The pricing is commensurate with that offered to regular clients, with payment terms allowing for receipt within 3 to 4 months.	4.14%
				Sales revenue	2,085		2.26%
				Accounts receivable	2,458		0.19%

Note 1: The description of the number column is as follows:

(1) The issuer is represented in 0.

(2) The investee company is numbered sequentially from Arabic numeral 1.

Note 2: There are three types of relationships with traders. The type of mark is as follows:

(1) No. 1 represents the transactions from parent company to subsidiary.

(2) No. 2 represents the transactions from subsidiary to parent company.

(3) No. 3 represents the transactions between subsidiaries.

Note 3: The ratio of transaction amount to consolidated revenues or total assets is calculated as follows:

(1) asset/liability items: ending balance to total assets;

(2) profit and loss items: accumulated amount to consolidated revenues.

Note 4: The above-mentioned parent-subsidiary transactions have been eliminated.

Table 3

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES
INFORMATION ON INVESTEES
MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars, Shares and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Product	Original Investment Amount		Balance as of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee
				As of March 31, 2026	As of December 31, 2025	Shares	Percentage of Ownership	Carrying Value		
Nano Electronics and Micro System Technologies, Inc.	Stable Promise Group Co., Ltd.	Seychelles islands	Investment holding	15,178 (USD 500)	15,178 (USD 500)	500	100%	6,109 (USD 191)	936 (USD 30)	936 (USD 30)

Note 1: The above-mentioned parent-subsidiary transactions have been eliminated.

Table 4

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC. AND SUBSIDIARIES
INFORMATION ON INVESTEES IN MAINLAND CHINA
MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee Company	Percentage of Ownership	Share of Profit/Loss (Note 2)	Carrying Amount as of March 31, 2026	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow						
Kunshan Branch of NEMS Technologies Co., Ltd.	Trade of electronic components and post-sales services	15,178 (RMB 3,318)	(2)	15,178 (USD 500)	-	-	15,178 (USD 500)	936 (RMB 205)	100%	936 (RMB 205) (2).B.	6,109 (RMB 1,319)	-

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
15,178 (USD 500)	15,998 (USD 500)	581,633

Note 1: The investment methods are divided into the following three types:

(1) Investing directly to the Mainland China;

(2) Reinvesting in the Mainland China through third-region companies (please refer to Table 3);

(3) Others.

Note 2: In the current period, the investment profit and loss column are recognized:

(1) If during incorporation with no investment income or loss, it should be indicated;

(2) The basis for recognition of investment gains and losses divided into the following three types, which should be indicated:

A. Audited financial statements by international accounting firms with cooperation relationship with accounting firms in the Republic of China.

B. Audited financial statements by parent company’s auditors.

C. Others.

Note 3: The relevant figures in this form should be listed in New Taiwan Dollars.

Note 4： The figures in the Table shall be expressed in New Taiwan Dollars. Carrying amount at the end of the period is converted using the exchange rate on the reporting date (USD:NTD 1: 31.995). Investment gain or loss recognized in the current period is converted using the average exchange rate in from January 1 to March 31, 2026 (USD: NTD 1: 31.6505)

Note 5: The Company’s major transactions during January 1 and March 31, 2026, directly or indirectly through the third place and the mainland invested company: Refer to 13 Table 2.

Note 6: The above-mentioned parent-subsidiary transactions have been eliminated.

14. SEGMENT INFORMATION

(1) General information

For management purposes, the Group’s reportable segments are listed as follows:

A. Nano Electronics and Micro System Technologies, Inc.

Primarily engaged in the manufacturing and sale of equipment and machinery.

B. Kunshan Branch of NEMS Technologies Co., Ltd.

Trade of electronic components and post-sales services.

C. Stable Promise Group Co., Ltd

Investment holding

(2) Measurement basis

Management monitors the operation results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income or loss from operations and is measured consistently with income or loss from operations in the consolidated financial statements. However, the financial costs and financial income of consolidated financial statements, as well as income tax, are managed on a group basis and not allocated to operating departments. In addition, as the Group does not include the amounts of assets and liabilities in the reports provided to the chief operating decision maker for operating decision-making purposes, the measured amounts of segment assets and liabilities are reported as zero. The accounting policies of the operating segments are identical to the summary of significant accounting policies described in Note 4 to the consolidated financial statements.

(3) Segment financial information

(Amounts in Thousand)

Three Months Ended March 31, 2026	Nano Electronics and Micro System Technologies, Inc.	Kunshan Branch of NEMS Technologies Co., Ltd.	Stable Promise Group Co., Ltd.	Elimination	Total
Sales from external customers	$89,914	$2,318	$ -	$ -	$92,232
Sales among inter-segment	1,134	5,745	936	(7,815)	-
Total sales	$91,048	$8,063	$936	($7,815)	$92,232
Depreciation and Amortization	$4,796	$15	$ -	$ -	$4,811
Segment operating profit (loss)	$10,197	$953	$936	($936)	$ 11,150
Investments accounted for using equity method	$6,109	$ -	$6,109	($12,218)	$ -
Noncurrent capital expenditure	$107	$ -	$ -	$ -	$107
Segment assets	$ -	$ -	$ -	$ -	$1,268,177
Segment liabilities	$ -	$ -	$ -	$ -	$298,788

(Amounts in Thousand)

Three Months Ended March 31, 2025	Nano Electronics and Micro System Technologies, Inc.	Kunshan Branch of NEMS Technologies Co., Ltd.	Stable Promise Group Co., Ltd.	Elimination	Total
Sales from external customers	$81,428	$1,703	$ -	$ -	$83,131
Sales among inter-segment	525	2,637	(269)	(2,893)	-
Total sales	$81,953	$4,340	($269)	($2,893)	$83,131
Depreciation and Amortization	$4,221	$5	$ -	$ -	$4,226
Segment operating profit (loss)	($1,043)	($296)	($269)	$269	($1,339)
Investments accounted for using equity method	$6,070	$ -	$6,070	($12,140)	$ -
Noncurrent capital expenditure	$2,045	$20	$ -	$ -	$2,065
Segment assets	$ -	$ -	$ -	$ -	$1,110,862
Segment liabilities	$ -	$ -	$ -	$ -	$361,804

(4) Production and service information: No disclosure requirement for interim financial statements.

(5) Geographic information: No disclosure requirement for interim financial statements.

(6) Major customers: No disclosure requirement for interim financial statements.