

Asia Tech Image Inc. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Asia Tech Image Inc.

Introduction

We have reviewed the accompanying consolidated financial statements of Asia Tech Image Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Shu-Ching Chiang and Hsiang-Min Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
July 28, 2025

Notice to Readers

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

Not audited or reviewed by the CPA, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China for the convenience of readers. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

ASIA TECH IMAGE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

	June 30, 2025 (Reviewed)		December 31, 2024 (Audited)		June 30, 2024 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,942,605	67	\$ 3,095,821	67	\$ 3,117,242	68
Trade receivables from unrelated parties (Notes 7 and 14)	586,248	13	688,653	15	702,975	15
Trade receivables from related parties (Notes 14 and 20)	-	-	-	-	2,880	-
Inventories (Note 8)	684,428	16	615,226	13	534,034	12
Other current assets	8,809	-	12,096	-	5,844	-
Total current assets	4,222,090	96	4,411,796	95	4,362,975	95
NON-CURRENT ASSETS						
Property, plant and equipment (Note 10)	151,700	4	165,182	4	198,969	4
Right-of-use assets (Note 11)	14,603	-	23,880	1	24,858	1
Other intangible assets	1,302	-	1,370	-	306	-
Deferred tax assets (Notes 4 and 16)	7,607	-	8,152	-	8,760	-
Prepayments for equipment	3,918	-	22,389	-	-	-
Refundable deposits	753	-	753	-	753	-
Net defined benefit assets - non-current (Note 4)	219	-	219	-	169	-
Total non-current assets	180,102	4	221,945	5	233,815	5
TOTAL	\$ 4,402,192	100	\$ 4,633,741	100	\$ 4,596,790	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Note 14)	\$ 47	-	\$ 159	-	\$ 413	-
Trade payables to unrelated parties	606,924	14	703,256	15	671,384	15
Trade payables to related parties (Note 20)	30,076	1	37,052	1	38,190	1
Other payables (Notes 12 and 20)	671,898	15	271,566	6	570,646	12
Current tax liabilities (Notes 4 and 16)	75,584	2	97,862	2	87,267	2
Lease liabilities - current (Notes 11 and 20)	13,293	-	16,459	-	14,192	-
Other current liabilities (Note 14)	37,308	1	37,780	1	37,292	1
Total current liabilities	1,435,130	33	1,164,134	25	1,419,384	31
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 16)	67,064	1	71,813	2	65,873	2
Lease liabilities - non-current (Notes 11 and 20)	1,499	-	7,643	-	10,898	-
Total non-current liabilities	68,563	1	79,456	2	76,771	2
Total liabilities	1,503,693	34	1,243,590	27	1,496,155	33
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	725,001	17	725,001	16	725,001	16
Capital surplus	707,351	16	707,351	15	707,351	15
Retained earnings						
Legal reserve	488,360	11	435,512	9	435,512	9
Special reserve	53,922	1	114,847	2	114,847	3
Unappropriated earnings	1,181,919	27	1,367,866	30	1,091,956	24
Exchange differences on translation of the financial statements of foreign operations	(258,054)	(6)	39,574	1	25,968	-
Total equity	2,898,499	66	3,390,151	73	3,100,635	67
TOTAL	\$ 4,402,192	100	\$ 4,633,741	100	\$ 4,596,790	100

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

ASIA TECH IMAGE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 14 and 20)	\$ 954,525	100	\$ 1,095,240	100	\$ 2,056,315	100	\$ 1,950,448	100
COST OF GOODS SOLD (Notes 8, 15 and 20)	<u>790,511</u>	<u>83</u>	<u>920,503</u>	<u>84</u>	<u>1,704,264</u>	<u>83</u>	<u>1,632,795</u>	<u>84</u>
GROSS PROFIT	<u>164,014</u>	<u>17</u>	<u>174,737</u>	<u>16</u>	<u>352,051</u>	<u>17</u>	<u>317,653</u>	<u>16</u>
OPERATING EXPENSES (Notes 15 and 20)								
Selling and marketing expenses	8,572	1	9,222	1	18,139	1	17,135	1
General and administrative expenses	17,837	2	23,983	2	42,340	2	46,256	2
Research and development expenses	<u>13,050</u>	<u>1</u>	<u>19,149</u>	<u>2</u>	<u>31,855</u>	<u>1</u>	<u>35,761</u>	<u>2</u>
Total operating expenses	<u>39,459</u>	<u>4</u>	<u>52,354</u>	<u>5</u>	<u>92,334</u>	<u>4</u>	<u>99,152</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>124,555</u>	<u>13</u>	<u>122,383</u>	<u>11</u>	<u>259,717</u>	<u>13</u>	<u>218,501</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES								
Interest expense (Notes 11 and 20)	(76)	-	(101)	-	(171)	-	(214)	-
Interest income	21,306	2	27,915	2	44,983	2	54,692	3
Other income	464	-	2,174	-	643	-	7,213	1
Foreign exchange gain (loss)	(61,209)	(6)	<u>7,363</u>	<u>1</u>	(55,997)	(3)	<u>22,934</u>	<u>1</u>
Losses on disposals of property, plant and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(<u>5</u>)	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	(<u>39,515</u>)	(<u>4</u>)	<u>37,351</u>	<u>3</u>	(<u>10,547</u>)	(<u>1</u>)	<u>84,625</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	85,040	9	159,734	14	249,170	12	303,126	16
INCOME TAX EXPENSE (Notes 4 and 16)	<u>15,897</u>	<u>2</u>	<u>21,780</u>	<u>2</u>	<u>48,068</u>	<u>2</u>	<u>50,561</u>	<u>3</u>
NET INCOME FOR THE PERIOD	69,143	7	137,954	12	201,102	10	252,565	13
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(<u>336,884</u>)	(<u>35</u>)	<u>31,494</u>	<u>3</u>	(<u>297,628</u>)	(<u>15</u>)	<u>140,815</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(<u>\$ 267,741</u>)	(<u>28</u>)	<u>\$ 169,448</u>	<u>15</u>	(<u>\$ 96,526</u>)	(<u>5</u>)	<u>\$ 393,380</u>	<u>20</u>
EARNINGS PER SHARE (Note 17)								
Basic	<u>\$ 0.95</u>		<u>\$ 1.90</u>		<u>\$ 2.77</u>		<u>\$ 3.48</u>	
Diluted	<u>\$ 0.95</u>		<u>\$ 1.89</u>		<u>\$ 2.75</u>		<u>\$ 3.45</u>	

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

ASIA TECH IMAGE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Dividends Per Share) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
	Ordinary Shares (Note 13)	Capital Surplus (Note 13)	Retained Earnings (Note 13)				
			Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2024	\$ 725,001	\$ 707,351	\$ 394,624	\$ 85,365	\$ 1,214,261	(\$ 114,847)	\$ 3,011,755
Appropriation of 2023 earnings							
Legal reserve	-	-	40,888	-	(40,888)	-	-
Special reserve	-	-	-	29,482	(29,482)	-	-
Cash dividends distributed by the Company - NT\$4.2 per share	-	-	-	-	(304,500)	-	(304,500)
Net profit for the six months ended June 30, 2024	-	-	-	-	252,565	-	252,565
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	140,815	140,815
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	252,565	140,815	393,380
BALANCE AT JUNE 30, 2024	\$ 725,001	\$ 707,351	\$ 435,512	\$ 114,847	\$ 1,091,956	\$ 25,968	\$ 3,100,635
BALANCE AT JANUARY 1, 2025	\$ 725,001	\$ 707,351	\$ 435,512	\$ 114,847	\$ 1,367,866	\$ 39,574	\$ 3,390,151
Appropriation of 2024 earnings							
Legal reserve	-	-	52,848	-	(52,848)	-	-
Special reserve	-	-	-	(60,925)	60,925	-	-
Cash dividends distributed by the Company - NT\$5.45 per share	-	-	-	-	(395,126)	-	(395,126)
Net profit for the six months ended June 30, 2025	-	-	-		201,102	-	201,102
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	(297,628)	(297,628)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	201,102	(297,628)	(96,526)
BALANCE AT JUNE 30, 2025	\$ 725,001	\$ 707,351	\$ 488,360	\$ 53,922	\$ 1,181,919	(\$ 258,054)	\$ 2,898,499

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

ASIA TECH IMAGE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 249,170	\$ 303,126
Adjustments for:		
Depreciation expenses	47,583	50,241
Amortization expenses	227	199
Interest expense	171	214
Interest income	(44,983)	(54,692)
Losses on disposals of property, plant and equipment	5	-
Write-down (reversal) of inventories	(4,513)	6,618
Unrealized loss (gain) on foreign currency exchange	22,323	(2,857)
Changes in operating assets and liabilities:		
Trade receivables	74,675	(225,339)
Inventories	(129,504)	(9,469)
Other current assets	2,463	4,599
Contract liability	(112)	404
Trade payables	(7,377)	239,042
Other payables	13,207	50,031
Other current liabilities	(462)	(8)
Cash generated from operating activities	222,873	362,109
Interest received	44,983	54,692
Interest paid	(171)	(214)
Income tax paid	(74,127)	(42,421)
Net cash generated from operating activities	<u>193,558</u>	<u>374,166</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(41,472)	(1,586)
Purchase of intangible assets	(159)	-
Increase in prepayments for equipment	(2,211)	-
Net cash used in investing activities	<u>(43,842)</u>	<u>(1,586)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Prepayment for leases	(7,951)	(7,740)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(\$ 294,981)	<u>135,619</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(153,216)	\$ 500,459
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>3,095,821</u>	<u>2,616,783</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 2,942,605</u>	<u>\$ 3,117,242</u>

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

ASIA TECH IMAGE INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Asia Tech Image Inc. (the “Company”) has been approved by the Ministry of Economic Affairs and established on January 20, 2004. The Company is mainly engaged in manufacturing and selling contact image sensor module; the scope of products application is mainly for multi-functional business machines.

The Company has been approved by the Securities and Futures Bureau of the Financial Supervisory Commission to undertake initial public offering in September 2010, and the Company’s shares have been approved for listing by the Listing Qualification Committee of the Taipei Exchange (formerly known as the Taiwan GreTai Securities Market) in July 2011 and by the board of directors of the Company in August 2011. The Company’s shares have been traded on the Taiwan Exchange since November 2011.

The Company had been awarded the “CG6008 general corporate governance certificate” by the Taiwan Corporate Governance Association in October 2013.

The Group’s ultimate parent company is Asia Optical Co., Inc. (“Asia Optical”), which had a 26% equity interest in the Company as of June 30, 2025 and 2024.

The functional currency of the Company is New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries, collectively the “Group”, were approved by the Company’s board of directors on July 28, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations of IFRS (IFRIC), and SIC Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. An entity may also choose to apply those amendments in advance on January 1, 2025.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Other than the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect by the FSC (collectively, "Taiwan-IFRSs").

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values and the defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total consolidated profit or loss of the subsidiary is attributed to the owners of the Company and to the non-controlling interests, even if the balance of non-controlling interests thus becomes loss.

When the Group has made changes in the ownership equity of subsidiaries which does not lead to the loss of control, it is treated as an equity transaction. The book values of the Group and non-controlling

interests have been adjusted to reflect relative changes in equity of subsidiaries. The difference between the adjustment amount of the non-controlling interests and fair value of the consideration paid or received is directly recognized as equity and attributed to the owners of the Company.

See Note 9, Tables 3 and 4 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

In addition to the following explanations, please refer to the summary explanation of significant accounting policies in 2024 Consolidated Financial Statement.

1) Defined benefit retirement

The pension cost for the interim period is calculated on a basis from the beginning of the previous financial year to the end, and using actuarial rate at the end of the previous financial year. Adjustment are made for major market fluctuations in the current period, as well as major plan reductions, liquidations or other major one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax for the interim period is assessed on an annual basis and is calculated on the profit before income tax at the tax rate that would apply to the expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates with regard to the U.S. reciprocal tariff measures. The estimates and underlying assumptions are reviewed on an ongoing basis. For more information, please refer to consolidated financial statements for 2024 for material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash			
Cash on hand	\$ 207	\$ 211	\$ 210
Checking accounts and demand deposits	737,085	348,089	231,428
Cash equivalents			
Time deposits with original maturities of less than three months	<u>2,205,313</u>	<u>2,747,521</u>	<u>2,885,604</u>
	<u>\$ 2,942,605</u>	<u>\$ 3,095,821</u>	<u>\$ 3,117,242</u>
Market rate intervals of cash in banks (%)	0.001-4.45	0.001-4.87	0.001-5.53

7. TRADE RECEIVABLES FROM UNRELATED PARTIES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>At amortized cost</u>			
Trade receivables	\$ 586,452	\$ 688,857	\$ 703,179
Less: Allowance for impairment loss	(204)	(204)	(204)
	<u>\$ 586,248</u>	<u>\$ 688,653</u>	<u>\$ 702,975</u>

The average credit period of sales of goods was 60-90 days. The Group uses other publicly available financial information or its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to payment history of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. There is no credit loss for the trade receivables in last 5 years.

June 30, 2025

	Less than 90 Days	91 to 120 Days	121 to 150 Days	151 to 210 Days	More than 211 Days	Total
Expected credit loss rate	0%	0.5%	10%	50%-100%	100%	-
Gross carrying amount	\$ 573,971	\$ 12,481	\$ -	\$ -	\$ -	\$ 586,452
Loss allowance (Lifetime ECL)	-	(204)	-	-	-	(204)
Amortized cost	<u>\$ 573,971</u>	<u>\$ 12,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,248</u>

December 31, 2024

	Less than 90 Days	91 to 120 Days	121 to 150 Days	151 to 210 Days	More than 211 Days	Total
Expected credit loss rate	0%	0.5%	10%	50%-100%	100%	-
Gross carrying amount	\$ 644,163	\$ 44,694	\$ -	\$ -	\$ -	\$ 688,857
Loss allowance (Lifetime ECL)	-	(204)	-	-	-	(204)
Amortized cost	<u>\$ 644,163</u>	<u>\$ 44,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688,653</u>

June 30, 2024

	Less than 90 Days	91 to 120 Days	121 to 150 Days	151 to 210 Days	More than 211 Days	Total
Expected credit loss rate	0%	0.5%	10%	50%-100%	100%	-
Gross carrying amount	\$ 701,411	\$ 1,768	\$ -	\$ -	\$ -	\$ 703,179
Loss allowance (Lifetime ECL)	-	(204)	-	-	-	(204)
Amortized cost	<u>\$ 701,411</u>	<u>\$ 1,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 702,975</u>

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

	Six Months Ended June 30	
	2025	2024
Balance at January 1 and June 30	<u>\$ 204</u>	<u>\$ 204</u>

8. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 366,464	\$ 303,954	\$ 304,591
Work in progress	12,114	14,499	17,404
Finished goods	305,757	296,678	212,039
Inventory in transit	<u>93</u>	<u>95</u>	<u>-</u>
	<u>\$ 684,428</u>	<u>\$ 615,226</u>	<u>\$ 534,034</u>

The nature of the cost of goods sold is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Cost of inventories sold	\$ 790,511	\$ 913,885	\$ 1,708,777	\$ 1,626,177
Write-down (reversal) of inventories	<u>-</u>	<u>6,618</u>	<u>(4,513)</u>	<u>6,618</u>
	<u>\$ 790,511</u>	<u>\$ 920,503</u>	<u>\$ 1,704,264</u>	<u>\$ 1,632,795</u>

Inventory write downs were reversed as a result of consumed inventory.

9. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership		
			June 30, 2025	December 31, 2024	June 30, 2024
The Company	Asia Image (Samoa) Technology Limited (“Asia Tech Samoa”)	Sales	100%	100%	100%
Asia Tech Samoa	Atii Tech Image (Shen Zhen) Co., Ltd. (“Shen Zhen Atii”)	Production and sale of optical products	100%	100%	100%

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Other Equipment	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 121,783	\$ 972,964	\$ 324,210	\$ 1,418,957
Additions	-	38,968	4,440	43,408
Disposals	(5,798)	(21,030)	(12,772)	(39,600)
Effects of foreign currency exchange differences	(12,274)	(100,937)	(32,564)	(145,775)
Balance at June 30, 2025	<u>\$ 103,711</u>	<u>\$ 889,965</u>	<u>\$ 283,314</u>	<u>\$ 1,276,990</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2025	\$ 82,188	\$ 887,102	\$ 284,485	\$ 1,253,775
Depreciation expense	2,875	23,684	13,086	39,645
Disposals	(5,798)	(21,030)	(12,767)	(39,595)
Effects of foreign currency exchange differences	(8,310)	(91,118)	(29,107)	(128,535)
Balance at June 30, 2025	<u>\$ 70,955</u>	<u>\$ 798,638</u>	<u>\$ 255,697</u>	<u>\$ 1,125,290</u>
Carrying amounts at June 30, 2025	<u>\$ 32,756</u>	<u>\$ 91,327</u>	<u>\$ 27,617</u>	<u>\$ 151,700</u>
Carrying amounts at December 31, 2024 and January 1, 2025	<u>\$ 39,595</u>	<u>\$ 85,862</u>	<u>\$ 39,725</u>	<u>\$ 165,182</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 114,812	\$ 930,402	\$ 310,183	\$ 1,355,397
Additions	-	-	600	600
Disposals	-	-	(10,146)	(10,146)
Effects of foreign currency exchange differences	6,183	47,215	15,216	68,614
Balance at June 30, 2024	<u>\$ 120,995</u>	<u>\$ 977,617</u>	<u>\$ 315,853</u>	<u>\$ 1,414,465</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2024	\$ 71,836	\$ 802,077	\$ 251,642	\$ 1,125,555
Depreciation expense	2,980	24,329	15,158	42,467
Disposals	-	-	(10,146)	(10,146)
Effects of foreign currency exchange differences	3,874	41,012	12,734	57,620
Balance at June 30, 2024	<u>\$ 78,690</u>	<u>\$ 867,418</u>	<u>\$ 269,388</u>	<u>\$ 1,215,496</u>
Carrying amounts at June 30, 2024	<u>\$ 42,305</u>	<u>\$ 110,199</u>	<u>\$ 46,465</u>	<u>\$ 198,969</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Building	
Main buildings	10-20 years
Cleanroom construction	20 years
Machinery and equipment	2-10 years
Other equipment	2-10 years

11. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amounts</u>			
Buildings	\$ 14,553	\$ 23,812	\$ 24,773
Other equipment	<u>50</u>	<u>68</u>	<u>85</u>
	<u>\$ 14,603</u>	<u>\$ 23,880</u>	<u>\$ 24,858</u>
	Three Months Ended June 30	Six Months Ended June 30	
	2025	2024	2025
			2024
Depreciation charge for right-of-use assets			
Buildings	\$ 3,871	\$ 3,911	\$ 7,920
Other equipment	<u>9</u>	<u>9</u>	<u>18</u>
	<u>\$ 3,880</u>	<u>\$ 3,920</u>	<u>\$ 7,938</u>
			\$ 7,774

Except for depreciation charge, the Group did not have significant sublease or impairment of right-of-use assets for the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amounts</u>			
Current	\$ 13,293	\$ 16,459	\$ 14,192
Non-current	<u>1,499</u>	<u>7,643</u>	<u>10,898</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	1.5%-2.3%	1.5%-2.3%	1.5%
Other equipment	1.5%	1.5%	1.5%

	Six Months Ended June 30	
	2025	2024
<u>Finance costs</u>		
Interest expense from lease liabilities	\$ <u>171</u>	\$ <u>214</u>

c. Other lease information

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$ <u>71</u>	\$ <u>80</u>	\$ <u>172</u>	\$ <u>170</u>
Total cash outflow for leases	\$ <u>4,041</u>	\$ <u>4,091</u>	\$ <u>8,294</u>	\$ <u>8,124</u>

d. Material lease-in activities and terms

The Group leases buildings for the use of plants and offices with lease terms of 3 to 5 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

12. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends	\$ 395,126	\$ -	\$ 304,500
Remuneration of directors and supervisors and employees	130,830	93,000	123,714
Salaries and rewards	84,021	105,004	84,354
Payable for consumables, supplies and packaging costs	19,999	25,753	18,614
Payable for annual leave	7,499	7,824	7,758
Others	<u>34,423</u>	<u>39,985</u>	<u>31,706</u>
	<u>\$ 671,898</u>	<u>\$ 271,566</u>	<u>\$ 570,646</u>

13. EQUITY

a. Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>72,500</u>	<u>72,500</u>	<u>72,500</u>
Shares issued	<u>\$ 725,001</u>	<u>\$ 725,001</u>	<u>\$ 725,001</u>

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

b. Capital surplus

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>			
Issuance of ordinary shares	\$ 114,893	\$ 114,893	\$ 114,893
Conversion of bonds	591,616	591,616	591,616
<u>May be used to offset a deficit only</u>			
Expired share options	<u>842</u>	<u>842</u>	<u>842</u>
	<u>\$ 707,351</u>	<u>\$ 707,351</u>	<u>\$ 707,351</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The dividends and bonuses, capital surplus, or legal reserve can be distributed in whole or in part by cash in accordance with Article 241 of the Company Act after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition, a report of such distribution shall be submitted to the shareholders in their meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 15.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves of other equity from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2024 and 2023 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Legal reserve	\$ 52,848	\$ 40,888		
Reversal of special reserve	(60,925)	29,482		
Cash dividends	395,126	304,500	\$ 5.45	\$ 4.2

The above appropriation for cash dividends had been resolved by the Company's board of directors in February 2025 and February 2024 respectively. The rest appropriations of earnings were approved in the shareholders' meeting in May 2025 and May 2024, respectively.

d. Special reserves

On the first-time adoption of IFRSs, the Group appropriated for special reserve, the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retain earnings, which were \$53,922 thousand.

14. REVENUE

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 954,525</u>	<u>\$ 1,095,240</u>	<u>\$ 2,056,315</u>	<u>\$ 1,950,448</u>

The balance of refund liability (presented in other current liabilities) amounted to \$36,951 thousand. The rate of discount is estimated using the most likely amount, taking into account the Group's accumulated historical experience of discount.

a. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables	<u>\$ 586,248</u>	<u>\$ 688,653</u>	<u>\$ 705,855</u>
Contract liabilities			
Sale of goods	<u>\$ 47</u>	<u>\$ 159</u>	<u>\$ 413</u>

b. Disaggregation of revenue

Refer to Note 23 for information about the disaggregation of revenue.

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Timing of revenue recognition				
Satisfied at a point in time	<u>\$ 954,525</u>	<u>\$ 1,095,240</u>	<u>\$ 2,056,315</u>	<u>\$ 1,950,448</u>

15. NET PROFIT FROM CONTINUING OPERATIONS

a. Benefits, depreciation and amortization expenses

	Three Months Ended June 30					
	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term benefits	\$ 59,198	\$ 24,773	\$ 83,971	\$ 67,658	\$ 35,708	\$ 103,366
Post-employment benefits						
Defined contribution plans	-	4,894	4,894	-	4,263	4,263
Other employee benefits	563	3,243	3,806	453	3,248	3,701
Depreciation	21,065	942	22,007	23,435	828	24,263
Amortization	-	116	116	-	100	100

	Six Months Ended June 30					
	2025			2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term benefits	\$ 115,299	\$ 61,563	\$ 176,862	\$ 114,107	\$ 69,740	\$ 183,847
Post-employment benefits						
Defined contribution plans	-	9,834	9,834	-	7,802	7,802
Other employee benefits	569	6,698	7,267	1,720	6,183	7,903
Depreciation	45,709	1,874	47,583	48,588	1,653	50,241
Amortization	-	227	227	-	199	199

b. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at the rates between 6.5%-12% and no higher than 3.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. Pursuant to an amendment to the Securities and Exchange Act in August 2024, Articles of Incorporation was amended by the Company and approved by 2025 Shareholders' Meeting. The amendment to the Articles of Incorporation stipulates that no less than 1% of compensation shall be set aside for grassroots employees among the amount of compensation of employees allocated in the current year. The compensation of employees (including compensation of grassroots employees) and remuneration of directors for the six months ended June 30, 2025 and 2024, respectively, were estimated as follows:

	Three Months Ended June 30			
	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	9.98%	\$ 9,598	10.00%	\$ 17,951
Remuneration of directors	3.24%	3,119	3.25%	5,834

	Six Months Ended June 30			
	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	10.00%	\$ 28,551	10.01%	\$ 34,501
Remuneration of directors	3.25%	9,279	3.25%	11,213

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Company's board of directors in February 2025 and February 2024, respectively, were as follows:

	For the Year Ended December 31			
	2024		2023	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	9.67%	\$ 71,000	10.33%	\$ 59,500
Remuneration of directors	3.00%	22,000	3.21%	18,500

There was no difference between the resolution and actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

16. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 7,825	\$ 38,616	\$ 45,007	\$ 65,189
Income tax on unappropriated earnings	7,071	1,700	7,071	1,700
Adjustment for prior periods	<u>137</u>	<u>91</u>	<u>194</u>	<u>127</u>
	15,033	40,407	52,272	67,016
Deferred tax				
In respect of the current period	<u>864</u>	<u>(18,627)</u>	<u>(4,204)</u>	<u>(16,455)</u>
Income tax expense recognized in profit or loss	<u>\$ 15,897</u>	<u>\$ 21,780</u>	<u>\$ 48,068</u>	<u>\$ 50,561</u>

- b. Income tax assessments

The tax returns of the Company through 2022 have been assessed by the tax authorities.

17. EARNINGS PER SHARE

	Net Income Attribute to Owners of the Company (Numerator)	Number of Shares (Denominator) (In Thousands)	Earnings Per Share (NT\$)
<u>For the Three Months Ended June 30, 2025</u>			
Basic EPS			
Net income available to ordinary shareholders	\$ 69,143	72,500	<u>\$ 0.95</u>

of the parent			
Dilutive effects			
Compensation of employees	<u>-</u>	<u>350</u>	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	<u>\$ 69,143</u>	<u>72,850</u>	<u>\$ 0.95</u>

For the Three Months Ended June 30, 2024

Basic EPS			
Net income available to ordinary shareholders of the parent	\$ 137,954	72,500	<u>\$ 1.90</u>
Dilutive effects			
Compensation of employees	<u>-</u>	<u>495</u>	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	<u>\$ 137,954</u>	<u>72,995</u>	<u>\$ 1.89</u>

For the Six Months Ended June 30, 2025

Basic EPS			
Net income available to ordinary shareholders of the parent	\$ 201,102	72,500	<u>\$ 2.77</u>
Dilutive effects			
Compensation of employees	<u>-</u>	<u>542</u>	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	<u>\$ 201,102</u>	<u>73,042</u>	<u>\$ 2.75</u>

For the Six Months Ended June 30, 2024

Basic EPS			
Net income available to ordinary shareholders of the parent	\$ 252,565	72,500	<u>\$ 3.48</u>
Dilutive effects			
Compensation of employees	<u>-</u>	<u>787</u>	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	<u>\$ 252,565</u>	<u>73,287</u>	<u>\$ 3.45</u>

The Group may settle the compensation or bonuses in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

18. NON-CASH TRANSACTIONS

For the six months ended June 30, 2025 and 2024, the Group entered into the following non-cash investing activities which were not reflected in the consolidated financial statements of cash flows:

- a. Cash dividends for 2024 and 2023 were resolved by the Company's board of directors which have not been distributed in June 30, 2025 and 2024 (refer to Note 12).

19. FINANCIAL INSTRUMENTS

- a. Categories of financial instruments

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 3,529,606	\$ 3,785,227	\$ 3,823,850
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	691,422	806,046	759,894

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables and refundable deposits.
- 2) The balances included financial liabilities at amortized cost, which comprise trade payables and other payables.

- b. Financial risk management objectives and policies

The Group's major financial instruments include, trade receivables, trade payables and lease liabilities. The Group manages foreign currency risk, interest rate risk, credit risk and liquidity risk to reduce the potential adverse impact of market uncertainty on the Group's financial performance.

- 1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

- a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Groups foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are listing at Note 21.

Foreign currency sensitivity analysis

The Group is mainly exposed to the US dollar (USD) and Renminbi (RMB).

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. A change of 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis measures the effect on income of a 1% change in foreign currency rates as applied to outstanding foreign currency denominated monetary items at the end of the reporting period. The number below indicates a change in pre-tax profit if the functional currency changed 1% against the relevant currency.

	Six Months Ended June 30	
	2025	2024
<u>Currency</u>		
USD	\$ 16,464	\$ 17,765
RMB	6,422	6,810

This was mainly attributable to the exposure of outstanding USD receivables and payables, which were not hedged at the end of the reporting period.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to interest rate risk because the entities in the Group deposits and leases at both fixed and floating interest rates.

The carrying amount of the Group's financial assets and liabilities with exposure to interest rates at the end of the reporting year was as follows.

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	\$ 2,205,313	\$ 2,747,521	\$ 2,885,604
Lease liabilities	14,792	24,102	25,090
Cash flows interest rate risk			
Financial assets	737,041	348,045	231,384

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management of the Group

believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group's operating funds are deemed sufficient to meet the cash flow demand, therefore, liquidity risk is not considered to be significant.

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

	Less Than 1 Year	1-5 Years	Total
<u>June 30, 2025</u>			
Non-interest bearing	\$ 1,086,548	\$ -	\$ 1,086,548
Lease liabilities	<u>13,434</u>	<u>1,506</u>	<u>14,940</u>
	<u>\$ 1,099,982</u>	<u>\$ 1,506</u>	<u>\$ 1,101,488</u>
<u>December 31, 2024</u>			
Non-interest bearing	\$ 806,046	\$ -	\$ 806,046
Lease liabilities	<u>16,743</u>	<u>7,689</u>	<u>24,432</u>
	<u>\$ 822,789</u>	<u>\$ 7,689</u>	<u>\$ 830,478</u>
<u>June 30, 2024</u>			
Non-interest bearing	\$ 1,064,394	\$ -	\$ 1,064,394
Lease liabilities	<u>14,464</u>	<u>10,974</u>	<u>25,438</u>
	<u>\$ 1,078,858</u>	<u>\$ 10,974</u>	<u>\$ 1,089,832</u>

20. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and categories

Related Party Name	Related Party Categories
Asia Optical International Ltd. ("Asia International")	Associate
Shen Zhen Sintai Optical Co., Ltd. ("Shen Zhen Sintai")	Associate
Yorkey Optical Technology Ltd. ("Yorkey Technology")	Associate
AOE Optronics (Shen Zhen) Ltd. ("AOE Shen Zhen")	Associate

b. Trading transactions

Line Items	Related Party Categories	Three Months Ended June 30		Six Months Ended June 30	
		2025	2024	2025	2024
Sales	Associates	(\$ 77)	\$ 10,941	\$ 2,675	\$ 17,271
Purchases of goods	Associates	22,730	29,452	47,502	51,346
Operating costs - packing fee, etc.	Associates	537	2,652	3,063	4,322

The sales prices to related parties were not significantly different from those of sales to third parties. The average credit period of sales of goods was 30 to 180 days.

Purchases were made at market price discounted to reflect the quantity of goods purchased and relationships between the parties. Payment term was 30 to 180 days.

c. Receivables from related parties

Line Items	Related Party Categories	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables	Associates	\$ -	\$ -	\$ 2,880

d. Payables to related parties (excluding loans from related parties)

Line Items	Related Party Categories	June 30, 2025	December 31, 2024	June 30, 2024
Trade payables	Associates	\$ 30,076	\$ 37,052	\$ 38,190
Other payables	Associates	3,874	4,645	4,645

e. Lease arrangements

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	Associate Shen Zhen Sintai	\$ 9,752	\$ 17,321	\$ 23,686

Related Party Category/Name	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024

Interest expense

Associate				
Shen Zhen Sintai	\$ 45	\$ 95	\$ 105	\$ 199

The rental of the Group is based on local market rental rates and fixed lease payments are paid monthly.

f. Compensation of key management personnel

The remuneration of directors and other members of key management personnel was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 558	\$ 528	\$ 1,069	\$ 1,049

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

21. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 69,317	29.300 (USD:NTD)	\$ 2,030,995
USD	41,376	7.1582 (USD:RMB)	1,212,318
RMB	156,890	0.1397 (RMB:USD)	642,186

Financial liabilities

Monetary items			
USD	54,503	29.300 (USD:NTD)	1,596,951

December 31, 2024

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 63,729	32.785 (USD:NTD)	\$ 2,089,370
USD	41,471	7.1891 (USD:RMB)	1,359,635
RMB	151,082	0.1391 (RMB:USD)	688,992

Financial liabilities

Monetary items			
USD	55,742	32.785 (USD:NTD)	1,827,491

June 30, 2024

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 71,847	32.45 (USD:NTD)	\$ 2,331,424
USD	43,509	7.1276 (USD:RMB)	1,411,860
RMB	149,579	0.1403 (RMB:USD)	680,991

Financial liabilities

Monetary items			
USD	60,611	32.45 (USD:NTD)	1,966,819

The total of realized and unrealized foreign exchange gain and loss for the three months and the six months ended June 30, 2025 and 2024, were a loss of 61,209 thousand, a gain of 7,363 thousand, a loss of 55,997 thousand, and a gain of 22,934 thousand, respectively. Since there were varieties of foreign currency transactions and functional currencies within the subsidiaries of the Company, the Company was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact.

22. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees:
 - 1) Financing provided to others: None
 - 2) Endorsements/guarantees provided: None
 - 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures entities): None
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 1 (attached)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2 (attached)
 - 6) Intercompany relationships and significant intercompany transactions: Table 5 (attached)
- b. Information on investees: Table 3 (attached)
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 4 (attached)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 5 (attached)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 5 (attached)
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None

23. SEGMENT INFORMATION

The Group has only one department and the main product is contact image sensor module. Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on geographic area.

	Domestic	Asia	Adjustment and Elimination	Total
<u>For the Six Months Ended</u>				
<u>June 30, 2025</u>				
Revenues from external customers	\$1,994,863	\$ 61,452	\$ -	\$2,056,315
Inter-segment revenues	<u>-</u>	<u>2,766,663</u>	<u>(2,766,663)</u>	<u>-</u>
Segment revenue	<u>\$1,994,863</u>	<u>\$2,828,115</u>	<u>(\$2,766,663)</u>	<u>\$2,056,315</u>
Segment income	<u>\$ 247,616</u>	<u>\$ 40,133</u>	<u>(\$ 38,408)</u>	<u>\$ 249,341</u>
Interest expense				<u>(171)</u>
Profit before income tax				<u>\$ 249,170</u>
<u>For the Six Months Ended</u>				
<u>June 30, 2024</u>				
Revenues from external customers	\$1,827,438	\$ 123,010	\$ -	\$1,950,448
Inter-segment revenues	<u>-</u>	<u>2,472,994</u>	<u>(2,472,994)</u>	<u>-</u>
Segment revenue	<u>\$1,827,438</u>	<u>\$2,596,004</u>	<u>(\$2,472,994)</u>	<u>\$1,950,448</u>
Segment income	<u>\$ 299,116</u>	<u>\$ 23,746</u>	<u>(\$ 19,522)</u>	<u>\$ 303,340</u>
Interest expense				<u>(214)</u>
Profit before income tax				<u>\$ 303,126</u>

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

TABLE 1

ASIA TECH IMAGE INC. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN-CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

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

Company Name	Related Party	Nature of Relationship	Transaction Detail				Non-arm’s Length Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount (Note 3)	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance (Note 3)	% to Total	
The Company	Asia Tech Samoa	Note 1	Purchases	\$ 1,717,702	100	30-180 days	\$ -	-	\$ (1,594,173)	(100)	
Asia Tech Samoa	The Company Shen Zhen Atii	Note 1	Sales	(1,717,702)	(100)	30-180 days	-	-	1,594,173	100	
		Note 1	Purchases	1,048,961	60	30-180 days	-	-	(1,210,548) (Note 2)	(66)	
Shen Zhen Atii	Asia Tech Samoa	Note 1	Sales	(1,048,961)	(94)	30-180 days	-	-	1,210,548 (Note 2)	98	

Note 1: See consolidated financial statements Note 9.

Note 2: Asia Tech Samoa purchased materials on behalf of Shen Zhen Atii, and purchased merchandise from Shen Zhen Atii at the same time, so trade receivables and payables were presented at net value.

Note 3: Consolidated financial statements’ intercompany accounts and transactions have been eliminated; see consolidated financial statements Table 5.

TABLE 2

ASIA TECH IMAGE INC. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2025**

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

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amount Received in Subsequent Year	Allowance for Impairment Loss
					Amount	Action Taken		
Asia Tech Samoa	The Company	Subsidiary	\$1,594,173	(Note 1)	\$ -	-	\$ 214,197	\$ -
Shen Zhen Atii	Asia Tech Samoa	Subsidiary	1,210,548	(Note 1)	-	-	26,980	-

Note 1: Asia Tech Samoa purchased materials on behalf of Shen Zhen Atii, and purchased merchandise from Shen Zhen Atii at the same time, so trade receivables and payables were presented at net value, and turnover analysis was not suitable.

Note 2: Consolidated financial statements’ intercompany accounts and transactions have been eliminated; see consolidated financial statements Table 5.

TABLE 3

ASIA TECH IMAGE INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net Income of the Investee	Share of Profits (Note 2)	Note
				June 30, 2025	December 31, 2024	Shares	%	Carrying Amount			
The Company	Asia Tech Samoa (Note 1)	Samoa Islands	Sale of precision instruments and image sensors	\$ 845,520	\$ 845,520	18,662	100%	\$2,573,161	\$ 29,829	\$ 29,829	Subsidiary

Note 1: Information on investments in mainland China; see consolidated financial statements Table 4.

Note 2: Consolidated financial statements’ intercompany accounts and transactions have been eliminated.

TABLE 4

ASIA TECH IMAGE INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (In Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
Shen Zhen Atii	Manufacture and sale of image sensors	US\$ 10,000	(Note 1)	\$ 170,256 (US\$ 5,400)	\$ -	\$ -	\$ 170,256 (US\$ 5,400)	\$ 8,579	100	\$ 8,579	\$ 1,626,567	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ 170,256 (US\$ 5,400)	\$ 170,256 (US\$ 5,400)	\$ 1,739,099

Note 1: The investment was made through a subsidiary incorporated in a third area, which in turn, made direct investments in companies in China. (Subsidiary incorporated in a third area: Asia Tech Samoa)

Note 2: Amount was recognized based on the audited financial statements.

Note 3: According to the “Regulations for Screening of Application to Engage in Technical Cooperation in Mainland China”.

TABLE 5

ASIA TECH IMAGE INC.

**INTERCOMPANY RELATIONSHIP AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Number	Company Name	Counterparty	Flow of Transaction (Note)	Transactions			
				Account	Amounts	Terms	% to Consolidated Sales or Consolidated Assets
1	The Company	Asia Tech Samoa	1	Purchases	\$ 1,717,702	30-180 days	84
				Non-operating income and expenses - other income	7,264	30-180 days	-
				Trade payables	1,594,173	30-180 days	36
2	Asia Tech Samoa	Shen Zhen Atii	1	Purchases	1,048,961	30-180 days	51
				Trade payables	1,210,548	30-180 days	27

Note 1: From the parent company to the subsidiary.