

**CREATIVE SENSOR INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024**

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 June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the related consolidated statements, of changes in equity and of cash flows for the six 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 (please 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months then ended, and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

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 conclusion 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\$321,486 thousand and NT\$229,895 thousand, constituting 3.95% and 2.85% of the consolidated total assets as at June 30, 2025 and 2024, respectively, and the comprehensive (loss) income recognized from associates and joint ventures accounted for using the equity method amounted to (NT\$2,456) thousand, (NT\$202) thousand, (NT\$94,067) thousand and NT\$3,916 thousand, constituting 0.79%, 0.12%, 13.82% and 0.83% of the consolidated total comprehensive (loss) income for the three months and six months then ended, respectively.

Lin, Po-Chuan

Lin, Po-Chuan

Lin, Yung-Chih

Lin, Yung-Chih

For and on Behalf of PricewaterhouseCoopers, Taiwan

August 11, 2025

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
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 3,090,701	38	\$ 3,103,866	34	\$ 2,853,235	35
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		182,963	2	91,322	1	-	-
1136	Financial assets at amortized cost -	6(3)						
	current, net		12	-	32,737	1	78,187	1
1150	Notes receivable, net	6(4)	45	-	-	-	-	-
1170	Accounts receivable, net	6(4)	526,344	7	663,994	7	610,261	8
1180	Accounts receivable - related	6(4) and 7						
	parties, net		4,646	-	1,273	-	-	-
1200	Other receivables		360	-	8,757	-	4,988	-
1210	Other receivables - related parties,	7						
	net		6,457	-	8	-	16,771	-
130X	Inventories, net	6(5)	281,062	4	378,608	4	317,263	4
1479	Other current assets		32,693	-	31,658	1	18,822	-
11XX	Total current assets		4,125,283	51	4,312,223	48	3,899,527	48
Non-current assets								
1517	Non-current financial assets at fair	6(6) and 8						
	value through other comprehensive							
	income		2,793,824	34	3,278,749	36	3,004,178	37
1550	Investments accounted for using	6(7)						
	the equity method		996,839	12	1,205,004	13	894,916	11
1600	Property, plant and equipment, net	6(8)	117,851	2	144,408	2	153,934	2
1755	Right-of-use assets	6(9)	70,367	1	79,764	1	85,611	1
1780	Intangible assets		3,586	-	4,649	-	5,741	-
1840	Deferred income tax assets		4,893	-	12,424	-	9,039	-
1990	Other non-current assets		29,227	-	30,689	-	27,348	1
15XX	Total non-current assets		4,016,587	49	4,755,687	52	4,180,767	52
1XXX	Total assets		\$ 8,141,870	100	\$ 9,067,910	100	\$ 8,080,294	100

(Continued)

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(10) and 8	\$ 1,300,000	16	\$ 1,300,000	14	\$ 1,300,000	16
2120	Financial liabilities at fair value	6(11)						
	through profit or loss - current		386	-	24,673	-	8,722	-
2170	Accounts payable		468,291	6	737,768	8	698,185	9
2180	Accounts payable - related parties	7	156,448	2	220,455	3	902	-
2200	Other payables	6(12)	498,965	6	285,907	3	365,222	4
2220	Other payables - related parties	7	1,479	-	403	-	1,075	-
2230	Income tax payable		59,141	1	96,771	1	64,751	1
2280	Current lease liabilities		10,287	-	10,154	-	10,064	-
2300	Other current liabilities		10,385	-	8,382	-	7,368	-
21XX	Total current liabilities		<u>2,505,382</u>	<u>31</u>	<u>2,684,513</u>	<u>29</u>	<u>2,456,289</u>	<u>30</u>
Non-current liabilities								
2570	Deferred income tax liabilities		106,514	1	111,276	1	76,112	1
2580	Non-current lease liabilities		28,939	-	34,059	1	39,159	1
25XX	Total non-current liabilities		<u>135,453</u>	<u>1</u>	<u>145,335</u>	<u>2</u>	<u>115,271</u>	<u>2</u>
2XXX	Total liabilities		<u>2,640,835</u>	<u>32</u>	<u>2,829,848</u>	<u>31</u>	<u>2,571,560</u>	<u>32</u>
Equity attributable to owners of parent								
	Share capital	6(15)						
3110	Common stock		1,378,245	17	1,341,495	15	1,490,550	19
	Capital surplus	6(16)						
3200	Capital surplus		1,114,940	14	986,117	11	986,117	12
	Retained earnings	6(17)						
3310	Legal reserve		666,396	8	628,128	7	628,128	8
3350	Unappropriated retained earnings		1,406,048	17	1,499,454	17	1,216,475	15
	Other equity interest	6(18)						
3400	Other equity interest		1,030,325	13	1,928,736	21	1,338,364	16
3500	Treasury shares	6(15)	(95,155)	(1)	(145,868)	(2)	(150,900)	(2)
31XX	Equity attributable to owners of the parent		<u>5,500,799</u>	<u>68</u>	<u>6,238,062</u>	<u>69</u>	<u>5,508,734</u>	<u>68</u>
36XX	Non-controlling interests		<u>236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3XXX	Total equity		<u>5,501,035</u>	<u>68</u>	<u>6,238,062</u>	<u>69</u>	<u>5,508,734</u>	<u>68</u>
3X2X	Total liabilities and equity		<u>\$ 8,141,870</u>	<u>100</u>	<u>\$ 9,067,910</u>	<u>100</u>	<u>\$ 8,080,294</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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Net revenue	6(19) and 7	\$ 880,798	100	\$ 1,025,372	100	\$ 1,956,375	100	\$ 1,703,801	100
5000	Cost of revenue	6(5)(23) and 7	(696,017)	(79)	(806,002)	(79)	(1,533,880)	(79)	(1,367,521)	(80)
5900	Gross profit		<u>184,781</u>	<u>21</u>	<u>219,370</u>	<u>21</u>	<u>422,495</u>	<u>21</u>	<u>336,280</u>	<u>20</u>
	Operating expenses	6(23) and 7								
6100	Selling expenses		(16,530)	(2)	(14,449)	(1)	(32,625)	(2)	(26,243)	(2)
6200	General and administrative expenses		(75,386)	(9)	(57,544)	(6)	(128,670)	(6)	(92,797)	(5)
6300	Research and development expenses		(22,431)	(2)	(18,530)	(2)	(41,529)	(2)	(35,410)	(2)
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9 (impairment loss)	12(2)	<u>20</u>	<u>-</u>	(82)	<u>-</u>	<u>40</u>	<u>-</u>	(82)	<u>-</u>
6000	Total operating expenses		(114,327)	(13)	(90,605)	(9)	(202,784)	(10)	(154,532)	(9)
6900	Income from operations		<u>70,454</u>	<u>8</u>	<u>128,765</u>	<u>12</u>	<u>219,711</u>	<u>11</u>	<u>181,748</u>	<u>11</u>
	Non-operating income and expenses									
7100	Interest income	6(20)	17,748	2	11,716	1	32,435	2	16,368	1
7010	Other income	6(21) and 7	1,561	-	1,542	-	2,811	-	4,389	-
7020	Other gains and losses	6(22)	74,308	9	(10,038)	(1)	80,421	4	(29,389)	(2)
7050	Finance costs	6(9)(10)	(6,379)	(1)	(6,301)	-	(13,003)	(1)	(11,898)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method, net	6(7)	(8,381)	(1)	(6,588)	(1)	(11,670)	-	(9,690)	-
7000	Total non-operating income and expenses		<u>78,857</u>	<u>9</u>	(9,669)	(1)	<u>90,994</u>	<u>5</u>	(30,220)	(2)
7900	Profit before income tax		<u>149,311</u>	<u>17</u>	<u>119,096</u>	<u>11</u>	<u>310,705</u>	<u>16</u>	<u>151,528</u>	<u>9</u>
7950	Income tax expense	6(24)	(40,283)	(4)	(62,275)	(6)	(93,605)	(5)	(70,844)	(4)
8200	Net income		<u>\$ 109,028</u>	<u>13</u>	<u>\$ 56,821</u>	<u>5</u>	<u>\$ 217,100</u>	<u>11</u>	<u>\$ 80,684</u>	<u>5</u>
	Other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(6)(18)	(\$ 120,504)	(14)	(\$ 220,177)	(21)	(\$ 439,540)	(22)	\$ 307,968	18
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(7)(18)	(21,232)	(2)	(12,068)	(1)	(191,241)	(10)	12,074	1
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(141,736)	(16)	(232,245)	(22)	(630,781)	(32)	320,042	19
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation	6(18)	(279,174)	(32)	12,661	1	(265,132)	(14)	69,950	4
8367	Unrealized (losses) gains from investments in debt instruments measured at fair value through other comprehensive income	6(6)(18)	(2,135)	-	(256)	-	(3,719)	-	857	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(7)(18)	<u>1,390</u>	<u>-</u>	(9)	<u>-</u>	<u>1,148</u>	<u>-</u>	<u>469</u>	<u>-</u>
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(279,919)	(32)	12,396	1	(267,703)	(14)	71,276	4
8300	Other comprehensive (loss) income for the period		(\$ 421,655)	(48)	(\$ 219,849)	(21)	(\$ 898,484)	(46)	\$ 391,318	23
8500	Total comprehensive (loss) income for the period		(\$ 312,627)	(35)	(\$ 163,028)	(16)	(\$ 681,384)	(35)	\$ 472,002	28
	Profit (loss) attributable to:									
8610	Owners of parent		\$ 109,066	13	\$ 56,821	5	\$ 217,138	11	\$ 80,684	5
8620	Non-controlling interests		(38)	-	-	-	(38)	-	-	-
			<u>\$ 109,028</u>	<u>13</u>	<u>\$ 56,821</u>	<u>5</u>	<u>\$ 217,100</u>	<u>11</u>	<u>\$ 80,684</u>	<u>5</u>
	Comprehensive (loss) income attributable to:									
8710	Owners of parent		(\$ 312,589)	(35)	(\$ 163,028)	(16)	(\$ 681,346)	(35)	\$ 472,002	28
8720	Non-controlling interests		(38)	-	-	-	(38)	-	-	-
			(\$ 312,627)	(35)	(\$ 163,028)	(16)	(\$ 681,384)	(35)	\$ 472,002	28
	Earnings per share (in dollars)	6(25)								
9750	Basic earnings per share		<u>\$ 1.04</u>		<u>\$ 0.50</u>		<u>\$ 2.08</u>		<u>\$ 0.71</u>	
9850	Diluted earnings per share		<u>\$ 1.03</u>		<u>\$ 0.49</u>		<u>\$ 2.06</u>		<u>\$ 0.70</u>	

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

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(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	Employee share options	Options expired			Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
	Notes	Capital stock - common stock	Additional paid-in capital	Treasury stock transactions				Legal reserve	Unappropriated retained earnings			Treasury shares	Total	Non-controlling interests	Total equity
Six months ended June 30, 2024															
		\$ 1,490,550	\$ 970,251	\$ 13,293	\$ 607	\$ -	\$ 50	\$ 571,311	\$ 1,330,863	\$ 46,332	\$ 919,729	(\$ 179,746)	\$ 5,163,240	\$ -	\$ 5,163,240
		-	-	-	-	-	-	-	80,684	-	-	-	80,684	-	80,684
		-	-	-	-	-	-	-	-	70,419	320,899	-	391,318	-	391,318
		-	-	-	-	-	-	-	80,684	70,419	320,899	-	472,002	-	472,002
	6(17)														
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The accompanying notes are an integral part of these consolidated financial statements.

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 310,705	\$ 151,528
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(23)	23,848	26,097
Amortization	6(23)	3,513	4,152
Expected credit impairment (gains) losses	12(2)	(40)	82
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(11)(22)	(103,740)	59,725
Foreign currency evaluation of financial assets at fair value through other comprehensive income		7,311	(5,329)
Interest expense	6(9)(10)	13,003	11,898
Interest income	6(20)	(32,435)	(16,368)
Dividend income	6(6)(21)	(90)	(225)
Share-based payments	6(14)	18,725	1,775
Share of loss of associates and joint ventures accounted for using equity method	6(7)	11,670	9,690
Net gain on disposal of property, plant and equipment	6(22)	(9)	(575)
Net gain on disposal of investment	6(22)	(124,253)	-
Gain from lease modification	6(9)(22)	(37)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(12,188)	(20,285)
Notes receivable		(45)	-
Accounts receivable		137,690	(273,510)
Accounts receivable - related parties		(3,373)	-
Other receivables		8,751	201
Other receivables - related parties		(47)	(20)
Inventories		63,941	60,032
Other current assets		(125)	9,165
Changes in operating liabilities			
Accounts payable		(211,105)	268,883
Accounts payable - related parties		(44,456)	902
Other payables		(52,975)	(34,760)
Other payables - related parties		1,076	678
Other current liabilities		2,003	1,286
Cash inflow generated from operations		17,318	255,022
Interest received		31,915	16,064
Dividends received		90	8,761
Interest paid		(13,003)	(11,898)
Income tax paid		(127,618)	(39,394)
Income tax refund received		2,685	1,730
Net cash flows (used in) from operating activities		(88,613)	230,285

(Continued)

CREATIVE SENSOR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at amortized cost		\$ 33,877	\$ 121,492
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	2,848	26,568
Redemption at maturity of financial assets at fair value through other comprehensive income		98,115	-
Acquisition of financial assets at fair value through other comprehensive income		(66,443)	(50,000)
Acquisition of property, plant and equipment	6(26)	(4,604)	(16,823)
Proceeds from disposal of property, plant and equipment		9	575
Acquisition of intangible assets		(247)	(1,929)
Increase in refundable deposits		-	(41)
Increase in other non-current assets		(2,357)	(39)
Net cash flows from investing activities		<u>61,198</u>	<u>79,803</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of lease principal	6(27)	(5,075)	(5,150)
Issuance of shares	6(15)	147,000	-
Change in non-controlling interests arising from the establishment of a subsidiary		274	-
Treasury shares sold to employees		<u>50,561</u>	<u>28,760</u>
Net cash flows from financing activities		<u>192,760</u>	<u>23,610</u>
Effect of exchange rate		(178,510)	47,574
Net (decrease) increase in cash and cash equivalents		(13,165)	381,272
Cash and cash equivalents at beginning of period		<u>3,103,866</u>	<u>2,471,963</u>
Cash and cash equivalents at end of period		<u>\$ 3,090,701</u>	<u>\$ 2,853,235</u>

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

CREATIVE SENSOR INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(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 August 5, 2025.

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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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.

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

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

follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

(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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional policies set out below, the rest of the significant 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, 2024. 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, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets 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 that came into effect 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, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Footnote
			June 30, 2025	December 31, 2024	June 30, 2024	
Creative Sensor Inc.	Creative Sensor Inc.	Holding company	100	100	100	
Creative Sensor Inc.	Creative Sensor (USA) Co.	Research and development of new product				
		Collection of marketing information and maintaining relationship with customers	100	100	100	
Creative Sensor Inc.	Sensorex Photonics India Private Limited	Collection of marketing information	91	-	-	Note 1
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	Note 2
Creative Sensor Co., Ltd.	Nanchang Creative Sensor Technology Co., Ltd.	Manufacturing of image sensor	100	100	100	

Note 1: It was incorporated in January 2025.

Note 2: The liquidation was completed in June 2025.

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) 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, 2024 for related information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand and revolving funds	\$ 213	\$ 230	\$ 307
Checking accounts and demand deposits	3,090,488	3,067,216	2,816,412
Time deposits	-	36,420	36,516
Total	<u>\$ 3,090,701</u>	<u>\$ 3,103,866</u>	<u>\$ 2,853,235</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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Hybrid instruments	\$ 174,930	\$ 98,175	\$ -
Derivative instruments	14,138	-	-
	189,068	98,175	-
Valuation adjustment	(6,105)	(6,853)	-
Total	<u>\$ 182,963</u>	<u>\$ 91,322</u>	<u>\$ -</u>

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

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>\$ 110,424</u>	<u>\$ 41</u>
	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>\$ 114,242</u>	<u>(\$ 19,971)</u>

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:

Derivative instruments	June 30, 2025	
	Contract amount	Maturity date of the contract
	(notional principal) (In thousands)	
Current items:		
Cross currency swap	USD 1,000	2025.07.03
Cross currency swap	USD 2,000	2025.07.10
Cross currency swap	USD 1,000	2025.07.24
Cross currency swap	USD 1,000	2025.07.24
Cross currency swap	USD 2,000	2025.08.07
Cross currency swap	USD 1,000	2025.08.14
Cross currency swap	USD 1,000	2025.08.14
Cross currency swap	USD 2,000	2025.08.14
Cross currency swap	USD 1,000	2025.08.21
Cross currency swap	USD 1,000	2025.08.21
Cross currency swap	USD 2,000	2025.08.21
Cross currency swap	USD 2,000	2025.08.28
Cross currency swap	USD 1,000	2025.08.28
Cross currency swap	USD 1,000	2025.09.04
Cross currency swap	USD 1,000	2025.09.04
Cross currency swap	USD 1,000	2025.09.04
Forward exchange contracts	USD 1,000	2025.07.03
Forward exchange contracts	USD 2,000	2025.07.10
Forward exchange contracts	USD 1,000	2025.07.10
Forward exchange contracts	USD 2,000	2025.07.10
Forward exchange contracts	USD 1,000	2025.07.24
Forward exchange contracts	USD 2,000	2025.07.24
Forward exchange contracts	USD 2,000	2025.07.30
Forward exchange contracts	USD 2,000	2025.08.14
Forward exchange contracts	USD 2,000	2025.08.14
Forward exchange contracts	USD 2,000	2025.08.14
Forward exchange contracts	USD 1,000	2025.08.21
Forward exchange contracts	USD 1,000	2025.08.21
Forward exchange contracts	USD 1,000	2025.08.28
Forward exchange contracts	USD 2,000	2025.08.28
Forward exchange contracts	USD 2,000	2025.09.04
Forward exchange contracts	USD 1,000	2025.09.04
Forward exchange contracts	USD 1,000	2025.09.04

December 31, 2024 and June 30, 2024: There were no outstanding derivative instruments.

(1) 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.

(2) 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	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits with maturity over three months	\$ -	\$ 32,725	\$ 78,175
Special-purpose demand deposits	12	12	12
Total	<u>\$ 12</u>	<u>\$ 32,737</u>	<u>\$ 78,187</u>

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

	Three months ended June 30,	
	2025	2024
Interest income	<u>\$ -</u>	<u>\$ 335</u>
	Six months ended June 30,	
	2025	2024
Interest income	<u>\$ 118</u>	<u>\$ 1,397</u>

- B. As at June 30, 2025, December 31, 2024 and June 30, 2024, 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 \$12, \$32,737 and \$78,187, 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

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 45	\$ -	\$ -
Accounts receivable	\$ 526,504	\$ 664,194	\$ 610,444
Accounts receivable - related parties	4,646	1,273	-
Less: Loss allowance	(160)	(200)	(183)
	<u>\$ 530,990</u>	<u>\$ 665,267</u>	<u>\$ 610,261</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	\$ 529,274	\$ 664,036	\$ 608,644
Up to 30 days	1,256	1,431	1,800
31 to 90 days	665	-	-
	<u>\$ 531,195</u>	<u>\$ 665,467</u>	<u>\$ 610,444</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2025, December 31, 2024 and June 30, 2024, accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$336,833.
- C. The Group does not hold any collateral as security.
- D. As at June 30, 2025, December 31, 2024 and June 30, 2024, 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 \$531,035, \$665,267 and \$610,261, respectively.
- E. Information on notes receivable and accounts receivable relating to credit risk is provided in Note 12(2).

(5) Inventories

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 136,651	(\$ 2,744)	\$ 133,907
Work in progress	22,729	(129)	22,600
Finished goods	126,682	(2,127)	124,555
Total	<u>\$ 286,062</u>	<u>(\$ 5,000)</u>	<u>\$ 281,062</u>

December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 140,550	(\$ 4,419)	\$ 136,131
Work in progress	26,136	(10)	26,126
Finished goods	222,573	(6,222)	216,351
Total	<u>\$ 389,259</u>	<u>(\$ 10,651)</u>	<u>\$ 378,608</u>

June 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 196,134	(\$ 9,123)	\$ 187,011
Work in progress	20,572	(10)	20,562
Finished goods	117,957	(8,267)	109,690
Total	<u>\$ 334,663</u>	<u>(\$ 17,400)</u>	<u>\$ 317,263</u>

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

Three months ended June 30,			
	2025	2024	
Cost of goods sold	\$ 702,031	\$ 807,886	
Gain on reversal of market value decline of inventories (Note)	(5,809)	(1,726)	
Others	(205)	(158)	
Total	<u>\$ 696,017</u>	<u>\$ 806,002</u>	

Six months ended June 30,			
	2025	2024	
Cost of goods sold	\$ 1,539,915	\$ 1,365,285	
(Gain on reversal of market value decline of inventories) inventory valuation loss (Note)	(5,651)	2,591	
Others	(384)	(355)	
Total	<u>\$ 1,533,880</u>	<u>\$ 1,367,521</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	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Debt instruments			
Government bonds	\$ 58,646	\$ 97,693	\$ 96,922
Valuation adjustment	(3,007)	482	(1,137)
Subtotal	55,639	98,175	95,785
Equity instruments			
Listed stocks	1,552,284	1,555,205	1,555,205
Unlisted stocks	103,590	103,590	103,590
	1,655,874	1,658,795	1,658,795
Valuation adjustment	1,082,311	1,521,779	1,249,598
Subtotal	2,738,185	3,180,574	2,908,393
Total	\$ 2,793,824	\$ 3,278,749	\$ 3,004,178

- 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 \$2,793,824, \$3,278,749 and \$3,004,178 as at June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- B. In line with the Group's financial management plan, the Group sold \$2,848, \$0, \$2,848 and \$26,568 of equity instrument investments at fair value during the three months and six months ended June 30, 2025 and 2024, and the gain on disposal were (\$73), \$0, (\$73) and \$10,993, 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 June 30,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 120,504)	(\$ 220,177)
Cumulative losses reclassified to retained earnings due to derecognition	(\$ 73)	\$ -
Dividend income recognized in profit or loss		
Held at end of period	\$ 90	\$ 225
<u>Debt instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 2,135)	(\$ 256)
Interest income recognized in profit or loss	\$ 650	\$ 564

		Six months ended June 30,	
		2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>			
Fair value change recognized in other comprehensive income	(\$	439,540)	\$ 307,968
Cumulative losses (gains) reclassified to retained earnings due to derecognition	(\$	73)	\$ 10,993
Dividend income recognized in profit or loss			
Held at end of period	\$	90	\$ 225
<u>Debt instruments at fair value through other comprehensive income</u>			
Fair value change recognized in other comprehensive income	(\$	3,719)	\$ 857
Interest income recognized in profit or loss	\$	1,035	\$ 1,110

- D. As of June 30, 2025, December 31, 2024 and June 30, 2024, 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 \$55,639, \$98,175 and \$95,785, 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>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
		Shareholding		Shareholding		Shareholding
	<u>Book value</u>	<u>ratio</u>	<u>Book value</u>	<u>ratio</u>	<u>Book value</u>	<u>ratio</u>
Associates:						
Tien Da Investment Co., Ltd. (Tien Da)	\$ 321,486	29.85%	\$ 421,955	29.85%	\$ 229,895	29.85%
Teco Image Systems Co., Ltd. (Teco Image)	<u>675,353</u>	29.69%	<u>783,049</u>	29.69%	<u>665,021</u>	29.69%
	\$ 996,839		\$1,205,004		\$ 894,916	

		Three months ended June 30,			
		2025		2024	
		Share of loss of associates accounted for using equity method, net	Other comprehensive loss after tax	Share of loss of associates accounted for using equity method, net	Other comprehensive loss after tax
Associates:					
Tien Da Investment Co., Ltd. (Tien Da)	(\$	91)	(\$ 2,365)	(\$ 179)	(\$ 23)
Teco Image Systems Co., Ltd. (Teco Image)	(8,290)	(17,477)	(6,409)	(12,054)
	(\$	8,381)	(\$ 19,842)	(\$ 6,588)	(\$ 12,077)
		Six months ended June 30,			
		2025		2024	
		Share of loss of associates accounted for using equity method, net	Other comprehensive loss after tax	Share of loss of associates accounted for using equity method, net	Other comprehensive income after tax
Associates:					
Tien Da Investment Co., Ltd. (Tien Da)	(\$	326)	(\$ 93,741)	(\$ 418)	\$ 4,334
Teco Image Systems Co., Ltd. (Teco Image)	(11,344)	(96,352)	(9,272)	8,209
	(\$	11,670)	(\$ 190,093)	(\$ 9,690)	\$ 12,543

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>June 30, 2025</u>	<u>December 31, 2024</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>Shareholding ratio</u>					
<u>Company name</u>	<u>Principal place of business</u>	<u>June 30, 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current assets	\$ 1,068,443	\$ 972,917	\$ 964,929
Non-current assets	2,366,302	2,834,529	2,299,751
Current liabilities	(702,645)	(486,741)	(628,871)
Non-current liabilities	(78,310)	(114,148)	(71,981)
Total net assets	<u>\$ 2,653,790</u>	<u>\$ 3,206,557</u>	<u>\$ 2,563,828</u>
Share in associate's net assets	\$ 675,353	\$ 783,049	\$ 633,044
Goodwill	-	-	31,977
Carrying amount of the associate	<u>\$ 675,353</u>	<u>\$ 783,049</u>	<u>\$ 665,021</u>

Statement of comprehensive income

	Three months ended June 30,	
	2025	2024
Revenue	\$ 420,904	\$ 319,539
Loss for the period from continuing operations	(\$ 4,133)	(\$ 8,927)
Other comprehensive loss, net of tax	(128,443)	(82,615)
Total comprehensive loss	(\$ 132,576)	(\$ 91,542)
Dividends received from associates	\$ -	\$ 16,704
	Six months ended June 30,	
	2025	2024
Revenue	\$ 720,996	\$ 564,373
Profit (loss) for the period from continuing operations	\$ 6,433	(\$ 13,223)
Other comprehensive (loss) income, net of tax	(482,231)	105,113
Total comprehensive (loss) income	(\$ 475,798)	\$ 91,890
Dividends received from associates	\$ -	\$ 16,704

- 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 June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$321,486, \$421,955 and \$229,895, respectively.

	Three months ended June 30,	
	2025	2024
Loss for the period from continuing operations	(\$ 91)	(\$ 179)
Other comprehensive loss, net of tax	(2,365)	(23)
Total comprehensive loss	(\$ 2,456)	(\$ 202)
	Six months ended June 30,	
	2025	2024
Loss for the period from continuing operations	(\$ 326)	(\$ 418)
Other comprehensive (loss) income, net of tax	(93,741)	4,334
Total comprehensive (loss) income	(\$ 94,067)	\$ 3,916

- D. The Group's material associate, Teco Image, has quoted market prices. As of June 30, 2025, December 31, 2024 and June 30, 2024, the fair value was \$653,126, \$922,061 and \$594,662, 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

	2025						
	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	\$ 640,318	\$ 928,144	\$ 52,680	\$ 29,348	\$ 17,732	\$ 2,860	\$ 1,671,082
Accumulated depreciation and impairment	(563,497)	(879,950)	(44,151)	(24,420)	(14,656)	-	(1,526,674)
	<u>\$ 76,821</u>	<u>\$ 48,194</u>	<u>\$ 8,529</u>	<u>\$ 4,928</u>	<u>\$ 3,076</u>	<u>\$ 2,860</u>	<u>\$ 144,408</u>
Opening net book value as at January 1	\$ 76,821	\$ 48,194	\$ 8,529	\$ 4,928	\$ 3,076	\$ 2,860	\$ 144,408
Additions	-	875	89	2,130	724	957	4,775
Transfers	-	3,674	-	-	45	(3,719)	-
Depreciation	(8,214)	(6,182)	(1,894)	(1,155)	(607)	-	(18,052)
Net exchange differences	(7,417)	(4,800)	(70)	(585)	(310)	(98)	(13,280)
Closing net book value as at June 30	<u>\$ 61,190</u>	<u>\$ 41,761</u>	<u>\$ 6,654</u>	<u>\$ 5,318</u>	<u>\$ 2,928</u>	<u>\$ -</u>	<u>\$ 117,851</u>
<u>At June 30</u>							
Cost	\$ 572,840	\$ 851,916	\$ 49,803	\$ 30,604	\$ 16,730	\$ -	\$ 1,521,893
Accumulated depreciation and impairment	(511,650)	(810,155)	(43,149)	(25,286)	(13,802)	-	(1,404,042)
	<u>\$ 61,190</u>	<u>\$ 41,761</u>	<u>\$ 6,654</u>	<u>\$ 5,318</u>	<u>\$ 2,928</u>	<u>\$ -</u>	<u>\$ 117,851</u>

	2024						
	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	\$ 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	-	680	175	-	67	15,606	16,528
Transfers	-	15,410	-	-	-	(15,410)	-
Depreciation	(8,418)	(9,603)	(1,136)	(851)	(585)	-	(20,593)
Net exchange differences	<u>4,603</u>	<u>2,347</u>	<u>58</u>	<u>233</u>	<u>174</u>	<u>134</u>	<u>7,549</u>
Closing net book value as at June 30	<u>\$ 85,532</u>	<u>\$ 53,891</u>	<u>\$ 4,265</u>	<u>\$ 4,001</u>	<u>\$ 3,422</u>	<u>\$ 2,823</u>	<u>\$ 153,934</u>
<u>At June 30</u>							
Cost	\$ 642,004	\$ 934,248	\$ 47,229	\$ 27,442	\$ 17,652	\$ 2,823	\$ 1,671,398
Accumulated depreciation and impairment	(556,472)	(880,357)	(42,964)	(23,441)	(14,230)	-	(1,517,464)
	<u>\$ 85,532</u>	<u>\$ 53,891</u>	<u>\$ 4,265</u>	<u>\$ 4,001</u>	<u>\$ 3,422</u>	<u>\$ 2,823</u>	<u>\$ 153,934</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:

	<u>Land use right</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
At January 1, 2025	\$ 35,782	\$ 42,250	\$ 1,732	\$ 79,764
Additions	-	-	125	125
Depreciation	(538)	(4,783)	(475)	(5,796)
Net exchange differences	(3,726)	-	-	(3,726)
At June 30, 2025	<u>\$ 31,518</u>	<u>\$ 37,467</u>	<u>\$ 1,382</u>	<u>\$ 70,367</u>

	<u>Land use right</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
At January 1, 2024	\$ 35,125	\$ 3,815	\$ -	\$ 38,940
Additions	-	47,831	2,494	50,325
Depreciation	(546)	(4,612)	(346)	(5,504)
Net exchange differences	<u>1,850</u>	-	-	<u>1,850</u>
At June 30, 2024	<u>\$ 36,429</u>	<u>\$ 47,034</u>	<u>\$ 2,148</u>	<u>\$ 85,611</u>

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

	Three months ended June 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 178	\$ 81
Expense on short-term lease contracts	132	6
	Six months ended June 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 370	\$ 104
Expense on short-term lease contracts	264	24
Gain from lease modification	37	-

E. For the six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases was \$5,709 and \$5,278, 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	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 550,000	1.89%~1.975%	None
Secured borrowings	750,000	1.89%~2.03%	Stock
	<u>\$ 1,300,000</u>		
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 550,000	1.89%~2.20%	None
Secured borrowings	750,000	1.87%~2.03%	Stock
	<u>\$ 1,300,000</u>		
Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 550,000	1.825%~1.975%	None
Secured borrowings	750,000	1.78%~1.975%	Stock
	<u>\$ 1,300,000</u>		

For the three months and six months ended June 30, 2025 and 2024, the Group's interest expense recognized in profit or loss amounted to \$6,201, \$6,220, \$12,633 and \$11,794, respectively.

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

Items	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Derivative instruments	\$ 386	\$ 24,673	\$ 8,722

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 June 30,	
	2025	2024
Net profit (loss) recognized in profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 8,521	(\$ 19,214)
	Six months ended June 30,	
	2025	2024
Net loss recognized in profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	(\$ 10,502)	(\$ 39,754)

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

	June 30, 2025	
Derivative instruments	Contract amount (notional principal) (In thousands)	Maturity date of the contract
Current items:		
Cross currency swap	USD 2,000	2025.08.21
Cross currency swap	USD 1,000	2025.09.04
Forward exchange contracts	USD 2,000	2025.08.07

December 31, 2024		
Derivative instruments	Contract amount (notional principal) (In thousands)	Maturity date of the contract
Current items:		
Cross currency swap	USD 2,000	2025.01.09
Cross currency swap	USD 1,000	2025.01.09
Cross currency swap	USD 2,000	2025.01.16
Cross currency swap	USD 1,000	2025.01.16
Cross currency swap	USD 1,000	2025.01.16
Cross currency swap	USD 2,000	2025.01.23
Cross currency swap	USD 1,000	2025.01.23
Cross currency swap	USD 1,000	2025.02.06
Cross currency swap	USD 1,000	2025.02.06
Cross currency swap	USD 2,000	2025.02.13
Cross currency swap	USD 1,000	2025.02.13
Cross currency swap	USD 1,000	2025.02.13
Cross currency swap	USD 2,000	2025.02.20
Cross currency swap	USD 1,000	2025.02.26
Cross currency swap	USD 1,000	2025.02.26
Cross currency swap	USD 2,000	2025.03.06
Cross currency swap	USD 1,000	2025.03.06
Cross currency swap	USD 1,000	2025.03.06
Cross currency swap	USD 2,000	2025.03.13
Forward exchange contracts	USD 2,000	2025.01.09
Forward exchange contracts	USD 2,000	2025.01.09
Forward exchange contracts	USD 2,000	2025.01.16
Forward exchange contracts	USD 1,000	2025.01.16
Forward exchange contracts	USD 2,000	2025.01.23
Forward exchange contracts	USD 2,000	2025.01.23
Forward exchange contracts	USD 2,000	2025.02.06
Forward exchange contracts	USD 1,000	2025.02.06
Forward exchange contracts	USD 1,000	2025.02.13
Forward exchange contracts	USD 2,000	2025.02.20
Forward exchange contracts	USD 1,000	2025.02.20
Forward exchange contracts	USD 2,000	2025.02.26
Forward exchange contracts	USD 2,000	2025.02.26
Forward exchange contracts	USD 2,000	2025.02.26
Forward exchange contracts	USD 2,000	2025.03.06
Forward exchange contracts	USD 2,000	2025.03.13

June 30, 2024

Derivative instruments	Contract amount (notional principal) (In thousands)	Maturity date of the contract
Current items:		
Cross currency swap	USD 2,000	2024.07.05
Cross currency swap	USD 1,000	2024.07.11
Cross currency swap	USD 1,000	2024.07.11
Cross currency swap	USD 2,000	2024.07.18
Cross currency swap	USD 1,000	2024.07.25
Cross currency swap	USD 1,000	2024.07.25
Cross currency swap	USD 1,000	2024.08.05
Cross currency swap	USD 1,000	2024.08.08
Cross currency swap	USD 2,000	2024.08.15
Cross currency swap	USD 1,000	2024.08.22
Cross currency swap	USD 1,000	2024.08.22
Cross currency swap	USD 2,000	2024.08.29
Forward exchange contracts	USD 2,000	2024.07.05
Forward exchange contracts	USD 2,000	2024.07.05
Forward exchange contracts	USD 2,000	2024.07.11
Forward exchange contracts	USD 1,000	2024.07.11
Forward exchange contracts	USD 2,000	2024.07.18
Forward exchange contracts	USD 2,000	2024.07.18
Forward exchange contracts	USD 2,000	2024.07.25
Forward exchange contracts	USD 2,000	2024.07.25
Forward exchange contracts	USD 2,000	2024.08.08
Forward exchange contracts	USD 2,000	2024.08.08
Forward exchange contracts	USD 2,000	2024.08.15
Forward exchange contracts	USD 2,000	2024.08.22

(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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accrued employees' compensation and directors' remuneration	\$ 47,995	\$ 60,908	\$ 16,091
Bonus payable	67,995	85,455	62,452
Royalties payable	52,191	52,191	52,191
Wages and salaries payable	27,393	38,926	34,480
Dividend payable	272,203	-	157,270
Others	31,188	48,427	42,738
	<u>\$ 498,965</u>	<u>\$ 285,907</u>	<u>\$ 365,222</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 July and February 2025, the Department of Labor, Taipei City Government approved that the Company cease contributing to the retirement fund temporarily for 2025 and 2024, respectively.
- (b) For the aforementioned pension plan, no pension cost was recognized for the three months and six months ended June 30, 2025 and 2024.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 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 and six months ended June 30, 2025 and 2024 were \$4,714, \$4,283, \$9,774 and \$8,583, respectively.

(14) Share-based payment

A. For the six months ended June 30, 2025 and 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury shares transferred to employees	2024/4/25	1,660,000	NA	Vested immediately
Treasury shares transferred to employees	2025/5/9	2,430,000	NA	Vested immediately

The above share-based payment arrangements are settled by equity.

B. Details of the share-based payment arrangements are as follows:

Six months ended June 30, 2025		
	No. of options	Weighted-average exercise price (in dollars)
Options granted	2,430,000	\$ 29.99
Options exercised	(1,691,000)	29.99
Options expired	(739,000)	29.99
Options outstanding at June 30	-	
Six months ended June 30, 2024		
	No. of options	Weighted-average exercise price (in dollars)
Options granted	937,750	\$ 29.99
Options granted	722,250	26.33
Options exercised	(327,900)	29.99
Options exercised	(722,100)	26.33
Options expired	(609,850)	29.99
Options expired	(150)	26.33
Options outstanding at June 30	-	

C. The weighted-average stock prices of stock options at exercise dates for the six months ended June 30, 2025 and 2024 were \$49.05 and \$29.5, respectively

D. The fair value of stock options granted is measured using the Black-Scholes option-pricing model.

Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Treasury shares transferred to employees	2024/4/25	\$ 28.55	\$ 29.99	23.25% (Note)	0.05 years	1.22%	\$ 0.1432
Treasury shares transferred to employees	2024/4/25	\$ 28.55	\$ 26.33	23.25% (Note)	0.05 years	1.22%	\$ 2.2716
Treasury shares transferred to employees	2025/5/9	\$ 37.56	\$ 29.99	63.99% (Note)	0.05 years	1.22%	\$ 7.7057

Note: Expected price volatility rate was estimated by using the daily historical stock price fluctuation data for the last three before the given date.

E. Expenses incurred on share-based payment transactions are shown below:

	Three months ended June 30,	
	2025	2024
Equity-settled	\$ 18,725	\$ 1,775
	Six months ended June 30,	
	2025	2024
Equity-settled	\$ 18,725	\$ 1,775

(15) Capital stock

A As of June 30, 2025, 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 \$1,378,245, consisting of 137,825 thousand shares of ordinary stock issued (including 23,475 thousand 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 six months ended June 30, 2025 and 2024, movements in the number of the ordinary shares outstanding are as follows:

	2025	2024
At January 1	\$ 129,620,700	\$ 142,973,000
Employee stock options exercised	1,691,000	1,050,000
Cash capital increase - private placement	3,675,000	-
At June 30	\$ 134,986,700	\$ 144,023,000

- 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 To improve the return on shareholders' equity and adjust the capital structure, the Company proposed to proceed with the capital reduction by returning share capital to shareholders in cash. The capital reduction was resolved by the shareholders during their meeting on May 31, 2024 and subsequently approved by the Taiwan Stock Exchange Corporation on August 13, 2024 per Ref. No.1130013989. The capital reduction amounted to \$149,055, the number of shares eliminated was 14,905,500 shares, and the paid-in capital was \$1,341,495 after the capital reduction. The record date for the capital reduction was August 14, 2024, and the registration for the change was completed on September 6, 2024.
- E In order to support the Company's long-term business development, expansion and other capital needs, to enhance the Company's competitiveness and improve operating efficiency, etc. the stockholders at their stockholders' meeting on May 20, 2025 adopted a resolution to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 6,707.5 thousand 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 \$147,000 by issuing 3,675,000 shares of ordinary shares through private placement at an estimated subscription price of \$40 (in dollars) per share on June 2, 2025. The registration for the change was completed on June 20, 2025. 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.

F Treasury shares

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

Name of company holding the shares	Reason for reacquisition	June 30, 2025	
		Number of shares	Carrying amount
The Company	To be transferred to employees	2,837,800	\$ 95,155
		December 31, 2024	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be transferred to employees	4,528,800	\$ 145,868
		June 30, 2024	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be transferred to employees	5,032,000	\$ 150,900

- (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.
- (e) The Board of Directors of the Company resolved to reissue 2,430,000 and 1, 660,000 treasury shares to employees on April 25, 2024 and April 12, 2023, respectively. The actual treasury shares reissued amounted to 1,691,000 shares and 1, 050,000 shares, respectively.

- F The number of the Company's shares held by the Company's associate - Teco Image Systems Co., Ltd. was 26,015,634 shares as of June 30, 2025.

(16) 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.

(17) Retained earnings

A. Under the Company's Articles of Incorporation, the current a half of 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 provides employees' compensation and directors' remuneration which will be distributed in the end of current year, before the Company distribute the earnings, 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. Details of 2024 and 2023 earnings appropriations resolved by the stockholders on May __, 2025 and May 31, 2024, respectively, are as follows:

	Year ended December 31,			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 38,268		\$ 56,817	
Cash dividends	272,203	\$ 2.1	157,270	\$ 1.1
Total	<u>\$ 310,471</u>		<u>\$ 214,087</u>	

Abovementioned distribution of 2024 earnings is consistent with the proposal of the Board of Directors of the Company on February 27, 2025.

Information about earnings appropriation as resolved at the Board of Directors' and stockholders' meetings will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Other equity items

	2025		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	\$ 1,816,528	\$ 112,208	\$ 1,928,736
Valuation adjustment:			
— Group	(443,259)	-	(443,259)
— Associates	(191,241)	-	(191,241)
Revaluation transferred to retained earnings:			
— Group	73	-	73
Currency translation differences:			
— Group	- (265,132)	(265,132)	(265,132)
— Associates	- 1,148	1,148	1,148
At June 30	<u>\$ 1,182,101</u>	<u>(\$ 151,776)</u>	<u>\$ 1,030,325</u>

	2024		
	Unrealized gains (losses) on valuation	Currency translation	Total
At January 1	\$ 919,729	\$ 46,332	\$ 966,061
Valuation adjustment:			
— Group	308,825	-	308,825
— Associates	12,074	-	12,074
Revaluation transferred to retained earnings:			
— Group	(10,993)	-	(10,993)
— Associates	(8,022)	-	(8,022)
Currency translation differences:			
— Group	-	69,950	69,950
— Associates	-	469	469
At June 30	<u>\$ 1,221,613</u>	<u>\$ 116,751</u>	<u>\$ 1,338,364</u>

(19) Operating revenue

	Three months ended June 30,	
	2025	2024
Revenue from contracts with customers	<u>\$ 880,798</u>	<u>\$ 1,025,372</u>
	Six months ended June 30,	
	2025	2024
Revenue from contracts with customers	<u>\$ 1,956,375</u>	<u>\$ 1,703,801</u>

The Group derives revenue from the following major geographical regions:

Three months ended June 30, 2025	China	Thailand	Indonesia	Philippines	Others	Total
Revenue from external customer contracts	\$ 352,835	\$ 134,559	\$ 119,806	\$ 81,115	\$ 192,483	\$ 880,798
Three months ended June 30, 2024	China	Thailand	Indonesia	Philippines	Others	Total
Revenue from external customer contracts	\$ 444,167	\$ 168,459	\$ 107,208	\$ 136,775	\$ 168,763	\$ 1,025,372
Six months ended June 30, 2025	China	Thailand	Indonesia	Philippines	Others	Total
Revenue from external customer contracts	\$ 750,961	\$ 331,662	\$ 278,279	\$ 223,229	\$ 372,244	\$ 1,956,375
Six months ended June 30, 2024	China	Thailand	Indonesia	Philippines	Others	Total
Revenue from external customer contracts	\$ 774,481	\$ 295,291	\$ 122,557	\$ 229,309	\$ 282,163	\$ 1,703,801

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

(20) Interest income

	Three months ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 17,098	\$ 10,817
Interest income from financial assets at fair value through other comprehensive income	650	564
Interest income from financial assets measured at amortized cost	-	335
	<u>\$ 17,748</u>	<u>\$ 11,716</u>
	Six months ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 31,282	\$ 13,861
Interest income from financial assets at fair value through other comprehensive income	1,035	1,110
Interest income from financial assets measured at amortized cost	118	1,397
	<u>\$ 32,435</u>	<u>\$ 16,368</u>

(21) Other income

	Three months ended June 30,	
	2025	2024
Rental revenue	\$ 952	\$ 1,075
Dividend income	90	225
Other income	519	242
	<u>\$ 1,561</u>	<u>\$ 1,542</u>

	Six months ended June 30,	
	2025	2024
Rental revenue	\$ 1,968	\$ 1,944
Government grants	5	1,327
Dividend income	90	225
Other income	748	893
	<u>\$ 2,811</u>	<u>\$ 4,389</u>

(22) Other gains and losses

	Three months ended June 30,	
	2025	2024
Gain (loss) on financial assets (liabilities) at fair value through profit or loss	\$ 118,945	(\$ 19,173)
Foreign exchange (losses) gains	(168,535)	19,059
Gains on disposal of investment	124,253	-
Gains on disposal of property, plant and equipment	-	421
Other gains and losses	(355)	(10,345)
	<u>\$ 74,308</u>	<u>(\$ 10,038)</u>

	Six months ended June 30,	
	2025	2024
Gain (loss) on financial assets (liabilities) at fair value through profit or loss	\$ 103,740	(\$ 59,725)
Foreign exchange (losses) gains	(146,903)	51,279
Gain from lease modification	37	-
Gains on disposal of investment	124,253	-
Gains on disposal of property, plant and equipment	9	575
Other gains and losses	(715)	(21,518)
	<u>\$ 80,421</u>	<u>(\$ 29,389)</u>

(23) Employee benefit expense, depreciation and amortization

For the three months and six months ended June 30, 2025 and 2024, employee benefit expense, depreciation and amortization categorized by function were summarized as follows:

	Three months ended June 30, 2025		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 69,613	\$ 68,004	\$ 137,617
Labor and health insurance fees	3,868	2,910	6,778
Pension costs	3,673	1,041	4,714
Other personnel expenses	4,768	1,421	6,189
Depreciation	6,774	4,483	11,257
Amortization	1,116	580	1,696
	Three months ended June 30, 2024		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 72,179	\$ 40,573	\$ 112,752
Labor and health insurance fees	5,568	2,607	8,175
Pension costs	3,239	1,044	4,283
Other personnel expenses	5,069	1,447	6,516
Depreciation	8,708	4,451	13,159
Amortization	1,371	623	1,994
	Six months ended June 30, 2025		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 141,834	\$ 119,035	\$ 260,869
Labor and health insurance fees	8,113	5,266	13,379
Pension costs	7,688	2,086	9,774
Other personnel expenses	10,410	3,022	13,432
Depreciation	14,758	9,090	23,848
Amortization	2,298	1,215	3,513

	Six months ended June 30, 2024		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 123,879	\$ 69,620	\$ 193,499
Labor and health insurance fees	9,602	4,673	14,275
Pension costs	6,526	2,057	8,583
Other personnel expenses	9,198	2,613	11,811
Depreciation	17,372	8,725	26,097
Amortization	2,875	1,277	4,152

- A. According to the Articles of Incorporation of the Company, the profit before deduction of employees' compensation and directors' remuneration and after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall account for 5%~15% for employees' compensation, of which at least 15% shall be distributed to rank-and-file employees and shall not be higher than 5% for directors' remuneration.
- B. For the three months and six months ended June 30, 2025 and 2024, employees' compensation were accrued at \$14,112, \$8,948, \$27,219, and \$12,068, respectively; directors' remuneration were accrued at \$4,704, \$2,983, \$9,073 and \$4,023, respectively. The aforementioned amounts were recognized in salary expenses, and estimated based on the current profit.

The employees' compensation and directors' remuneration for 2024 resolved by the Board of Directors were in agreement with the amounts recorded in the 2024 financial statements of \$45,681 and \$15,227, respectively. Employees' compensation will be distributed in the form of cash.

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.

(24) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended June 30,	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 44,013	\$ 27,815
Tax imposed on undistributed surplus earnings	3,567	17,622
Prior year income tax (over) under estimation	(1,450)	2,697
Total current tax	46,130	48,134
Deferred tax:		
Origination and reversal of temporary differences	(5,590)	14,105
Effect of exchange rate	(257)	36
Total deferred tax	(5,847)	14,141
Income tax expense	\$ 40,283	\$ 62,275
	Six months ended June 30,	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 88,308	\$ 42,229
Tax imposed on undistributed surplus earnings	3,567	17,622
Prior year income tax (over) under estimation	(820)	2,671
Total current tax	91,055	62,522
Deferred tax:		
Origination and reversal of temporary differences	2,769	8,125
Effect of exchange rate	(219)	197
Total deferred tax	2,550	8,322
Income tax expense	\$ 93,605	\$ 70,844

- 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.

(25) Earnings per share

Three months ended June 30, 2025			
	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	\$ 109,066	105,154	\$ 1.04
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 109,066	105,154	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	520	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 109,066	105,674	\$ 1.03
Three months ended June 30, 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	\$ 56,821	114,650	\$ 0.50
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 56,821	114,650	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	404	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 56,821	115,054	\$ 0.49

Six months ended June 30, 2025			
	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	\$ 217,138	104,375	\$ 2.08
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 217,138	104,375	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	755	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 217,138	105,130	\$ 2.07
Six months ended June 30, 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	\$ 80,684	114,067	\$ 0.71
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 80,684	114,067	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	763	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 80,684	114,830	\$ 0.70

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 investments on 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.

(26) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six months ended June 30,	
	2025	2024
Purchase of property, plant and equipment	\$ 4,775	\$ 16,528
Add: Opening balance of payable on equipment	348	3,047
Less: Ending balance of payable on equipment	(519)	(2,752)
Cash paid during the period	<u>\$ 4,604</u>	<u>\$ 16,823</u>

B. Financing activities with no cash flow effects

	Six months ended June 30,	
	2025	2024
Dividend payable	<u>\$ 272,203</u>	<u>\$ 157,270</u>

(27) Changes in liabilities from financing activities

	2025		
	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 1,300,000	\$ 44,213	\$ 1,344,213
Changes in cash flow from financing activities	-	(5,075)	(5,075)
Increase in lease liabilities	-	88	88
Interest amortized in lease liabilities	-	370	370
Interest paid in lease liabilities	-	(370)	(370)
At June 30	<u>\$ 1,300,000</u>	<u>\$ 39,226</u>	<u>\$ 1,339,226</u>

	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	-	(5,150)	(5,150)
Increase in lease liabilities	-	50,325	50,325
Interest amortized in lease liabilities	-	104	104
Interest paid in lease liabilities	-	(104)	(104)
At June 30	<u>\$ 1,300,000</u>	<u>\$ 49,223</u>	<u>\$ 1,349,223</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.	The Group's key management
Yuryo Co., Ltd.	Subsidiaries of the Group's key management
Shanghai Koryo electronics Co., Ltd.	Subsidiaries of the Group's key management
Uneo Inc.	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. Operating revenue

	Three months ended June 30,	
	2025	2024
Sales of goods:		
— Subsidiaries of the Group's key management	\$ 3,207	\$ -
— The Group's key management	1,501	-
	<u>\$ 4,708</u>	<u>\$ -</u>
	Six months ended June 30,	
	2025	2024
Sales of goods:		
— Subsidiaries of the Group's key management	\$ 3,207	\$ -
— The Group's key management	1,682	-
	<u>\$ 4,889</u>	<u>\$ -</u>

Except that there is no similar type of transaction for reference, sales from aforementioned related parties are based on the price lists in force and terms negotiated with related parties that would be available to third parties. The term is 30 to 75 days after monthly billing of sales.

B. Purchases

		Three months ended June 30,	
		2025	2024
Purchases of goods:			
— The Group's key management	\$	117,607	\$ 886
		Six months ended June 30,	
		2025	2024
Purchases of goods:			
— The Group's key management	\$	234,650	\$ 886

Except that there is no similar type of transaction for reference, purchases from aforementioned related parties are based on the price lists in force and terms negotiated with related parties that would be available to third parties. The term is 120 days after monthly billing of purchases.

C. Receivables from related parties

		June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable:				
— Subsidiaries of the Group's	\$	3,184	\$ -	\$ -
— The Group's key management		1,462	1,273	-
Other accounts receivable:				
— Associate— Tien Da		6,402	-	-
— Associate— Teco Image		55	8	16,771
	\$	11,103	\$ 1,281	\$ 16,771

D. Payables to related parties

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts payable:			
— The Group's key management			
— Koryo Electronics	\$ 156,448	\$ 220,455	\$ 902
Other payables:			
— Associate	1,479	402	1,075
— Subsidiaries of the Group's key management	-	1	-
	<u>\$ 157,927</u>	<u>\$ 220,858</u>	<u>\$ 1,977</u>

The payables bear no interest.

E. Cost of conversion (Shown as Cost of goods sold)

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associate — Teco Image	\$ 209	\$ -
	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associate — Teco Image	\$ 391	\$ -

F. Consulting fees (Shown as part of selling expenses)

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Subsidiaries of the Group's key management	\$ 1,126	\$ 873
	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Subsidiaries of the Group's key management	\$ 2,259	\$ 1,767

G. Outsourcing labor costs (Shown as part of selling expenses, General and administrative expenses and Research and development expenses)

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associate — Teco Image	\$ 2,681	\$ 2,195
	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associate — Teco Image	\$ 4,511	\$ 4,218

H. Other income

		Three months ended June 30,	
		2025	2024
Associates	\$	25	\$ 52
		Six months ended June 30,	
		2025	2024
Subsidiaries of the Group's key management	\$	38	\$ -
Associates		55	102
	\$	93	\$ 102

(3) Key management compensation

		Three months ended June 30,	
		2025	2024
Short-term employee benefits	\$	17,657	\$ 11,920
Share-based payments		3,082	389
	\$	20,739	\$ 12,309
		Six months ended June 30,	
		2025	2024
Short-term employee benefits	\$	31,678	\$ 25,384
Share-based payments		3,082	389
	\$	34,760	\$ 25,773

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Non-current financial assets at fair value through other comprehensive income	\$ 1,797,400	\$ 1,983,600	\$ 2,033,000	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, 2024 for the related information.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</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	\$ 182,963	\$ 91,322	\$ -
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	2,738,185	3,180,574	2,908,393
Qualifying debt instrument	55,639	98,175	95,785
Financial assets at amortized cost			
Cash and cash equivalents	3,090,701	3,103,866	2,853,235
Notes receivable	45	-	-
Accounts receivable (including related parties)	530,945	665,267	610,261
Other receivables (including related parties)	6,817	8,765	21,759
Guarantee deposits paid	1,798	1,798	1,722
Financial assets at amortized cost	12	32,737	78,187
	<u>\$ 6,607,105</u>	<u>\$ 7,182,504</u>	<u>\$ 6,569,342</u>

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</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	\$ 386	\$ 24,673	\$ 8,722
Financial liabilities at amortized cost			
Short-term borrowings	1,300,000	1,300,000	1,300,000
Accounts payable (including related parties)	624,739	958,223	699,087
Other payables (including related parties)	500,421	286,310	365,222
	<u>\$ 2,425,546</u>	<u>\$ 2,569,206</u>	<u>\$ 2,373,031</u>
Lease liability (including current and non-current portion)	<u>\$ 39,226</u>	<u>\$ 44,213</u>	<u>\$ 49,223</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, 2024 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:

June 30, 2025						
(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	\$ 77,405	29.16	\$ 2,257,130	1%	\$ 22,571	\$ -
RMB : NTD	300	4.07	1,221	1%	12	-
USD : RMB	49,922	7.16	1,455,726	1%	14,557	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 43,812	29.16	\$ 1,277,558	1%	\$ 12,776	\$ -
USD : RMB	19,524	7.16	569,320	1%	5,693	-
December 31, 2024						
(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	\$ 66,093	32.73	\$ 2,163,224	1%	\$ 21,632	\$ -
RMB : NTD	300	4.55	1,356	1%	14	-
USD : RMB	53,222	7.19	1,741,956	1%	17,420	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 34,167	32.73	\$ 1,118,286	1%	\$ 11,183	\$ -
USD : RMB	27,371	7.19	895,853	1%	8,959	-

June 30, 2024

(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	\$ 57,110	32.53	\$ 1,857,788	1%	\$ 18,578	\$ -
RMB : NTD	300	4.56	1,368	1%	14	-
USD : RMB	44,919	7.13	1,461,215	1%	14,612	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 29,743	32.53	\$ 967,540	1%	\$ 9,675	\$ -
USD : RMB	19,042	7.13	619,436	1%	6,194	-

- 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 (\$168,535), \$19,059, (\$146,903) and \$51,279 for the three months and six months ended June 30, 2025 and 2024, 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, as a result of gains/losses on equity securities classified as at fair value through profit or loss. For the six months ended June 30, 2025 and 2024, other components of equity would have increased/decreased by \$273,819 and \$290,839, respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from the borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the six months ended June 30, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the three months and six months ended June 30, 2025 and 2024 would have decreased/increased by \$650, \$650, \$1,300 and \$1,300, respectively. The main factor is that changes in interest expense result from floating-rate borrowings.

(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 June 30, 2025, December 31, 2024 and June 30, 2024, 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 June 30, 2025, December 31, 2024 and June 30, 2024, the total book value of accounts receivable and loss allowance were \$531,150, \$665,467, \$610,444 and \$160, \$200, \$183, respectively.
- ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
	Accounts receivable (including related parties)	Accounts receivable (including related parties)
At January 1	\$ 200	\$ 101
Provision for impairment	-	82
Reversal for impairment	(40)	-
At June 30	\$ 160	\$ 183

For the six months ended June 30, 2025 and 2024, the impairment losses and gains arising from customers' contracts were (\$40) and \$82, 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:

June 30, 2025				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortized cost	\$ 12	\$ -	\$ -	\$ 12
Financial assets at fair value through other comprehensive income	\$ 55,639	\$ -	\$ -	\$ 55,639
December 31, 2024				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortized cost	\$ 32,737	\$ -	\$ -	\$ 32,737
Financial assets at fair value through other comprehensive income	\$ 98,175	\$ -	\$ -	\$ 98,175
June 30, 2024				
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Financial assets at amortized cost	\$ 78,187	\$ -	\$ -	\$ 78,187
Financial assets at fair value through other comprehensive income	\$ 95,785	\$ -	\$ -	\$ 95,785

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>June 30, 2025</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	\$ 1,304,163	\$ -	\$ -
Accounts payable (including related parties)	624,739	-	-
Other payables (including related parties)	500,421	-	-
Lease liability	10,886	10,514	19,152
<u>Derivative financial liabilities</u>			
Cross currency swap	\$ 354	\$ -	\$ -
Forward foreign exchange contracts	32	-	-
<u>December 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	\$ 1,303,533	\$ -	\$ -
Accounts payable (including related parties)	958,223	-	-
Other payables (including related parties)	286,310	-	-
Lease liability	10,844	10,844	24,219
<u>Derivative financial liabilities</u>			
Cross currency swap	\$ 10,165	\$ -	\$ -
Forward foreign exchange contracts	14,508	-	-

June 30, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 1,302,420	\$ -	\$ -
Accounts payable (including related parties)	699,087	-	-
Other payables (including related parties)	366,297	-	-
Lease liability	10,844	10,844	29,641
<u>Derivative financial liabilities</u>			
Cross currency swap	\$ 1,954	\$ -	\$ -
Forward foreign exchange contracts	6,768	-	-

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.

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 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 and hybrid instruments without active market is included in Level 3.

B. Financial instruments not measured at fair value

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

C. The related information on 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 is as follows:

<u>June 30, 2025</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				
Hybrid instruments	\$ -	\$ -	\$ 168,825	\$ 168,825
Derivative instruments	-	14,138	-	14,138
Financial assets at fair value through other comprehensive income				
Equity securities	2,638,185	-	100,000	2,738,185
Debt instruments	55,639	-	-	55,639
Total	<u>\$2,693,824</u>	<u>\$ 14,138</u>	<u>\$ 268,825</u>	<u>\$2,976,787</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 386</u>	<u>\$ -</u>	<u>\$ 386</u>
<u>December 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 profit or loss				
Hybrid instruments	\$ -	\$ -	\$ 91,322	\$ 91,322
Financial assets at fair value through other comprehensive income				
Equity securities	3,080,574	-	100,000	3,180,574
Debt instruments	98,175	-	-	98,175
Total	<u>\$3,178,749</u>	<u>\$ -</u>	<u>\$ 191,322</u>	<u>\$3,370,071</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 24,673</u>	<u>\$ -</u>	<u>\$ 24,673</u>

<u>June 30, 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	\$ 2,808,393	\$ -	\$ 100,000	\$ 2,908,393
Debt instruments	<u>95,785</u>	<u>-</u>	<u>-</u>	<u>95,785</u>
Total	<u>\$ 2,904,178</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 3,004,178</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 8,722</u>	<u>\$ -</u>	<u>\$ 8,722</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>
	<u>Closing price</u>	<u>Closing price</u>

- 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 six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the six months ended June 30, 2025 and 2024:

	2025	2024
	Equity instrument	Equity instrument
At January 1	\$ 191,322	\$ 50,000
Acquired during the period	97,440	50,000
Effect of exchange rate	(19,937)	-
At June 30	\$ 268,825	\$ 100,000

F. For the six months ended June 30, 2025 and 2024, 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 June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument					
Venture capital shares	\$ 100,000	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments					
Convertible promissory note	168,825	Market comparable companies	Price-to-book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

		<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument						
Venture capital shares	\$	100,000	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments						
Convertible promissory note		91,322	Market comparable companies	Price-to-book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
		<u>Fair value at June 30, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument						
Venture capital shares	\$	100,000	Net asset value	Not applicable	Not applicable	Not applicable

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of material marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 2.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 3.
- F. Material inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please 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.

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:

	Six months ended June 30, 2025		
	Single operating segment	Reconciliation and elimination	Total
Reportable segments income			
Revenue from external customers	\$ 1,956,375	\$ -	\$ 1,956,375
Total	\$ 1,956,375	\$ -	\$ 1,956,375
Reportable segments profit	\$ 310,705	\$ -	\$ 310,705
Segments profit, including:			
Interest income	\$ 32,435	\$ -	\$ 32,435
Depreciation and amortization	\$ 27,361	\$ -	\$ 27,361
Share of profit of associates and joint ventures accounted for using equity method	(\$ 11,853)	\$ -	(\$ 11,853)
Income tax expense	\$ 93,605	\$ -	\$ 93,605

	Six months ended June 30, 2024		
	Single operating segment	Reconciliation and elimination	Total
Reportable segments income			
Revenue from external customers	\$ 1,703,801	\$ -	\$ 1,703,801
Total	\$ 1,703,801	\$ -	\$ 1,703,801
Reportable segments profit	\$ 151,528	\$ -	\$ 151,528
Segments profit, including:			
Interest income	\$ 16,368	\$ -	\$ 16,368
Depreciation and amortization	\$ 30,249	\$ -	\$ 30,249
Share of profit of associates and joint venturess accounted for using equity method	(\$ 9,690)	\$ -	(\$ 9,690)
Income tax expense	\$ 70,844	\$ -	\$ 70,844

(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:

	Six months ended June 30,	
	2025	2024
Reportable segment income	\$ 310,705	\$ 151,528
Income before tax from continuing operations	\$ 310,705	\$ 151,528
Reportable segment assets	\$ 8,141,870	\$ 8,080,294
Total assets	\$ 8,141,870	\$ 8,080,294

Creative Sensor Inc. and Subsidiaries

Holding of material marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Six months ended June 30, 2025

Table 1

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	June 30, 2025				Footnote
					Number of shares (in thousands)	Book value (Note 2)	Ownership (%)	Fair value	
The Company	Convertible promissory note	Convertible promissory note-eJoule Inc.	-	Fair value through profit or loss	-	<u>\$ 168,825</u>	-	<u>\$ 168,825</u>	
The Company	Stock	TECO ELECTRIC & MACHINERY CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	46,987	\$ 2,222,485	2.20%	\$ 2,222,485	Note 3
"	"	Koryo Electronics Co., Ltd.	The Company's key management	"	9,882	411,091	19.07%	411,091	
"	"	MUTUALPAK	-	"	39	-	0.40%	-	
"	"	Taiwan Pelican Express Co., Ltd.	-	"	179	4,609	0.19%	4,609	
"	"	DARJIUN VENTURE CORPORATION	The Company is the Company's corporate director	"	10,000	100,000	13.33%	100,000	
"	Bond	U.S. Treasury bond U.S. dollar semiannual sovereign bond	-	"	20	<u>55,639</u>	-	<u>55,639</u>	
						<u>\$ 2,793,824</u>		<u>\$ 2,793,824</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.

Note 4: The Company determines the marketable securities which shall be disclosed in this table based on the Materiality Principle.

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

Six months ended June 30, 2025

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)			
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)	Footnote
The Company	Nanchang Creative Sensor Technology Co., Ltd.	The Company's third-tier subsidiary	Purchases	\$ 1,650,733	99.12%	120 days after monthly billing	\$ -	-	(\$ 1,207,613)	98.42%	-
Nanchang Creative Sensor Technology Co., Ltd.	Koryo Electronics Co., Ltd.	The Company's key management	"	234,387	18.88%	120 days after monthly billing	-	-	(156,359)	23.98%	-

Table 2

Creative Sensor Inc. and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Six months ended June 30, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2025	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	\$ 1,207,613	2.93	\$ -	-	\$ 314,564	\$ -

Table 3

Creative Sensor Inc. and Subsidiaries
Material inter-company transactions during the reporting period
Six months ended June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	Note
0	The Company	Nanchang Creative Sensor Technology Co., Ltd.	1	Accounts payable	\$ 1,207,613	120 days after monthly billing	14.83%	-
"	"	"	"	Purchases	1,650,733	"	84.38%	-
1	Nanchang Creative Sensor Technology Co., Ltd.	The Company	2	Accounts payable	45,306	60 days after monthly billing	0.57%	-

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
Six months ended June 30, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025					Net profit of the investee for the six months ended June 30, 2025	Investment income (loss) recognized by the Company for the six months ended June 30, 2025 (Note)	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value					
The Company	Creative Sensor Inc.	British Virgin Islands	Holding company	\$ 583,416	\$ 583,416	15,414,994	100	\$ 1,550,642	\$ 163,773	\$ 163,773			Subsidiary
The Company	Creative Sensor (USA) Co.	U.S.A.	Research and development of new product	3,169	3,169	100,000	100	5,179	(1,467)	(1,467)			Subsidiary
The Company	Sensorex Photonics India Private Limited	India	Collection of marketing information	2,808	-	7,280,000	91	2,107	(380)	(380)			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	675,353	6,433	(11,344)			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	321,486	(1,091)	(326)			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	1,228,287	202,403	-			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
Six months ended June 30, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

A. Information on reinvestment in Mainland Area

				Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025									
Investee in Mainland China	Main business activities	Paid-in capital (Note 2)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025 (Note 3)	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025 (Note 3)	Net income of investee for the six months ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income recognized by the Company for the six months ended June 30, 2025 (Note 4)	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
Wuxi Creative Sensor Technology Co., Ltd.	Image Sensor	\$ -	Note 1	\$ 26,677	\$ -	\$ 26,677	\$ -	\$ 3,387	100	\$ 3,387	\$ -	\$ 787,376	Note 5
Nanchang Creative Sensor Technology Co., Ltd.	Image Sensor	967,016	Note 1	422,748	-	-	422,748	100,166	100	100,166	1,244,308	527,394	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\$0 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 June 30, 2025 in the original currency was US\$915 thousand and US\$0 thousand, respectively.

Nanchang Creative Sensor Technology Co., Ltd.'s accumulated amount of remittance from Taiwan to Mainland China as of January 1 and June 30, 2025 in the original currency was both US\$14,500 thousand.

Note 4: Investment income recognized for the six months ended June 30, 2025 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 June 30, 2025, 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. The liquidation of Wuxi Creative Sensor Technology Co., Ltd. was completed in June 2025.

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 June 30, 2025, 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 June 30, 2025	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	\$ 449,424	\$ 452,048	\$ 3,300,621

Note 1: Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025 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 June 30, 2025, 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.