Asia Tech Image Inc. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 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, 2026 and 2025, the consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, 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, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months then ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" 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 30, 2026

<u>Notice to Readers</u>

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

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, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

	June 30, 2026 (Reviewed)		December 31, 2025 (Audited)		June 30, 2025 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 3,294,833	69	$ 2,882,850	70	$ 2,942,605	67
Trade receivables from unrelated parties (Notes 7 and 14)	654,594	14	426,457	10	586,248	13
Inventories (Note 8)	679,201	14	649,799	16	684,428	16
Other current assets	5,014	-	4,602	-	8,809	-
Total current assets	4,633,642	97	3,963,708	96	4,222,090	96
NON-CURRENT ASSETS						
Property, plant and equipment (Note 10)	113,091	2	139,651	4	151,700	4
Right-of-use assets (Note 11)	38,174	1	7,434	-	14,603	-
Other intangible assets	821	-	1,062	-	1,302	-
Deferred tax assets (Notes 4 and 16)	8,465	-	10,037	-	7,607	-
Prepayments for equipment	2,590	-	-	-	3,918	-
Refundable deposits	753	-	753	-	753	-
Net defined benefit assets - non-current (Note 4)	340	-	340	-	219	-
Total non-current assets	164,234	3	159,277	4	180,102	4
TOTAL	$ 4,797,876	100	$ 4,122,985	100	$ 4,402,192	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Note 14)	$ 4,502	-	$ 44	-	$ 47	-
Trade payables to unrelated parties	744,018	16	419,596	10	606,924	14
Trade payables to related parties (Note 20)	33,632	1	21,356	1	30,076	1
Other payables (Notes 12 and 20)	529,590	11	221,565	5	671,898	15
Current tax liabilities (Notes 4 and 16)	61,292	1	59,376	2	75,584	2
Lease liabilities - current (Notes 11 and 20)	14,184	-	7,559	-	13,293	-
Other current liabilities (Note 14)	37,358	1	37,376	1	37,308	1
Total current liabilities	1,424,576	30	766,872	19	1,435,130	33
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 16)	66,353	1	64,446	1	67,064	1
Lease liabilities - non-current (Notes 11 and 20)	24,093	1	-	-	1,499	-
Total non-current liabilities	90,446	2	64,446	1	68,563	1
Total liabilities	1,515,022	32	831,318	20	1,503,693	34
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	725,001	15	725,001	18	725,001	17
Capital surplus	707,351	15	707,351	17	707,351	16
Retained earnings						
Legal reserve	525,808	11	488,360	12	488,360	11
Special reserve	92,190	2	53,922	1	53,922	1
Unappropriated earnings	1,177,591	24	1,355,301	33	1,181,919	27
Exchange differences on translation of the financial statements of foreign operations	54,913	1	(38,268)	(1)	(258,054)	(6)
Total equity	3,282,854	68	3,291,667	80	2,898,499	66
TOTAL	$ 4,797,876	100	$ 4,122,985	100	$ 4,402,192	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, 2026 AND 2025
(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			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 14 and 20)	$1,058,237	100	$ 954,525	100	$2,009,499	100	$2,056,315	100
COST OF GOODS SOLD (Notes 8, 15 and 20)	900,716	85	790,511	83	1,727,518	86	1,704,264	83
GROSS PROFIT	157,521	15	164,014	17	281,981	14	352,051	17
OPERATING EXPENSES (Notes 15 and 20)								
Selling and marketing expenses	8,517	1	8,572	1	15,786	1	18,139	1
General and administrative expenses	22,131	2	17,837	2	41,142	2	42,340	2
Research and development expenses	17,994	1	13,050	1	32,581	2	31,855	1
Total operating expenses	48,642	4	39,459	4	89,509	5	92,334	4
PROFIT FROM OPERATIONS	108,879	11	124,555	13	192,472	9	259,717	13
NON-OPERATING INCOME AND EXPENSES								
Interest expense (Notes 11 and 20)	(170)	-	(76)	-	(198)	-	(171)	-
Interest income	21,266	2	21,306	2	40,910	2	44,983	2
Other income	6,152	-	464	-	9,177	1	643	-
Foreign exchange loss	(13,629)	(1)	(61,209)	(6)	(16,166)	(1)	(55,997)	(3)
Gains (Losses) on disposals of property, plant and equipment	5	-	-	-	590	-	(5)	-
Total non-operating income and expenses	13,624	1	(39,515)	(4)	34,313	2	(10,547)	(1)
PROFIT BEFORE INCOME TAX	122,503	12	85,040	9	226,785	11	249,170	12
INCOME TAX EXPENSE (Notes 4 and 16)	20,843	2	15,897	2	46,029	2	48,068	2
NET INCOME FOR THE PERIOD	101,660	10	69,143	7	180,756	9	201,102	10
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	15,872	1	(336,884)	(35)	93,181	5	(297,628)	(15)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 117,532	11	($ 267,741)	(28)	$ 273,937	14	($ 96,526)	(5)
EARNINGS PER SHARE (Note 17)								
Basic	$ 1.40		$ 0.95		$ 2.49		$ 2.77	
Diluted	$ 1.40		$ 0.95		$ 2.47		$ 2.75	

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, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						
			Retained Earnings (Note 13)				
	Ordinary Shares (Note 13)	Capital Surplus (Note 13)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
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
BALANCE AT JANUARY 1, 2026	$ 725,001	$ 707,351	$ 488,360	$ 53,922	$ 1,355,301	($ 38,268)	$ 3,291,667
Appropriation of 2025 earnings							
Legal reserve	-	-	37,448	-	(37,448)	-	-
Special reserve	-	-	-	38,268	(38,268)	-	-
Cash dividends distributed by the Company - NT$3.9 per share	-	-	-	-	(282,750)	-	(282,750)
Net profit for the six months ended June 30, 2026	-	-	-		180,756	-	180,756
Other comprehensive income (loss) for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	93,181	93,181
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	180,756	93,181	273,937
BALANCE AT JUNE 30, 2026	$ 725,001	$ 707,351	$ 525,808	$ 92,190	$ 1,177,591	$ 54,913	$ 3,282,854

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, 2026 AND 2025
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 226,785	$ 249,170
Adjustments for:		
Depreciation expenses	41,719	47,583
Amortization expenses	241	227
Interest expense	198	171
Interest income	(40,910)	(44,983)
(Gains) Losses on disposals of property, plant and equipment	(590)	5
Write-down (reversal) of inventories	(14,217)	(4,513)
Unrealized loss (gain) on foreign currency exchange	(6,647)	22,323
Changes in operating assets and liabilities:		
Trade receivables	(219,874)	74,675
Inventories	2,582	(129,504)
Other current assets	(306)	2,463
Contract liability	4,458	(112)
Trade payables	327,011	(7,377)
Other payables	19,620	13,207
Other current liabilities	(21)	(462)
Cash generated from operating activities	340,049	222,873
Interest received	40,910	44,983
Interest paid	(198)	(171)
Income tax paid	(40,567)	(74,127)
Net cash generated from operating activities	340,194	193,558
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(326)	(41,472)
Proceeds from disposal of property, plant and equipment	590	-
Acquisitions of intangible assets	-	(159)
Increase in prepayments for equipment	(2,560)	(2,211)
Net cash used in investing activities	(2,296)	(43,842)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	($ 8,239)	(7,951)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	82,324	($ 294,981)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	411,983	(153,216)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	2,882,850	3,095,821
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	$ 3,294,833	$ 2,942,605

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(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, 2026 and 2025.

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 30, 2026.

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)

   <u>Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"</u>

   1) The amendments to the application guidance of classification of financial assets

      The amendments mainly amend the requirements for the classification of financial assets, including:

      a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

b) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;

- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 Fair Value Option for Investments in Associates and Joint Ventures	January 1, 2027 (Note 2)

Note1: IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period.

Note2: The entities shall apply the amendment simultaneously with IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments, and Amendments to IAS 28 "Fair Value Option for Investments in Associates and Joint Ventures"

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- 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.

Upon initial application of IFRS 18, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities (or indirectly through such entities) may change its option for measuring investments in associates and joint ventures from the equity method to fair value through profit or loss. Amendments to IAS 28 clarify that the aforementioned “similar entities” includes entities that, under IFRS 18, assess investing in specific types of assets as their main business activity. If the Group meets the aforementioned conditions, it may make this change on the date of initial application.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Early adoption of IFRS 18 and related amendments is not anticipated by the Group.

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.

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)
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 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

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

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.

See Note 9, Tables 4 and 5 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 2025 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 economic environment 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 2025 for material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash			
Cash on hand	$ 208	$ 197	$ 207
Checking accounts and demand deposits	791,880	294,394	737,085
Cash equivalents			
Time deposits with original maturities of less than three months	2,502,745	2,588,259	2,205,313
	$ 3,294,833	$ 2,882,850	$ 2,942,605
Market rate intervals of cash in banks (%)	0.001-4.06	0.001-4.20	0.001-4.45

7. TRADE RECEIVABLES FROM UNRELATED PARTIES

	June 30, 2026	December 31, 2025	June 30, 2025
At amortized cost			
Trade receivables	$ 654,798	$ 426,661	$ 586,452
Less: Allowance for impairment loss	(204)	(204)	(204)
	$ 654,594	$ 426,457	$ 586,248

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, 2026

	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	$ 653,911	$ 882	$ 5	$ -	$ -	$ 654,798
Loss allowance (Lifetime ECL)	-	(199)	(5)	-	-	(204)
Amortized cost	$ 653,911	$ 683	$ -	$ -	$ -	$ 654,594

December 31, 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	$ 426,659	$ -	$ -	$ -	$ 2	$ 426,661
Loss allowance (Lifetime ECL)	(202)	-	-	-	(2)	(204)
Amortized cost	$ 426,457	$ -	$ -	$ -	$ -	$ 426,457

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	$ 573,971	$ 12,277	$ -	$ -	$ -	$ 586,248

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

	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Balance at January 1 and June 30	$ 204	$ 204

8. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 447,074	$ 299,454	$ 366,464
Work in progress	17,210	7,224	12,114
Finished goods	211,405	342,929	305,757
Inventory in transit	3,512	192	93
	$ 679,201	$ 649,799	$ 684,428

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

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	$ 907,712	$ 790,511	$ 1,741,735	$ 1,708,777
Write-down (reversal) of inventories	(6,996)	-	(14,217)	(4,513)
	$ 900,716	$ 790,511	$ 1,727,518	$ 1,704,264

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

9. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

			Proportion of Ownership		
Investor	Investee	Nature of Activities	June 30, 2026	December 31, 2025	June 30, 2025
The Company	Asia Image Tech (Samoa) 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
Cost				
Balance at January 1, 2026	$ 112,207	$ 910,257	$ 309,633	$ 1,332,097
Additions	-	-	2,580	2,580
Disposals	-	(32,350)	(30,534)	(62,884)
Effects of foreign currency exchange differences	3,177	37,894	13,419	54,490
Balance at June 30, 2026	$ 115,384	$ 915,801	$ 295,098	$ 1,326,283
Accumulated depreciation				
Balance at January 1, 2026	$ 80,919	$ 830,399	$ 281,128	$ 1,192,446
Depreciation expense	4,048	19,772	9,686	33,506
Disposals	-	(32,350)	(30,534)	(62,884)
Effects of foreign currency exchange differences	2,685	35,105	12,334	50,124
Balance at June 30, 2026	$ 87,652	$ 852,926	$ 272,614	$ 1,213,192
Carrying amounts at June 30, 2026	$ 27,732	$ 62,875	$ 22,484	$ 113,091
Carrying amounts at December 31, 2025 and January 1, 2026	$ 31,288	$ 79,858	$ 28,505	$ 139,651
Cost				
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	$ 103,711	$ 889,965	$ 283,314	$ 1,276,990
Accumulated depreciation				
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	$ 70,955	$ 798,638	$ 255,697	$ 1,125,290
Carrying amounts at June 30, 2025	$ 32,756	$ 91,327	$ 27,617	$ 151,700

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, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Buildings	$ 38,160	$ 7,402	$ 14,553
Other equipment	14	32	50
	$ 38,174	$ 7,434	$ 14,603

	Six Months Ended June 30	
	2026	2025
Additions to right-of-use assets	$ 38,176	$ -

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation charge for right-of-use assets				
Buildings	$ 4,108	$ 3,871	$ 8,195	$ 7,920
Other equipment	9	9	18	18
	$ 4,117	$ 3,880	$ 8,213	$ 7,938

Except for additions and depreciation charge, the Group did not have significant sublease or impairment of right-of-use assets for the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Current	$ 14,184	$ 7,559	$ 13,293
Non-current	$ 24,093	$ -	$ 1,499

Range of discount rate for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	1.5%-2.5%	1.5%-2.3%	1.5%-2.3%
Other equipment	1.5%	1.5%	1.5%

	Six Months Ended June 30	
	2026	2025
Finance costs		
Interest expense from lease liabilities	$ 198	$ 171

c. Other lease information

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 65	$ 71	$ 140	$ 172
Total cash outflow for leases	$ 4,311	$ 4,041	$ 8,577	$ 8,294

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, 2026	December 31, 2025	June 30, 2025
Dividends	$ 282,750	$ -	$ 395,126
Remuneration of directors and supervisors and employees	113,165	78,500	130,830
Salaries and rewards	79,255	84,070	84,021
Payable for consumables, supplies and packaging costs	18,596	14,851	19,999
Payable for annual leave	8,956	8,456	7,499
Others	26,868	35,688	34,423
	$ 529,590	$ 221,565	$ 671,898

13. EQUITY

a. Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	100,000	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	72,500	72,500	72,500
Shares issued	$ 725,001	$ 725,001	$ 725,001

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

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary shares	$ 114,893	$ 114,893	$ 114,893
Conversion of bonds	591,616	591,616	591,616
May be used to offset a deficit only			
Expired share options	842	842	842
	$ 707,351	$ 707,351	$ 707,351

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 2025 and 2024 were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2025	**2024**	**2025**	**2024**
Legal reserve	$ 37,448	$ 52,848		
Reversal of special reserve	38,268	(60,925)		
Cash dividends	282,750	395,126	$ 3.9	$ 5.45

The above appropriation for cash dividends had been resolved by the Company's board of directors in February 2026 and February 2025 respectively. The rest appropriations of earnings were approved in the shareholders' meeting in May 2026 and May 2025, 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	
	2026	**2025**	**2026**	**2025**
Revenue from contracts with customers				
Revenue from sale of goods	$ 1,058,237	$ 954,525	$ 2,009,499	$ 2,056,315

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, 2026	December 31, 2025	June 30, 2025
Trade receivables	$ 654,594	$ 426,457	$ 586,248
Contract liabilities			
Sale of goods	$ 4,502	$ 44	$ 47

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	
	2026	2025	2026	2025
Timing of revenue recognition				
Satisfied at a point in time	$ 1,058,237	$ 954,525	$ 2,009,499	$ 2,056,315

15. NET PROFIT FROM CONTINUING OPERATIONS

a. Benefits, depreciation and amortization expenses

	Three Months Ended June 30					
	2026			2025		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term benefits	$ 66,278	$ 30,782	$ 97,060	$ 59,198	$ 24,773	$ 83,971
Post-employment benefits						
Defined contribution plans	-	5,430	5,430	-	4,894	4,894
Other employee benefits	987	3,582	4,569	563	3,243	3,806
Depreciation	19,818	949	20,767	21,065	942	22,007
Amortization	-	120	120	-	116	116

	Six Months Ended June 30					
	2026			2025		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term benefits	$ 120,424	$ 58,811	$ 179,235	$ 115,299	$ 61,563	$ 176,862
Post-employment benefits						
Defined contribution plans	-	9,736	9,736	-	9,834	9,834
Other employee benefits	1,347	7,151	8,498	569	6,698	7,267
Depreciation	39,820	1,899	41,719	45,709	1,874	47,583
Amortization	-	241	241	-	227	227

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, 2026 and 2025, respectively, were estimated as follows:

	Three Months Ended June 30			
	2026		2025	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	10.00%	$ 14,121	9.98%	$ 9,598
Remuneration of directors	3.25%	4,590	3.24%	3,119

	Six Months Ended June 30			
	2026		2025	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	10.01%	$ 26,162	10.00%	$ 28,551
Remuneration of directors	3.25%	8,503	3.25%	9,279

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, 2025 and 2024 which have been approved by the Company's board of directors in February 2026 and February 2025, respectively, were as follows:

	For the Year Ended December 31			
	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	11.03%	$ 60,000	9.67%	$ 71,000
Remuneration of directors	3.40%	18,500	3.00%	22,000

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, 2025 and 2024.

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	
	2026	2025	2026	2025
Current tax				
In respect of the current period	$ 26,563	$ 7,825	$ 46,962	$ 45,007
Income tax on unappropriated earnings	801	7,071	801	7,071
Adjustment for prior periods	(5,248)	137	(5,213)	194
	22,116	15,033	42,550	52,272
Deferred tax				
In respect of the current period	(1,273)	864	3,479	(4,204)
Income tax expense recognized in profit or loss	$ 20,843	$ 15,897	$ 46,029	$ 48,068

b. Income tax assessments

The tax returns of the Company through 2023 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$)
For the Three Months Ended June 30, 2026			
Basic EPS			
Net income available to ordinary shareholders of the parent	$ 101,660	72,500	$ 1.40
Dilutive effects			
Compensation of employees	-	358	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	$ 101,660	72,858	$ 1.40
For the Three Months Ended June 30, 2025			
Basic EPS			
Net income available to ordinary shareholders of the parent	$ 69,143	72,500	$ 0.95
Dilutive effects			
Compensation of employees	-	350	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	$ 69,143	72,850	$ 0.95
For the Six Months Ended June 30, 2026			
Basic EPS			
Net income available to ordinary shareholders of the parent	$ 180,756	72,500	$ 2.49
Dilutive effects			
Compensation of employees	-	628	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	$ 180,756	73,128	$ 2.47
For the Six Months Ended June 30, 2025			
Basic EPS			
Net income available to ordinary shareholders	$ 201,102	72,500	$ 2.77

of the parent			
Dilutive effects			
Compensation of employees	-	542	
Diluted EPS			
Net income available to ordinary shareholders of the parent (including effect of dilutive potential ordinary shares)	$ 201,102	73,042	$ 2.75

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, 2026 and 2025, 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 2025 and 2024 were resolved by the Company's board of directors which have not been distributed in June 30, 2026 and 2025 (refer to Note 12).

19. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Financial assets			
Financial assets at amortized cost (1)	$ 3,950,180	$ 3,310,060	$ 3,529,606
Financial liabilities			
Financial liabilities at amortized cost (2)	823,114	491,491	691,422

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 NTD (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 NTD changed 1% against the relevant currency.

	Six Months Ended June 30	
	2026	**2025**
Currency		
USD	$ 18,542	$ 16,464
RMB	7,520	6,422

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, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	$ 2,502,745	$ 2,588,259	$ 2,205,313
Lease liabilities	38,277	7,559	14,792
Cash flows interest rate risk			
Financial assets	791,836	294,351	737,041

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
June 30, 2026			
Non-interest bearing	$ 1,105,864	$ -	$ 1,105,864
Lease liabilities	14,966	24,678	39,644
	$ 1,120,830	$ 24,678	$ 1,145,508
December 31, 2025			
Non-interest bearing	$ 491,491	$ -	$ 491,491
Lease liabilities	7,605	-	7,605
	$ 499,096	$ -	$ 499,096
June 30, 2025			
Non-interest bearing	$ 1,086,548	$ -	$ 1,086,548
Lease liabilities	13,434	1,506	14,940
	$ 1,099,982	$ 1,506	$ 1,101,488

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

b. Trading transactions

Line Items	Related Party Categories	Three Months Ended June 30 2026	Three Months Ended June 30 2025	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Sales	Associates	$ -	($ 77)	$ -	$ 2,675
Purchases of goods	Associates	20,565	22,730	40,967	47,502
Operating costs - packing fee, etc.	Associates	2,975	537	4,904	3,063

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

Line Items	Related Party Categories	June 30, 2026	December 31, 2025	June 30, 2025
Trade payables	Associates	$ 33,632	$ 21,356	$ 30,076
Other payables	Associates	4,167	6,843	3,874

d. Lease arrangements

Related Party Category/Name	Six Months Ended June 30 2026
Acquisition of right-of-use assets	
Associate	
Shen Zhen Sintai	$ 38,176

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities	Associate			
	Shen Zhen Sintai	$ 36,777	$ 4,279	$ 9,752

Related Party Category/Name	Three Months Ended June 30 2026	Three Months Ended June 30 2025	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Interest expense				
Associate				
Shen Zhen Sintai	$ 160	$ 45	$ 172	$ 105

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

e. Compensation of key management personnel

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

	Three Months Ended June 30 2026	Three Months Ended June 30 2025	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Short-term employee benefits	$ 523	$ 558	$ 1,039	$ 1,069

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, 2026

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 69,685	31.85 (USD:NTD)	$ 2,219,475
USD	45,450	6.812 (USD:RMB)	1,447,574
RMB	160,807	0.1468 (RMB:USD)	751,867
Financial liabilities			
Monetary items			
USD	56,917	31.85 (USD:NTD)	1,812,818

December 31, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 62,563	31.430 (USD:NTD)	$ 1,966,343
USD	43,230	7.0274 (USD:RMB)	1,358,722
RMB	159,890	0.1423 (RMB:USD)	715,107
Financial liabilities			
Monetary items			
USD	49,886	31.430 (USD:NTD)	1,567,905

June 30, 2025

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
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

The total of realized and unrealized foreign exchange gain and loss for the three months and the six months ended June 30, 2026 and 2025, were a loss of 13,629 thousand, a loss of 61,209 thousand, a loss of 16,166 thousand, and loss of 55,997 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 3 (attached)

b. Information on investees: Table 4 (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 5 (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 1 (attached)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 1 (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
For the Six Months Ended June 30, 2026				
Revenues from external customers	$1,874,561	$ 134,938	$ -	$2,009,499
Inter-segment revenues	-	2,504,219	(2,504,219)	-
Segment revenue	$1,874,561	$2,639,157	($2,504,219)	$2,009,499
Segment income	$ 226,812	($ 47,006)	$ 47,177	$ 226,983
Interest expense				(198)
Profit before income tax				$ 226,785
For the Six Months Ended June 30, 2025				
Revenues from external customers	$1,994,863	$ 61,452	$ -	$2,056,315
Inter-segment revenues	-	2,766,663	(2,766,663)	-
Segment revenue	$1,994,863	$2,828,115	($2,766,663)	$2,056,315
Segment income	$ 247,616	$ 40,133	($ 38,408)	$ 249,341
Interest expense				(171)
Profit before income tax				$ 249,170

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, 2026
(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	$ 1,576,632	100	30-180 days	$ -	-	$ (1,805,112)	(100)	
Asia Tech Samoa	The Company	Note 1	Sales	(1,576,632)	(100)	30-180 days	-	-	1,805,112	100	
	Shen Zhen Atii	Note 1	Purchases	927,587	58	30-180 days	-	-	(1,439,712) (Note 2)	(67)	
Shen Zhen Atii	Asia Tech Samoa	Note 1	Sales	(927,587)	(87)	30-180 days	-	-	1,439,712 (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 3.

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, 2026
(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	$1,805,112	(Note 1)	$ -	-	$ 311,614	$ -
Shen Zhen Atii	Asia Tech Samoa	Subsidiary	1,439,712	(Note 1)	-	-	38,930	-

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 3.

ASIA TECH IMAGE INC.

INTERCOMPANY RELATIONSHIP AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(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	$ 1,576,632	30-180 days	78
				Non-operating income and expenses - other income	7,208	30-180 days	-
				Trade payables	1,805,112	30-180 days	38
2	Asia Tech Samoa	Shen Zhen Atii	1	Purchases	927,587	30-180 days	46
				Trade payables	1,439,712	30-180 days	30

Note 1: From the parent company to the subsidiary.

TABLE 4

ASIA TECH IMAGE INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(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, 2026			Net Income of the Investee	Share of Profits (Note 2)	Note
				June 30, 2026	December 31, 2025	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%	$ 2,836,729	($ 21,758)	($ 21,758)	Subsidiary

Note 1: Information on investments in mainland China; see consolidated financial statements Table 5.

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

TABLE 5

ASIA TECH IMAGE INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(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, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026
					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)	($ 25,419)	100	($ 25,419)	$ 1,818,819	$ -

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2026	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)	$ 1,969,712

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”.