

**CREATIVE SENSOR INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2024 AND 2023**

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CREATIVE SENSOR INC.

Introduction

We have reviewed the accompanying consolidated balance sheets of Creative Sensor Inc. and subsidiaries (the “Group”) as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-months periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. 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.

Conclusion

Based on our reviews and the reports of other auditors (refer to the *Other matter* section), 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 at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three-months periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

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Other matter

We did not review the financial statements of certain investments accounted for using the equity method which were reviewed by other auditors. Therefore, our report expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT\$238,634 thousand and NT\$231,059 thousand, constituting 3.02% and 3.17% of the consolidated total assets as at March 31, 2024 and 2023, respectively, and the comprehensive (loss) gain recognized from associates and joint ventures accounted for using the equity method amounted to NT\$4,118 thousand and NT\$20,647 thousand, constituting 0.65% and 1.89% of the consolidated total comprehensive income for the three-months periods then ended, respectively.



LIN, PO-CHUAN

Lin, Chun-Yao

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 9, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2024		December 31, 2023		March 31, 2023	
Notes			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,645,936	33	\$ 2,471,963	34	\$ 1,909,085	26
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		-	-	30,718	-	1,506	
1136	Financial assets at amortized cost -	6(3)						
	current, net		198,828	3	191,119	3	269,790	3
1170	Accounts receivable, net	6(4)	338,023	4	336,833	5	567,376	8
1200	Other receivables		6,514	-	5,280	-	55,624	1
1210	Other receivables - related parties,	7						
	net		52	-	47	-	26	-
130X	Inventories, net	6(5)	301,011	4	346,477	5	343,371	5
1479	Other current assets		16,873	-	27,987	-	19,665	-
11XX	Total current assets		3,507,237	44	3,410,424	47	3,166,443	43
Non-current assets								
1517	Non-current financial assets at fair	6(6) and 8						
	value through other comprehensive							
	income		3,172,816	40	2,666,197	37	2,912,565	40
1550	Investments accounted for using	6(7)						
	the equity method		938,571	12	917,076	13	899,018	12
1600	Property, plant and equipment, net	6(8)	161,236	2	150,450	2	179,003	3
1755	Right-of-use assets	6(9)	40,140	1	38,940	1	50,191	1
1780	Intangible assets		5,757	-	6,169	-	5,732	-
1840	Deferred income tax assets		8,148	-	6,058	-	6,311	-
1990	Other non-current assets		77,665	1	26,398	-	76,819	1
15XX	Total non-current assets		4,404,333	56	3,811,288	53	4,129,639	57
1XXX	Total assets		\$ 7,911,570	100	\$ 7,221,712	100	\$ 7,296,082	100

(Continued)

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	March 31, 2024		December 31, 2023		March 31, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(10) and 8	\$ 1,300,000	16	\$ 1,300,000	18	\$ 1,300,000	18
2120	Financial liabilities at fair value	6(11)						
	through profit or loss - current		15,899	-	-	-	7,183	-
2170	Accounts payable		442,066	6	404,393	6	633,344	9
2180	Accounts payable - related parties	7	-	-	-	-	460	-
2200	Other payables	6(12) and 7	391,250	5	238,579	3	504,539	7
2230	Income tax payable		49,730	1	40,364	-	69,998	1
2280	Current lease liabilities		2,444	-	4,048	-	12,022	-
2300	Other current liabilities		6,550	-	6,082	-	8,411	-
21XX	Total current liabilities		<u>2,207,939</u>	<u>28</u>	<u>1,993,466</u>	<u>27</u>	<u>2,535,957</u>	<u>35</u>
Non-current liabilities								
2570	Deferred income tax liabilities		61,116	1	65,006	1	57,070	1
2580	Non-current lease liabilities		1,539	-	-	-	2,028	-
25XX	Total non-current liabilities		<u>62,655</u>	<u>1</u>	<u>65,006</u>	<u>1</u>	<u>59,098</u>	<u>1</u>
2XXX	Total liabilities		<u>2,270,594</u>	<u>29</u>	<u>2,058,472</u>	<u>28</u>	<u>2,595,055</u>	<u>36</u>
Equity attributable to owners of parent								
	Share capital	6(14)						
3110	Common stock		1,490,550	19	1,490,550	21	1,490,550	21
	Capital surplus	6(15)						
3200	Capital surplus		984,177	12	984,201	13	974,496	13
	Retained earnings	6(16)						
3310	Legal reserve		571,311	7	571,311	8	532,516	7
3350	Unappropriated retained earnings		1,216,471	16	1,330,863	18	903,519	12
	Other equity interest	6(17)						
3400	Other equity interest		1,558,213	19	966,061	14	1,023,427	14
3500	Treasury shares	6(14)	(179,746)	(2)	(179,746)	(2)	(223,481)	(3)
3XXX	Total equity		<u>5,640,976</u>	<u>71</u>	<u>5,163,240</u>	<u>72</u>	<u>4,701,027</u>	<u>64</u>
3X2X	Total liabilities and equity		<u>\$ 7,911,570</u>	<u>100</u>	<u>\$ 7,221,712</u>	<u>100</u>	<u>\$ 7,296,082</u>	<u>100</u>

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

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Three months ended March 31			
Items	Notes	2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Net revenue	6(18) and 7	\$ 678,429	100	\$ 900,861	100
5000 Cost of revenue	6(5)(22) and 7	(561,519)	(83)	(734,484)	(82)
5900 Gross profit		<u>116,910</u>	<u>17</u>	<u>166,377</u>	<u>18</u>
Operating expenses	6(22) and 7				
6100 Selling expenses		(11,794)	(2)	(15,507)	(2)
6200 General and administrative expenses		(35,253)	(5)	(38,167)	(4)
6300 Research and development expenses		(16,880)	(2)	(20,929)	(2)
6000 Total operating expenses		(63,927)	(9)	(74,603)	(8)
6900 Income from operations		<u>52,983</u>	<u>8</u>	<u>91,774</u>	<u>10</u>
Non-operating income and expenses					
7100 Interest income	6(19)	4,652	1	3,798	-
7010 Other income	6(20) and 7	2,847	-	7,786	1
7020 Other gains and losses	6(21)	(19,351)	(3)	(14,962)	(2)
7050 Finance costs	6(9)(10)	(5,597)	(1)	(4,979)	-
7060 Share of profit or loss of associates and joint ventures accounted for using equity method, net	6(7)	(3,102)	-	(15,754)	(2)
7000 Total non-operating income and expenses		(20,551)	(3)	(24,111)	(3)
7900 Profit before income tax		32,432	5	67,663	7
7950 Income tax expense	6(23)	(8,569)	(1)	(20,059)	(2)
8200 Net income		<u>\$ 23,863</u>	<u>4</u>	<u>\$ 47,604</u>	<u>5</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealized gain from investments in equity instruments measured at fair value through other comprehensive income	6(6)(17)	\$ 528,145	78	\$ 952,889	106
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(7)(17)	<u>24,142</u>	<u>3</u>	<u>83,160</u>	<u>9</u>
8310 Other comprehensive income that will not be reclassified to profit or loss		<u>552,287</u>	<u>81</u>	<u>1,036,049</u>	<u>115</u>
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation	6(17)	57,289	9	6,760	1
8367 Unrealized gains from investments in debt instruments measured at fair value through other comprehensive income	6(6)(17)	1,113	-	989	-
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(7)(17)	<u>478</u>	<u>-</u>	<u>105</u>	<u>-</u>
8360 Other comprehensive income that will be reclassified to profit or loss		<u>58,880</u>	<u>9</u>	<u>7,854</u>	<u>1</u>
8300 Other comprehensive income for the period		<u>\$ 611,167</u>	<u>90</u>	<u>\$ 1,043,903</u>	<u>116</u>
8500 Total comprehensive income for the period		<u>\$ 635,030</u>	<u>94</u>	<u>\$ 1,091,507</u>	<u>121</u>
Earnings per share (in dollars)	6(24)				
9750 Basic earnings per share		<u>\$ 0.21</u>		<u>\$ 0.42</u>	
9850 Diluted earnings per share		<u>\$ 0.21</u>		<u>\$ 0.42</u>	

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

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
		Capital Reserves				Retained Earnings		Other Equity Interest				
					Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	Capital surplus, others			Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Notes		Capital stock - common stock	Additional paid-in capital	Treasury stock transactions			Legal reserve	Unappropriated retained earnings				
<u>Three months ended March 31, 2023</u>												
		\$ 1,490,550	\$ 970,251	\$ 3,996	\$ -	\$ -	\$ 532,516	\$ 1,069,983	\$ 72,660	(\$ 38,711)	(\$ 223,481)	\$ 3,877,764
		-	-	-	-	-	-	47,604	-	-	-	47,604
	6(17)	-	-	-	-	-	-	-	6,865	1,037,038	-	1,043,903
		-	-	-	-	-	-	47,604	6,865	1,037,038	-	1,091,507
Appropriation of 2022 earnings:	6(16)											
		-	-	-	-	-	-	(268,493)	-	-	-	(268,493)
Changes in equity of associates accounted for using equity method	6(17)	-	-	-	249	-	-	140	-	(140)	-	249
Disposal of financial assets at fair value through other comprehensive income	6(17)	-	-	-	-	-	-	54,285	-	(54,285)	-	-
		\$ 1,490,550	\$ 970,251	\$ 3,996	\$ 249	\$ -	\$ 532,516	\$ 903,519	\$ 79,525	\$ 943,902	(\$ 223,481)	\$ 4,701,027
<u>Three months ended March 31, 2024</u>												
		\$ 1,490,550	\$ 970,251	\$ 13,293	\$ 607	\$ 50	\$ 571,311	\$ 1,330,863	\$ 46,332	\$ 919,729	(\$ 179,746)	\$ 5,163,240
		-	-	-	-	-	-	23,863	-	-	-	23,863
	6(17)	-	-	-	-	-	-	-	57,767	553,400	-	611,167
		-	-	-	-	-	-	23,863	57,767	553,400	-	635,030
Appropriation of 2023 earnings:	6(16)											
		-	-	-	-	-	-	(157,270)	-	-	-	(157,270)
Changes in equity of associates and joint ventures accounted for using equity method	6(17)	-	-	-	(24)	-	-	8,022	-	(8,022)	-	(24)
Disposal of financial assets at fair value through other comprehensive income	6(17)	-	-	-	-	-	-	10,993	-	(10,993)	-	-
		\$ 1,490,550	\$ 970,251	\$ 13,293	\$ 583	\$ 50	\$ 571,311	\$ 1,216,471	\$ 104,099	\$ 1,454,114	(\$ 179,746)	\$ 5,640,976

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

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 32,432	\$ 67,663
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(22)	12,938	16,864
Amortization	6(22)	2,158	3,731
Expected credit impairment gain	12(2)	-	(16)
Net loss(gain) on financial assets or liabilities at fair value through profit or loss	6(2)(11)(21)	40,552	(1,180)
Foreign currency evaluation of financial assets at fair value through other comprehensive income		(3,735)	753
Interest expense	6(9)(10)	5,597	4,979
Interest income	6(19)	(4,652)	(3,798)
Share of profit or loss of associates and joint ventures accounted for using equity method	6(7)	3,102	15,754
Net gain on disposal of property, plant and equipment	6(21)	(154)	(66)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		6,065	11,503
Accounts receivable		(1,190)	35,059
Other receivables		(613)	(332)
Other receivables - related parties		(5)	(26)
Inventories		58,236	27,513
Other current assets		11,114	2,959
Changes in operating liabilities			
Accounts payable		21,314	(115,707)
Accounts payable - related parties		-	(1,274)
Other payables		(11,788)	(47,733)
Other current liabilities		468	(742)
Cash inflow generated from operations		171,839	15,904
Interest received		3,837	3,037
Interest paid		(5,597)	(4,979)
Income tax paid		(258)	(19,874)
Net cash flows from (used in) operating activities		169,821	(5,912)

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CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)(25)	\$ 26,568	\$ 321,696
Acquisition of property, plant and equipment	6(25)	(13,088)	(2,959)
Proceeds from disposal of property, plant and equipment		154	66
Acquisition of intangible assets		(239)	(88)
Increase in other non-current assets		(50,002)	(49,978)
Net cash flows (used in) from investing activities		(36,607)	268,737
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of short-term borrowings	6(26)	-	(50,000)
Repayments of lease principal	6(26)	(2,559)	(3,048)
Net cash flows used in financing activities		(2,559)	(53,048)
Effect of exchange rate		43,318	7,086
Net increase in cash and cash equivalents		173,973	216,863
Cash and cash equivalents at beginning of period		2,471,963	1,692,222
Cash and cash equivalents at end of period		\$ 2,645,936	\$ 1,909,085

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

CREATIVE SENSOR INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Creative Sensor Inc. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in manufacturing and trading of image sensor and its electronic components. Starting from May 17, 2005, the Company's stock was officially listed on the Taiwan Stock Exchange.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on May 9, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional policies set out below, the other material accounting policies applied in the preparation of these consolidated financial statements are the same as those disclosed in Note 4 to the consolidated financial statements as of and for the year ended December 31, 2023. The policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. These consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit assets recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement 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:
- The basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements for the year ended December 31, 2023.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
Creative Sensor Inc.	Creative Sensor Inc.	Holding company	100	100	100
Creative Sensor Inc.	Creative Sensor (USA) Co.	Collection of marketing information and maintaining relationship with customers	100	100	100
Creative Sensor Inc.	Creative Sensor Co. Ltd.	Holding company	100	100	100
Creative Sensor Co., Ltd.	Wuxi Creative Sensor Technology Co., Ltd.	Research and development of image sensor	100	100	100
Creative Sensor Co., Ltd.	Nanchang Creative Sensor Technology Co., Ltd.	Manufacturing of image sensor	100	100	100

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

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

E. Significant restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- Assets held mainly for trading purposes;
- Assets that are expected to be realized within twelve months from the balance sheet date;
- Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There was no significant change during this period. Refer to Note 5 to the consolidated financial statements for the year ended December 31, 2023 for related information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and revolving funds	\$ 190	\$ 224	\$ 106
Checking accounts and demand deposits	2,609,675	2,437,057	1,873,521
Time deposits	36,071	34,682	35,458
Total	<u>\$ 2,645,936</u>	<u>\$ 2,471,963</u>	<u>\$ 1,909,085</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to diversify credit risk, so it expects that the probability of counterparty default is remote.

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

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

<u>Items</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivative instruments	<u>\$ -</u>	<u>\$ 30,718</u>	<u>\$ 1,506</u>

- A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended March 31,	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	(\$ 20,012)	\$ 10,671

- B. The Group has no financial assets at fair value through profit or loss pledged to others.
- C. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:
March 31, 2024: There were no outstanding derivative instruments.

	December 31, 2023		March 31, 2023	
	Contract amount (notional principal)	Maturity date of	Contract amount (notional principal)	Maturity date of
Derivative instruments	(In thousands)	the contract	(In thousands)	the contract
Current items:				
Cross currency swap	USD 2,000	2024.1.12	USD 2,000	2023.6.7
Cross currency swap	USD 2,000	2024.1.12	-	-
Cross currency swap	USD 2,000	2024.1.12	-	-
Cross currency swap	USD 2,000	2024.1.12	-	-
Cross currency swap	USD 1,000	2024.1.12	-	-
Cross currency swap	USD 5,000	2024.2.22	-	-
Cross currency swap	USD 1,000	2024.2.22	-	-
Cross currency swap	USD 2,000	2024.3.13	-	-
Cross currency swap	USD 1,000	2024.3.13	-	-
Forward exchange contracts	USD 2,000	2024.1.12	USD 2,000	2023.5.12
Forward exchange contracts	USD 2,000	2024.1.12	USD 2,000	2023.5.12
Forward exchange contracts	USD 2,000	2024.1.12	USD 2,000	2023.6.13
Forward exchange contracts	USD 2,000	2024.2.22	-	-
Forward exchange contracts	USD 2,000	2024.2.22	-	-
Forward exchange contracts	USD 2,000	2024.2.22	-	-
Forward exchange contracts	USD 4,000	2024.3.13	-	-
Forward exchange contracts	USD 2,000	2024.3.13	-	-

(a) Cross currency swap

The Group entered into cross currency swap contracts which were exchange swap transactions between foreign currencies to hedge the volatility risk of the exchange rate. However, these cross currency swap contracts are not accounted for under hedge accounting.

(b) Forward foreign exchange contracts

The Group entered into forward foreign exchange contracts to sell USD to hedge the volatility risk of the exchange rate. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(3) Financial assets at amortized cost

Items	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Time deposits with maturity over three months	\$ 198,816	\$ 191,107	\$ 269,778
Special-purpose demand deposits	12	12	12
Total	<u>\$ 198,828</u>	<u>\$ 191,119</u>	<u>\$ 269,790</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Three months ended March 31,	
	2024	2023
Interest income	<u>\$ 1,062</u>	<u>\$ 1,175</u>

B. As at March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were \$198,828, \$191,119 and \$269,790, respectively.

C. The Group has no financial assets at amortized cost pledged to others.

D. Information on financial assets at amortized cost relating to credit risk is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

E. The special-purpose demand deposits refer to the Group's certain self-owned capital deposited into the trust account which is restricted only for the purpose of equity investments.

(4) Accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable	\$ 338,124	\$ 336,934	\$ 567,546
Less: Loss allowance	(101)	(101)	(170)
	<u>\$ 338,023</u>	<u>\$ 336,833</u>	<u>\$ 567,376</u>

- A. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Not past due	\$ 337,326	\$ 306,645	\$ 562,110
Up to 30 days	27	30,289	5,436
31 to 90 days	771	-	-
	<u>\$ 338,124</u>	<u>\$ 336,934</u>	<u>\$ 567,546</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$602,419.
- C. The Group does not hold any collateral as security.
- D. As at March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$338,023, \$336,833 and \$567,376, respectively.
- E. Information on accounts receivable relating to credit risk is provided in Note 12(2).

(5) Inventories

March 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 141,536	(\$ 7,050)	\$ 134,486
Work in progress	28,375	(10)	28,365
Finished goods	150,226	(12,066)	138,160
Total	<u>\$ 320,137</u>	<u>(\$ 19,126)</u>	<u>\$ 301,011</u>
December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 125,804	(\$ 4,239)	\$ 121,565
Work in progress	10,155	(10)	10,145
Finished goods	225,327	(10,560)	214,767
Total	<u>\$ 361,286</u>	<u>(\$ 14,809)</u>	<u>\$ 346,477</u>
March 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 174,351	(\$ 1,193)	\$ 173,158
Work in progress	33,188	(251)	32,937
Finished goods	143,173	(5,897)	137,276
Total	<u>\$ 350,712</u>	<u>(\$ 7,341)</u>	<u>\$ 343,371</u>

A. The cost of inventories recognized as expense for the period:

Three months ended March 31,		
	2024	2023
Cost of goods sold	\$ 557,399	\$ 746,819
Inventory valuation loss (gain on reversal of market value decline of inventories) (Note)	4,317 (	11,597)
Others	(197)	(738)
Total	<u>\$ 561,519</u>	<u>\$ 734,484</u>

Note: The gain from price recovery was caused by the reversal of allowance for inventory which were subsequently scrapped or sold.

B. The Group has no inventories pledged to others.

(6) Financial assets at fair value through other comprehensive income

Items	March 31, 2024	December 31, 2023	March 31, 2023
Non-current items:			
Debt instruments			
Government bonds	\$ 95,127	\$ 91,198	\$ 89,949
Valuation adjustment	(881)	(1,994)	(3,033)
Subtotal	<u>94,246</u>	<u>89,204</u>	<u>86,916</u>
Equity instruments			
Listed stocks	1,555,205	1,570,780	1,872,705
Unlisted stocks	<u>53,590</u>	<u>53,590</u>	<u>3,590</u>
	1,608,795	1,624,370	1,876,295
Valuation adjustment	<u>1,469,775</u>	<u>952,623</u>	<u>949,354</u>
Subtotal	<u>3,078,570</u>	<u>2,576,993</u>	<u>2,825,649</u>
Total	<u>\$ 3,172,816</u>	<u>\$ 2,666,197</u>	<u>\$ 2,912,565</u>

- A. The Group has elected to classify abovementioned government bonds and shares that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$3,172,816, \$2,666,197 and \$2,912,565 as at March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- B. In line with the Group's financial management plan, the Group sold \$26,568 and \$346,270 of equity instrument investments at fair value during the three months ended March 31, 2024 and 2023, and the gain on disposal were \$10,993 and \$54,285, respectively.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended March 31,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	<u>\$ 528,145</u>	<u>\$ 952,889</u>
Cumulative gains reclassified to retained earnings due to derecognition	<u>\$ 10,993</u>	<u>\$ 54,285</u>
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	<u>\$ 1,113</u>	<u>\$ 989</u>
Interest income recognized in profit or loss	<u>\$ 546</u>	<u>\$ 526</u>

- D. As of March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$94,246, \$89,204 and \$86,916, respectively.
- E. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.
- F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(7) Investments accounted for using equity method

	<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>	
	<u>Book value</u>	<u>Shareholding ratio</u>	<u>Book value</u>	<u>Shareholding ratio</u>	<u>Book value</u>	<u>Shareholding ratio</u>
Associates:						
Tien Da Investment Co., Ltd. (Tien Da)	\$ 238,634	29.85%	\$ 234,515	29.85%	\$ 231,059	29.85%
Teco Image Systems Co., Ltd. (Teco Image)	<u>699,937</u>	29.69%	<u>682,561</u>	29.69%	<u>667,959</u>	29.69%
	<u>\$ 938,571</u>		<u>\$ 917,076</u>		<u>\$ 899,018</u>	
	<u>Three months ended March 31,</u>					
	<u>2024</u>		<u>2023</u>			
	<u>Share of profit (loss) of associates accounted for using equity method, net</u>	<u>Other comprehensive income after tax</u>	<u>Share of profit (loss) of associates accounted for using equity method, net</u>	<u>Other comprehensive loss after tax</u>		
Associates:						
Tien Da Investment Co., Ltd. (Tien Da)	(\$ 239)	\$ 4,357	(\$ 164)	\$ 20,811		
Teco Image Systems Co., Ltd. (Teco Image)	<u>(2,863)</u>	<u>19,785</u>	<u>(15,590)</u>	<u>62,454</u>		
	<u>(\$ 3,102)</u>	<u>\$ 24,142</u>	<u>(\$ 15,754)</u>	<u>\$ 83,265</u>		

A. The basic information of the associate that is material to the Group is as follows:

<u>Shareholding ratio</u>					
<u>Company name</u>	<u>Principal place of business</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>Nature of relationship</u>	<u>Method of measurement</u>
Teco Image Systems Co., Ltd.	Taiwan	29.69%	29.69%	Strategic investment	Equity method

<u>Company name</u>	<u>Principal place of business</u>	<u>March 31, 2024</u>	<u>Nature of relationship</u>	<u>Method of measurement</u>
Teco Image Systems Co., Ltd.	Taiwan	29.69%	Strategic investment	Equity method

B. The summarized financial information of the associate that is material to the Group is as follows:

Balance sheet

<u>Teco Image Systems Co., Ltd.</u>			
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 941,435	\$ 911,534	\$ 794,152
Non-current assets	2,379,084	2,237,142	2,342,641
Current liabilities	588,819 (	537,450) (	627,672)
Non-current liabilities	77,173 (	83,784) (	117,417)
Total net assets	<u>\$ 3,986,511</u>	<u>\$ 2,527,442</u>	<u>\$ 2,391,704</u>
Share in associate's net assets	\$ 651,249	\$ 650,584	\$ 635,982
Goodwill	<u>31,977</u>	<u>31,977</u>	<u>31,977</u>
Carrying amount of the associate	<u>\$ 683,226</u>	<u>\$ 682,561</u>	<u>\$ 667,959</u>

Statement of comprehensive income

	Three months ended March 31,	
	2024	2023
Revenue	\$ 244,834	\$ 248,394
Loss for the period from continuing operations	(\$ 4,296)	(\$ 39,889)
Other comprehensive income, net of tax	187,728	411,158
Total comprehensive income	\$ 183,432	\$ 371,269
Dividends received from associates	\$ -	\$ 17,041

- C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of March 31, 2024, December 31, 2023 and March 31, 2023, the carrying amount of the Group's individually immaterial associates amounted to \$238,634, \$234,515 and \$231,059, respectively.

	Three months ended March 31,	
	2024	2023
Loss for the period from continuing operations	(\$ 239)	(\$ 164)
Other comprehensive income, net of tax	4,357	20,811
Total comprehensive income	\$ 4,118	\$ 20,647

- D. The Group's material associate, Teco Image, has quoted market prices. As of March 31, 2024, December 31, 2023 and March 31, 2023, the fair value was \$611,366, \$569,606 and \$621,389, respectively.
- E. The Group is the single largest shareholder of Teco Image with a 29.69% equity interest. Taking into consideration the extent of other shareholders' participation in previous shareholders' meeting of Teco Image and the voting right record of significant proposals, which indicates that the Group has no current ability to direct the relevant activities of Teco Image, the Group has no control, but only has significant influence, over the investee.
- F. The Group has no investments accounted for using equity method pledged to others.

(8) Property, plant and equipment

	2024						
	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
<u>At January 1</u>							
Cost	\$ 609,760	\$ 956,905	\$ 46,024	\$ 29,012	\$ 16,939	\$ 2,493	\$ 1,661,133
Accumulated depreciation and impairment	(520,413)	(911,848)	(40,856)	(24,393)	(13,173)	-	(1,510,683)
	<u>\$ 89,347</u>	<u>\$ 45,057</u>	<u>\$ 5,168</u>	<u>\$ 4,619</u>	<u>\$ 3,766</u>	<u>\$ 2,493</u>	<u>\$ 150,450</u>
Opening net book value as at January 1	\$ 89,347	\$ 45,057	\$ 5,168	\$ 4,619	\$ 3,766	\$ 2,493	\$ 150,450
Additions	-	-	29	-	-	15,148	15,177
Depreciation	(4,138)	(4,851)	(578)	(418)	(257)	-	(10,242)
Net exchange differences	<u>3,498</u>	<u>1,606</u>	<u>43</u>	<u>176</u>	<u>134</u>	<u>394</u>	<u>5,851</u>
Closing net book value as at March 31	<u>\$ 88,707</u>	<u>\$ 41,812</u>	<u>\$ 4,662</u>	<u>\$ 4,377</u>	<u>\$ 3,643</u>	<u>\$ 18,035</u>	<u>\$ 161,236</u>
<u>At March 31</u>							
Cost	\$ 634,177	\$ 961,712	\$ 46,971	\$ 29,270	\$ 17,515	\$ 18,035	\$ 1,707,680
Accumulated depreciation and impairment	(545,470)	(919,900)	(42,309)	(24,893)	(13,872)	-	(1,546,444)
	<u>\$ 88,707</u>	<u>\$ 41,812</u>	<u>\$ 4,662</u>	<u>\$ 4,377</u>	<u>\$ 3,643</u>	<u>\$ 18,035</u>	<u>\$ 161,236</u>

	2023						
	Buildings and structures	Machinery and equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 620,503	\$ 962,030	\$ 49,135	\$ 31,062	\$ 18,005	\$ 7,943	\$ 1,688,678
Accumulated depreciation and impairment	(513,076)	(904,496)	(42,379)	(24,514)	(14,099)	-	(1,498,564)
	<u>\$ 107,427</u>	<u>\$ 57,534</u>	<u>\$ 6,756</u>	<u>\$ 6,548</u>	<u>\$ 3,906</u>	<u>\$ 7,943</u>	<u>\$ 190,114</u>
Opening net book value as at January 1	\$ 107,427	\$ 57,534	\$ 6,756	\$ 6,548	\$ 3,906	\$ 7,943	\$ 190,114
Additions	-	-	-	-	170	1,533	1,703
Transfers	-	186	-	-	-	(186)	-
Depreciation	(4,138)	(8,118)	(617)	(485)	(265)	-	(13,623)
Net exchange differences	<u>489</u>	<u>227</u>	<u>7</u>	<u>29</u>	<u>18</u>	<u>39</u>	<u>809</u>
Closing net book value as at March 31	<u>\$ 103,778</u>	<u>\$ 49,829</u>	<u>\$ 6,146</u>	<u>\$ 6,092</u>	<u>\$ 3,829</u>	<u>\$ 9,329</u>	<u>\$ 179,003</u>
<u>At March 31</u>							
Cost	\$ 623,366	\$ 964,932	\$ 48,857	\$ 31,101	\$ 18,091	\$ 9,329	\$ 1,695,676
Accumulated depreciation and impairment	(519,588)	(915,103)	(42,711)	(25,009)	(14,262)	-	(1,516,673)
	<u>\$ 103,778</u>	<u>\$ 49,829</u>	<u>\$ 6,146</u>	<u>\$ 6,092</u>	<u>\$ 3,829</u>	<u>\$ 9,329</u>	<u>\$ 179,003</u>

- A. The aforementioned property, plant and equipment were all for its own use.
- B. The Group has no property, plant and equipment pledged as collateral or no interest was capitalized as part of property, plant and equipment.

(9) Leasing arrangements - lessee

- A. The Group leases various assets including land use right, buildings and business vehicles. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise certain buildings and transportation equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Land use right	Buildings	Transportation equipment	Total
At January 1, 2024	\$ 35,125	\$ 3,815	\$ -	\$ 38,940
Additions	-	-	2,494	2,494
Depreciation	(268)	(2,289)	(139)	(2,696)
Net exchange differences	1,402	-	-	1,402
At March 31, 2024	<u>\$ 36,259</u>	<u>\$ 1,526</u>	<u>\$ 2,355</u>	<u>\$ 40,140</u>

	Land use right	Buildings	Transportation equipment	Total
At January 1, 2023	\$ 36,814	\$ 15,623	\$ 825	\$ 53,262
Depreciation	(268)	(2,768)	(205)	(3,241)
Net exchange differences	169	1	-	170
At March 31, 2023	<u>\$ 36,715</u>	<u>\$ 12,856</u>	<u>\$ 620</u>	<u>\$ 50,191</u>

- D. The information on income and expense relating to lease contracts is as follows:

	Three months ended March 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 23	\$ 88
Expense on short-term lease contracts	18	18

E. For the three months ended March 31, 2024 and 2023, the Group's total cash outflow for leases was \$2,600 and \$3,154, respectively.

F. On June 29, 2007, the Group signed a land use right contract with Gaoxin branch of the Bureau of Land and Resources Bureau in Nanchang City, Jiangxi Province, People's Republic of China with a term of 50 years. All rentals had been paid on the contract date. The aforementioned amounts were recognized in right-of-use assets — land use right.

(10) Short-term borrowings

Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 550,000	1.7%~1.975%	None
Secured borrowings	750,000	1.7%~1.85%	Stock
	<u>\$ 1,300,000</u>		
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 550,000	1.7%~1.85%	None
Secured borrowings	750,000	1.7%~1.75%	Stock
	<u>\$ 1,300,000</u>		
Type of borrowings	March 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 550,000	1.6%~1.82%	None
Secured borrowings	750,000	1.6%~1.69%	Stock
	<u>\$ 1,300,000</u>		

For the three months ended March 31, 2024 and 2023, the Group's interest expense recognized in profit or loss amounted to \$5,574 and \$4,891 respectively.

(11) Financial liabilities at fair value through profit or loss

Items	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Derivative instruments	<u>\$ 15,899</u>	<u>\$ -</u>	<u>\$ 7,183</u>

- A. Amounts recognized in profit or loss in relation to financial liabilities at fair value through profit or loss are listed below:

	Three months ended March 31,	
	2024	2023
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	(\$ 20,540)	(\$ 9,491)

- B. The Group entered into contracts relating to derivative financial liabilities which were not accounted for under hedge accounting. The information is listed below:

	March 31, 2024		March 31, 2023	
Derivative instruments	Contract amount (notional principal) (In thousands)	Maturity date of the contract	Contract amount (notional principal) (In thousands)	Maturity date of the contract
Current items:				
Cross currency swap	USD 2,000	2024.4.19	USD 2,000	2023.4.17
Cross currency swap	USD 2,000	2024.4.19	USD 2,000	2023.4.17
Cross currency swap	USD 2,000	2024.4.19	USD 2,000	2023.4.27
Cross currency swap	USD 1,000	2024.4.19	USD 2,000	2023.4.27
Cross currency swap	USD 1,000	2024.4.19	USD 2,000	2023.5.30
Cross currency swap	USD 1,000	2024.4.19	USD 2,000	2023.5.30
Cross currency swap	USD 1,000	2024.4.19	USD 2,000	2023.6.21
Cross currency swap	USD 2,000	2024.5.14	-	-
Cross currency swap	USD 2,000	2024.5.14	-	-
Cross currency swap	USD 1,000	2024.5.14	-	-
Cross currency swap	USD 1,000	2024.5.14	-	-
Forward exchange contracts	USD 2,000	2024.4.19	USD 2,000	2023.4.17
Forward exchange contracts	USD 2,000	2024.4.19	USD 2,000	2023.4.17
Forward exchange contracts	USD 2,000	2024.4.19	USD 2,000	2023.4.27
Forward exchange contracts	USD 4,000	2024.5.14	USD 2,000	2023.4.27
Forward exchange contracts	USD 2,000	2024.5.14	USD 2,000	2024.6.13
Forward exchange contracts	USD 2,000	2024.5.14	USD 2,000	2023.7.13
Forward exchange contracts	USD 2,000	2024.5.14	USD 2,000	2023.7.13
Forward exchange contracts	USD 2,000	2024.5.14	-	-
Forward exchange contracts	USD 1,000	2024.5.14	-	-

December 31, 2023: There were no outstanding derivative instruments.

(a) Cross currency swap

The Group entered into cross currency swap contracts which were exchange swap transactions between foreign currencies to hedge the volatility risk of the exchange rate. However, these cross currency swap contracts are not accounted for under hedge accounting.

(b) Forward foreign exchange contracts

The Group entered into forward foreign exchange contracts to sell USD to hedge the volatility risk of the exchange rate. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(12) Other payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accrued employees' compensation and directors' remuneration	\$ 41,688	\$ 37,528	\$ 66,924
Royalties payable	52,191	52,191	52,191
Bonus payable	64,966	83,522	45,367
Wages and salaries payable	25,897	23,566	25,171
Service fees payable	8,094	7,053	5,192
Payables on equipment	5,136	3,047	3,684
Freight payable	1,575	1,448	2,631
Dividend payable	157,270	-	268,493
Others	34,433	30,224	34,886
	<u>\$ 391,250</u>	<u>\$ 238,579</u>	<u>\$ 504,539</u>

(13) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In May 2022 and July 2023, the Department of Labor, Taipei City Government approved that the Company cease contributing to the retirement fund temporarily for 2023 and 2024, respectively.

- (b) For the aforementioned pension plan, no pension cost was recognized for the three months and nine months ended March 31, 2024 and 2023.
 - (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$0.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s mainland China subsidiaries, Nanchang Creative Sensor Technology Co., Ltd. and Wuxi Creative Sensor Technology Co., Ltd., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
 - (c) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2024 and 2023 were \$4,300 and \$5,855, respectively.

(14) Capital stock

- A. As of March 31, 2024, the Company’s authorized capital was \$2,500,000, consisting of 250 million shares of ordinary stock (including 15 million shares reserved for employee stock options), and the paid-in capital was \$1,490,550, consisting of 149,055,000 shares of ordinary stock issued (including 22 million shares of private placement stock) with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. For the three months ended March 31, 2024 and 2023, the number of the Company’s outstanding ordinary shares were 142,973,000 shares and 141,312,000 shares, respectively.
- C. To increase working capital and meet the capital needs for the Company’s long-term development, the stockholders at their special stockholders’ meeting on September 17, 2021 adopted a resolution to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 38,116,500 shares. The private placement will be raised twice within one year starting from the date that the special stockholders’ meeting adopted the resolution. The Board of Directors resolved to raise \$516,780 by issuing 22,000,000 shares of ordinary shares through private placement at an estimated subscription price of \$23.49 (in dollars) per share on September 23, 2021. The registration for the change was completed on November 1, 2021. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on

the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

- D. On February 29, 2024, the Board of Directors resolved to reduce capital and refund cash to shareholders in order to adjust the capital structure and increase the return on equity. The amount of capital reduced was set at \$149,055, the number of shares eliminated was 14,905,500 shares, and the paid-in capital was \$1,341,495 after the reduction. The proposal of capital reduction was submitted to the shareholders for approval, and the chairman was authorised to set another record date for the capital reduction while the capital reduction had been approved by the shareholders and the competent authority.

E. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		March 31, 2024	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be transferred to employees	6,082,000	\$ 179,746
		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be transferred to employees	6,082,000	\$ 179,746
		March 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be transferred to employees	7,743,000	\$ 223,481

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- F. The number of Company's shares held by the Company's associate - Teco Image Systems Co., Ltd. was 28,906,260 shares as of March 31, 2024.

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:

- (a) Pay all taxes.
- (b) Cover accumulated deficit.
- (c) Set aside 10% for legal reserve until the legal reserve equals the total capital stock balance.
- (d) Set aside or reverse special reserve in accordance with related regulations.
- (e) The appropriation of the amount of distributable earnings after deducting items from (a) to (d), along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders.

The Company operates in a steady growth environment. Since the Company has plans for plant expansion and reinvestment, the current distributable earnings shall be appropriated as shareholders' bonus that account for 80% of the amount. Dividends to shareholders in the form of cash shall generally account for 50% but shall account for at least 5% of total dividends distributed.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. (1) The appropriations of 2023 earnings had been resolved by the Board of Directors during its meeting on March 13, 2024 which will be reported in the shareholders' meeting during 2024. The details are as follows:

	<u>Year ended December 31, 2023</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 56,817	
Cash dividends	157,270	\$ 1.1
Total	<u>\$ 214,087</u>	

- (2) Details of 2022 earnings appropriations as resolved by the stockholders on May 31, 2023 are as follows:

	<u>Years ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 38,795	
Cash dividends	268,493	\$ 1.9
Total	<u>\$ 307,288</u>	

(17) Other equity items

	2024		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	\$ 919,729	\$ 46,332	\$ 966,061
Valuation adjustment:			
— Group	529,258	-	529,258
— Associates	24,142	-	24,142
Revaluation transferred to retained earnings:			
— Group	(10,993)	-	(10,993)
— Associates	(8,022)	-	(8,022)
Currency translation differences:			
— Group	-	57,289	57,289
— Associates	-	478	478
At March 31	<u>\$ 1,454,114</u>	<u>\$ 104,099</u>	<u>\$ 1,558,213</u>
	2023		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	(\$ 38,711)	\$ 72,660	\$ 33,949
Valuation adjustment:			
— Group	953,878	-	953,878
— Associates	83,160	-	83,160
Valuation adjustment transferred to retained earnings:			
— Group	(54,285)	-	(54,285)
— Associates	(140)	-	(140)
Currency translation differences:			
— Group	-	6,760	6,760
— Associates	-	105	105
At March 31	<u>\$ 943,902</u>	<u>\$ 79,525</u>	<u>\$ 1,023,427</u>

(18) Operating revenue

	Three months ended March 31,	
	2024	2023
Revenue from contracts with customers	\$ 678,429	\$ 900,861

The Group derives revenue from the following major geographical regions:

Year ended ended March 31, 2024	China	Thailand	Philippines	Others	Total
Revenue from external customer contracts	\$ 330,314	\$ 126,832	\$ 92,534	\$ 128,749	\$ 678,429

Year ended ended March 31, 2023	China	Thailand	Philippines	Others	Total
Revenue from external customer contracts	\$ 496,744	\$ 127,985	\$ 64,982	\$ 211,150	\$ 900,861

The Group derives revenue from the transfer of goods and services at a point in time.

(19) Interest income

	Three months ended March 31,	
	2024	2023
Interest income from bank deposits	\$ 3,044	\$ 2,097
Interest income from financial assets measured at amortized cost	1,062	1,175
Interest income from financial assets at fair value through other comprehensive income	546	526
	\$ 4,652	\$ 3,798

(20) Other income

	Three months ended March 31,	
	2024	2023
Government grants	\$ 1,327	\$ 1,770
Rental revenue	869	676
Other income-other	651	5,340
	\$ 2,847	\$ 7,786

(21) Other gains and losses

	Three months ended March 31,	
	2024	2023
(Losses) gains on financial assets (liabilities) at fair value through profit or loss	\$ 40,552	\$ 1,180
Foreign exchange gains (losses)	32,220	(15,919)
Gains on disposal of property, plant and equipment	154	66
Other gains and losses	(11,173)	(289)
	<u>(\$ 19,351)</u>	<u>(\$ 14,962)</u>

(22) Employee benefit expense, depreciation and amortization

For the three months ended March 31, 2024 and 2023, employee benefit expense, depreciation and amortization categorized by function were summarized as follows:

	Three months ended March 31, 2024		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 51,700	\$ 29,047	\$ 80,747
Labor and health insurance fees	4,034	2,066	6,100
Pension costs	3,287	1,013	4,300
Other personnel expenses	4,129	1,166	5,295
Depreciation	8,664	4,274	12,938
Amortization	1,504	654	2,158

	Three months ended March 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 72,225	\$ 37,052	\$ 109,277
Labor and health insurance fees	5,879	2,753	8,632
Pension costs	4,465	1,390	5,855
Other personnel expenses	4,602	1,413	6,015
Depreciation	12,052	4,812	16,864
Amortization	3,035	696	3,731

- A. According to the Articles of Incorporation of the Company, the profit before deduction of employees' compensation and directors' and supervisors' remuneration and after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall account for 5%~15% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration.
- B. For the three months ended March 31, 2024 and 2023, employees' compensation were accrued at \$3,120 and \$6,472, respectively; directors' remuneration were accrued at \$1,040 and \$2,157, respectively. The aforementioned amounts were recognized in salary expenses, and estimated based on the current profit.

The employees' compensation and directors' remuneration for 2023 as resolved by the Board of Directors were in agreement with the amounts recorded in the 2023 financial statements of \$28,146 and \$9,382, respectively. Employees' compensation will be distributed in the form of cash, however, the relevant compensation has not yet been actually paid.

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

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31,	
	2024	2023
Current tax:		
Current tax on profit for the period	14,414	21,157
Prior year income tax (over)under estimation	(26)	442
Total current tax	14,388	21,599
Deferred tax:		
Origination and reversal of temporary differences	(5,980)	(1,570)
Effect of exchange rate	161	30
Total deferred tax	(5,819)	(1,540)
Income tax expense	\$ 8,569	\$ 20,059

- B. Except for the 2021 income tax return, the Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(24) Earnings per share

Three months ended March 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,863	114,067	\$ 0.21
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 23,863	114,067	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	823	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 23,863	114,890	\$ 0.21
Three months ended March 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 47,604	112,406	\$ 0.42
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 47,604	112,406	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,394	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 47,604	113,800	\$ 0.42

The Company applies the equity method for the mutual shareholding of shares with Teco Image Systems Co., Ltd. and applies the treasury stock method for the investment in Teco Image Systems Co., Ltd.. In calculating earnings per share, the Company recognizes Teco Image Systems Co., Ltd.'s shareholding as treasury shares which is a deduction from equity.

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Three months ended March 31,	
	2024	2023
Purchase of property, plant and equipment	\$ 15,177	\$ 1,703
Add: Opening balance of payable on equipment	3,047	4,940
Less: Ending balance of payable on equipment	(5,136)	(3,684)
Cash paid during the period	<u>\$ 13,088</u>	<u>\$ 2,959</u>

B. Investing activities with partial cash collections:

	Three months ended March 31,	
	2024	2023
Disposal of financial assets at fair value through other comprehensive income	\$ 26,568	\$ 346,270
Less: Ending balance of receivable on shares	-	(24,574)
Cash received during the period	<u>\$ 26,568</u>	<u>\$ 321,696</u>

C. Financing activities with no cash flow effects

	Three months ended March 31,	
	2024	2023
Dividend payable	<u>\$ 157,270</u>	<u>\$ 268,493</u>

(26) Changes in liabilities from financing activities

	2024		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 1,300,000	\$ 4,048	\$ 1,304,048
Changes in cash flow from financing activities	- (	2,559) (	2,559)
Increase in lease liabilities	-	2,494	2,494
Interest amortized in lease liabilities	-	23	23
Interest paid in lease liabilities	- (	23) (	23)
At March 31	<u>\$ 1,300,000</u>	<u>\$ 3,983</u>	<u>\$ 1,303,983</u>
	2023		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 1,350,000	\$ 17,097	\$ 1,367,097
Changes in cash flow from financing activities	(50,000) (	3,048) (	53,048)
Interest amortized in lease liabilities	-	88	88
Interest paid in lease liabilities	- (	88) (	88)
Impact of changes in foreign exchange rate	-	1	1
At March 31	<u>\$ 1,300,000</u>	<u>\$ 14,050</u>	<u>\$ 1,314,050</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Koryo Electronics Co., Ltd.	Group's key management
Yuryo Co., Ltd.	Subsidiaries of the Group's key management
Teco Image Systems Co., Ltd.	Associate
Teco Image Systems (DongGuan) Co., Ltd.	Associate
Tien Da Investment Co., Ltd.	Associate

(2) Significant related party transactions and balances

A. Receivables from related parties

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other accounts receivable:			
— Associates			
— Teco Image Systems Co., Ltd.	\$ <u>52</u>	\$ <u>47</u>	\$ <u>26</u>

Other receivables refer to payments on behalf of others.

B. Payables to related parties

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts payable:			
— The Group's key management			
— Koryo Electronics	\$ -	\$ -	\$ 460
Other payable:			
— Associate	<u>-</u>	<u>397</u>	<u>-</u>
	\$ <u>-</u>	\$ <u>397</u>	\$ <u>460</u>

The payables bear no interest.

C. Consulting fees (scheduled selling expenses)

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Subsidiaries of the Group's key management	\$ <u>894</u>	\$ <u>-</u>

D. Outsourcing labor costs

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Associates	\$ <u>2,023</u>	\$ <u>-</u>

E. Other income

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Associates	\$ <u>50</u>	\$ <u>24</u>

(3) Key management compensation

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ <u>13,464</u>	\$ <u>19,843</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	
Non-current financial assets at fair value through other comprehensive income	<u>\$ 2,207,800</u>	<u>\$ 2,106,000</u>	<u>\$ 1,912,500</u>	Short-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There is no significant change in this period. Refer to Note 12 to the consolidated financial statements as of and for the year ended December 31, 2023 for the related information.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ 30,718	\$ 1,506
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	3,078,570	2,576,993	2,825,649
Qualifying debt instrument	94,246	89,204	86,916
Financial assets at amortized cost			
Cash and cash equivalents	2,645,936	2,471,963	1,909,085
Accounts receivable (including related parties)	338,023	336,833	567,376
Other receivables (including related parties)	6,566	5,327	55,650
Guarantee deposits paid	1,681	1,681	2,085
Financial assets at amortized cost	<u>198,828</u>	<u>191,119</u>	<u>269,790</u>
	<u>\$ 6,363,850</u>	<u>\$ 5,703,838</u>	<u>\$ 5,718,057</u>

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	\$ 15,899	\$ -	\$ 7,183
Financial liabilities at amortized cost			
Short-term borrowings	1,300,000	1,300,000	1,300,000
Accounts payable (including related parties)	442,066	404,393	633,804
Other payables	391,250	238,579	504,539
	<u>\$ 2,149,215</u>	<u>\$ 1,942,972</u>	<u>\$ 2,445,526</u>
Lease liability (including current and non-current portion)	<u>\$ 3,983</u>	<u>\$ 4,048</u>	<u>\$ 14,050</u>

B. Financial risk management policies

There is no significant change in this period. Refer to Note 12 to the consolidated financial statements as of and for the year ended December 31, 2023 for the related information.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use cross currency swap and forward foreign exchange contracts, transacted with Group treasury.

- iii. The Group hedges foreign exchange rate by using forward exchange contracts and cross currency swap. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2) and 6(11).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD ; other certain subsidiaries' functional currency: RMB and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations are as follows:

	March 31, 2024						
				Sensitivity analysis			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
Financial assets							
Monetary items							
USD : NTD	\$ 45,871	31.99	\$ 1,467,413	1%	\$ 14,674	\$	-
RMB : NTD	300	4.51	1,353	1%	14		-
USD : RMB	34,136	7.10	1,092,011	1%	10,920		-
Financial liabilities							
Monetary items							
USD : NTD	\$ 20,247	31.99	\$ 647,702	1%	\$ 6,477	\$	-
USD : RMB	12,273	7.10	392,613	1%	3,926		-

December 31, 2023							
(Foreign currency: functional currency)	Sensitivity analysis						
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : NTD	\$ 43,557	30.71	\$ 1,337,635	1%	\$ 13,376	\$ -	-
RMB : NTD	300	4.34	1,302	1%	13		-
USD : RMB	32,940	7.08	1,011,587	1%	10,116		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 15,470	30.71	\$ 475,084	1%	\$ 4,751	\$ -	-
USD : RMB	12,160	7.08	373,434	1%	3,734		-

March 31, 2023							
Sensitivity analysis							
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : NTD	\$ 47,208	30.46	\$ 1,437,956	1%	\$ 14,380	\$	-
RMB : NTD	300	4.43	1,329	1%	13		-
USD : RMB	42,948	6.87	1,308,196	1%	13,082		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 26,486	30.46	\$ 806,764	1%	\$ 8,068	\$	-
USD : RMB	17,957	6.87	546,970	1%	5,470		-

- v. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group were \$32,220 and (\$15,919) for the three months ended March 31, 2024 and 2023, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the three months ended March 31, 2024 and 2023 would have increased/decreased both by \$0, as a result of gains/losses on equity securities classified as at fair value through profit or loss. For the three months ended March 31, 2024 and 2023, other components of equity would have increased/decreased by \$317,282 and \$291,257, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost and at fair value through other comprehensive income.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had no written-off financial assets that are still under recourse procedures
- viii. The Group's accounts receivable arose from customers with excellent credit, and the expected loss rate was 0.03%. On March 31, 2024, December 31, 2023 and March 31, 2023, the total book value of accounts receivable and loss allowance were \$338,124, \$336,934, \$567,546 and \$101, \$101, \$170, respectively.
- ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2024	2023
	Accounts receivable (including related parties)	Accounts receivable (including related parties)
At January 1	\$ 101	\$ 186
Reversal for impairment	-	(16)
At March 31	\$ 101	\$ 170

For the three months ended March 31, 2024 and 2023, the impairment gains arising from customers' contracts were \$0 and \$16 respectively.

- x. For investments in debt instruments at amortized cost, and at fair value through other comprehensive income, the credit rating levels are presented below:

March 31, 2024				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortized cost	<u>\$ 198,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,828</u>
Financial assets at fair value through other comprehensive income	<u>\$ 94,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,246</u>
December 31, 2023				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortized cost	<u>\$ 191,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,119</u>
Financial assets at fair value through other comprehensive income	<u>\$ 89,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,204</u>
March 31, 2023				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortized cost	<u>\$ 269,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,790</u>
Financial assets at fair value through other comprehensive income	<u>\$ 86,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,916</u>

The financial assets at amortized cost held by the Group are all time deposits with maturity over three months and special-purpose demand deposit. The credit risk rating has no significant abnormal situation.

The financial assets at fair value through other comprehensive income held by the Group are all government bonds. The Group assesses the 12 month expected credit loss and lifetime expected credit loss based on the probability of default and default loss provided by external credit rating agencies. The credit risk rating has no significant abnormal situation.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyzes the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

The amounts disclosed in the table are the contractual "undiscounted" cash flows.

<u>March 31, 2024</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 1,301,929	\$ -	\$ -
Accounts payable	442,066	-	-
Other payables	391,250	-	-
Lease liability	2,478	851	710
<u>Derivative financial liabilities</u>			
Cross currency swap	\$ 9,744	\$ -	\$ -
Forward foreign exchange contracts	6,155	-	-
<u>December 31, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 1,302,372	\$ -	\$ -
Accounts payable	404,393	-	-
Other payables	238,579	-	-
Lease liability	4,066	-	-

March 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 1,304,356	\$ -	\$ -
Accounts payable (including related parties)	633,804	-	-
Other payables	504,539	-	-
Lease liability	12,197	2,030	-
<u>Derivative financial liabilities</u>			
Cross currency swap	\$ 3,387	\$ -	\$ -
Forward foreign exchange contracts	3,796	-	-

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) 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. The fair value of the Group's investment in listed stocks, beneficiary certificates and government bonds with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Groups investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, financial assets at amortized cost-current, guarantee deposits paid, short-term borrowings, accounts payable, other payables are approximate to their fair values.

- C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities are as follows:

<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 3,028,570	\$ -	\$ 50,000	\$ 3,078,570
Debt instruments	<u>94,246</u>	<u>-</u>	<u>-</u>	<u>94,246</u>
Total	<u>\$ 3,122,816</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 3,172,816</u>
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 30,718	\$ -	\$ 30,718
Financial assets at fair value through other comprehensive income				
Equity securities	2,526,993	-	50,000	2,576,993
Debt instruments	<u>89,204</u>	<u>-</u>	<u>-</u>	<u>89,204</u>
Total	<u>\$ 2,616,197</u>	<u>\$ 30,718</u>	<u>\$ 50,000</u>	<u>\$ 2,696,915</u>
<u>March 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 1,506	\$ -	\$ 1,506
Financial assets at fair value through other comprehensive income				
Equity securities	2,825,649	-	-	2,825,649
Debt instruments	<u>86,916</u>	<u>-</u>	<u>-</u>	<u>86,916</u>
Total	<u>\$ 2,912,565</u>	<u>\$ 1,506</u>	<u>\$ -</u>	<u>\$ 2,914,071</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 7,183</u>	<u>\$ -</u>	<u>\$ 7,183</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Government bonds</u>
Market quoted price	Closing price	Closing price

- ii Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

D. For the three months ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
At January 1	\$ 50,000	\$ -
Acquired during the period	-	-
At March 31	<u>\$ 50,000</u>	<u>\$ -</u>

F. For the three months ended March 31, 2024 and 2023, there was no transfer into or out from Level 3.

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Venture capital shares	\$ 50,000	Net asset value	Not applicable	Not applicable	Not applicable

March 31, 2023: The Company had no non-derivative equity instrument.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

According to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, the significant transactions for the three months ended March 31, 2024 are as follows:

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 2.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 3.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Notes 6(2) and 6(11).

J. Significant inter-company transactions during the reporting periods: Refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China: Refer to table 4.

(4) Major shareholders information

Major shareholders information: Refer to table 7.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Chief Operating Decision-Maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

Three months ended March 31, 2024			
	Single operating segment	Reconciliation and elimination	Total
Reportable segments income			
Revenue from external customers	\$ 678,429	\$ -	\$ 678,429
Total	\$ 678,429	\$ -	\$ 678,429
Reportable segments profit	\$ 32,432	\$ -	\$ 32,432
Segments profit, including:			
Interest income	\$ 4,652	\$ -	\$ 4,652
Depreciation and amortization	\$ 15,096	\$ -	\$ 15,096
Share of profit of associates and joint ventures accounted for using equity method	(\$ 3,102)	\$ -	(\$ 3,102)
Income tax expense	\$ 8,569	\$ -	\$ 8,569

Three months ended March 31, 2023			
	Single operating segment	Reconciliation and elimination	Total
Reportable segments income			
Revenue from external customers	\$ 900,861	\$ -	\$ 900,861
Total	\$ 900,861	\$ -	\$ 900,861
Reportable segments profit	\$ 67,663	\$ -	\$ 67,663
Segments profit, including:			
Interest income	\$ 3,798	\$ -	\$ 3,798
Depreciation and amortization	\$ 20,595	\$ -	\$ 20,595
Share of profit of associates and joint ventures accounted for using equity method	(\$ 15,754)	\$ -	(\$ 15,754)
Income tax expense	\$ 20,059	\$ -	\$ 20,059

(3) Reconciliation for segment income

The Group has only one reportable operating segment. The profit and assets of the reportable segment are consistent with that in the consolidated financial statements. Related information is as follows:

Three months ended March 31,		
	2024	2023
Reportable segments income	\$ 32,432	\$ 67,663
Income before tax from continuing operations	\$ 32,432	\$ 67,663
Reportable segment assets	\$ 7,911,570	\$ 7,296,082
Total assets	\$ 7,911,570	\$ 7,296,082

Creative Sensor Inc. and Subsidiaries									
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)									
Three months ended March 31, 2024									
Expressed in thousands of NTD (Except as otherwise indicated)									
Securities held by	Marketable securities categories (Note 1)	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2024				
					Number of shares (in thousands)	Book value (Note 2)	Ownership (%)	Fair value	Footnote
The Company	Stock	TECO ELECTRIC & MACHINERY CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	46,987	\$ 2,729,945	2.20%	\$ 2,729,945	Note 3
"	"	Koryo Electronics Co., Ltd.	The Company's key management	"	9,882	288,060	19.07%	288,060	
"	"	MUTUALPAK	-	"	108	-	1.08%	-	
"	"	Taiwan Pelican Express Co., Ltd.	-	"	281	10,565	0.29%	10,565	
"	"	DARJIUN VENTURE CORPORATION	The Company is the Company's corporate director	"	5,000	50,000	13.33%	50,000	
"	Bond	U.S. Treasury bond U.S. dollar semiannual sovereign bond	-	"	30	94,246	-	94,246	
						<u>\$ 3,172,816</u>		<u>\$ 3,172,816</u>	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 3: Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

Creative Sensor Inc. and Subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Three months ended March 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction			Differences in transaction terms compared to third party transactions (Note)			Notes/accounts receivable (payable)			Footnote
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
The Company	Nanchang Creative Sensor Technology Co., Ltd.	The Company's third-tier subsidiary	Purchases	\$ 549,421	100%	75~90 days after monthly billing	\$ -	-	(\$ 574,366)	98.12%		-

Creative Sensor Inc. and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Three months ended March 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Nanchang Creative Sensor Technology Co., Ltd.	The Company	Parent company	\$ 574,366	4.46	\$ -	-	\$ 205,380	\$ -

Creative Sensor Inc. and Subsidiaries
Significant inter-company transactions during the reporting period
Three months ended March 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				Percentage of consolidated total operating revenues or total assets (Note 3)	Note
				General ledger account	Amount	Transaction terms			
0	The Company	Nanchang Creative Sensor Technology Co., Ltd.	1	Accounts payable	\$ 574,366	75~90 days after monthly billing	7.26%	-	
"	"	"	"	Purchases	549,421	"	80.98%	-	
1	Nanchang Creative Sensor Technology Co., Ltd.	The Company	2	Accounts payable	22,603	60 days after monthly billing	0.29%	-	

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Individual transactions not reaching \$10,000 and their corresponding transactions will not be disclosed.

Table 5

Creative Sensor Inc. and Subsidiaries
Information on investees
Three months ended March 31, 2024

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2024				Net profit (loss) of the investee for the three months ended March 31, 2024	Investment income (loss) recognized by the Company for the three months ended March 31, 2024 (Note 1)	Footnote
				Balance as at March 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	March 31, 2024			
The Company	Creative Sensor Inc.	British Virgin Islands	Holding company	\$ 583,416	\$ 583,416	15,414,994	100	\$ 1,710,816	\$ 18,676	\$ 18,676		Subsidiary
The Company	Creative Sensor (USA) Co.	U.S.A.	Collection of marketing information and maintaining customer relationship	3,169	3,169	100,000	100	5,152	271	271		Subsidiary
The Company	Teco Image Systems Co., Ltd.	Taiwan	Design, manufacturing and trading of multi-function printer, fax machine and scanner	737,506	737,506	33,408,000	29.69	699,937	(4,296)	(2,863)		Investee accounted for using equity method
The Company	Tien Da Investment Co., Ltd.	Taiwan	Investing company	223,040	223,040	21,340,000	29.85	238,634	(800)	(239)		Investee accounted for using equity method
Creative Sensor Inc.	Creative Sensor Co., Ltd.	Hong Kong	Holding company	586,837	586,837	15,501,368	100	1,364,078	4,479	-		Subsidiary of the company

Note : The Company has not directly recognized the income (loss) on investment in Creative Sensor Co., Ltd.

Creative Sensor Inc. and Subsidiaries
Information on investments in Mainland China
Three months ended March 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

A. Information on reinvestment in Mainland Area

Investee in Mainland China	Main business activities	Paid-in capital (Note 2)	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2024			Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 (Note 3)	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024 (Note 3)	Net income of investee for the three months ended March 31, 2024	Ownership held by the Company (direct or indirect)	Investment income recognized by the Company for the three months ended March 31, 2024 (Note 4)	Book value of investments in Mainland China as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	Footnote
Wuxi Creative Sensor Technology Co., Ltd.	Image Sensor	\$ 33,958	Note 1	\$ 29,271	\$ -	\$ -	\$ 29,271			\$ 617	100	\$ 617	\$ 177,508	\$ 637,020		Note 5
Nanchang Creative Sensor Technology Co., Ltd.	Image Sensor	967,016	Note 1	463,855	-	-	463,855			3,646	100	3,646	1,183,523	437,459		Note 6

Note 1: Through investing in an existing company in the third area (Creative Sensor Inc.), which then invested in the investee in Mainland China.

Note 2: The paid-in capital of two investee companies in the original currency amounted to RMB\$8,261 thousand and RMB\$217,215 thousand, respectively.

Note 3: Wuxi Creative Sensor Technology Co., Ltd.'s accumulated amount of remittance from Taiwan to Mainland China as of January 1 and March 31, 2024 in the original currency was both US\$915 thousand. Nanchang Creative Sensor accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 and March 31, 2024 in the original currency was both US\$14,500 thousand.

Note 4: Investment income recognized for the three months ended March 31, 2024 was evaluated and disclosed based on the financial statements reviewed by R.O.C. parent company's CPA.

Note 5: The investment facility of US\$15,005 thousand was approved by the Investment Commission, as of March 31, 2024, the Investment Commission also approved the investment income of US\$21,440 thousand which has been remitted back to Taiwan and proceeds from capital reduction of US\$14,000 thousand which have been remitted back, and all of them could be used to deduct from the accumulated investment amounts in Mainland China.

Note 6: The investment facility of US\$14,500 thousand and US\$15,300 thousand of Wuxi Creative Sensor Technology Co., Ltd.'s reinvestment in Nanchang Creative Sensor Technology Co., Ltd. through capitalisation of earnings which was approved by the Investment Commission, as of March 31, 2024, the Investment Commission also approved that the investment income of US\$15,121 thousand which has been remitted back to Taiwan, and all of them could be used to deduct from the accumulated investment amounts in Mainland China.

B. Ceiling on reinvestments in Mainland Area

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
The Company	\$ 493,126	\$ 496,005	\$ 3,384,586

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024 in original currency amounted to US\$15,415 thousand.

Note 2: Investment amount in the original currency approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) amounted to US\$15,505 thousand.

Furthermore, as of March 31, 2024, the Investment Commission approved that the investment income from reinvestment business in Mainland China remitted back to Taiwan was US\$36,561 thousand which could be deducted from the accumulated investment amounts in Mainland China.

Creative Sensor Inc. and Subsidiaries

Major shareholders information

March 31 2024

Table 7

Major shareholders name	Ownership	Ownership (%)
Teco Image Systems Co., Ltd.	28,906,260	19.39%
UNIVERSAL CEMENT CORPORATION	13,158,000	8.82%
Tien Da Investment Co., Ltd.	12,318,000	8.26%
Yurui Co., Ltd.	9,018,029	6.05%
Huan Ni Investment Co., Ltd.	9,000,000	6.03%
Teco International Investment Co., Ltd.	7,913,310	5.30%

- (a) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.
- (b) If the aforementioned data contains shares which were kept in trust by the shareholders, the data was disclosed as separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, at the same time, the shareholders have power to decide how to allocate the assets held in trust. For the information on reported share equity of insider, please refer to Market Observation Post System.