

Data Image Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Data Image Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Data Image Corporation
Han-Chou Huang
Chairman

March 4, 2025

Independent Auditors' Report

The Board of Directors and Shareholders
Data Image Corporation

Opinion

We have audited the accompanying consolidated financial statements of Data Image Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Data Image Corporation and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Data Image Corporation and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in Data Image Corporation and its subsidiaries consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Occurrence of operating revenue

Data Image Corporation and its subsidiaries are engaged in the design, manufacturing, and sales of LCD touch modules and LCD modules. The manufacturing of LCD touch modules and LCD modules are customized products and make development according to different purposes and needs of customers. Although the operating revenue in 2024 decreased from the same period of last year, the operating revenue from specific customers increased from the same period last year, and the occurrence of the related sales transactions has a significant impact on the presentation of the consolidated financial statements; therefore, we include the occurrence of the abovementioned operating revenue from customers as a key audit matter.

Corresponding audit procedures

Our audit procedures for the key audit matters above include understanding the major internal control design and the effectiveness of implementation, and sampling and implementing relevant audits to ensure that the revenue transactions occurred.

Other matters

We have also audited the financial statements of Data Image Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Data Image Corporation and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Data Image Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Data Image Corporation and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Data Image Corporation and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Data Image Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Data Image Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within Data Image Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Ming Shao and Kuo-Ning Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Data Image Corporation and Its Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Current assets				
Cash and cash equivalents (Note 6)	\$ 1,305,799	35	\$ 947,955	29
Financial assets at fair value through profit or loss - Current (Note 7)	-	-	8,614	-
Accounts receivable (Notes 9 and 24)	683,893	18	541,553	17
Accounts receivable from related parties (Notes 24 and 32)	26,329	1	5,903	-
Other receivables (Note 9)	23,210	1	11,278	-
Other receivables from related parties (Note 32)	5,464	-	2,857	-
Current tax assets (Note 26)	1,000	-	238	-
Inventories (Note 10)	542,111	14	601,759	18
Other current assets (Notes 18 and 32)	21,043	-	17,492	1
Total current assets	<u>2,608,849</u>	<u>69</u>	<u>2,137,649</u>	<u>65</u>
Non-current assets				
Financial assets at fair value through other comprehensive income - Non-current (Note 8)	5,032	-	4,611	-
Investments accounted for using the equity method (Note 12)	9,343	-	8,874	-
Property, plant and equipment (Notes 13 and 32)	776,169	21	787,051	24
Right-of-use assets (Notes 14 and 32)	51,515	1	30,137	1
Goodwill (Note 16)	164,826	4	164,826	5
Intangible assets (Note 17)	56,070	2	73,021	2
Deferred tax assets (Note 26)	54,512	2	59,177	2
Net defined benefit assets - Non-current (Note 22)	4,319	-	2,196	-
Other non-current assets (Notes 18 and 33)	23,450	1	16,223	1
Total current assets	<u>1,145,236</u>	<u>31</u>	<u>1,146,116</u>	<u>35</u>
Total assets	<u>\$ 3,754,085</u>	<u>100</u>	<u>\$ 3,283,765</u>	<u>100</u>
Liabilities and equity				
Current liabilities				
Short-term borrowings (Note 19)	\$ 44,915	1	\$ 86,728	3
Financial liabilities at fair value through profit or loss - Current (Note 7)	3,842	-	-	-
Contract liabilities - Current (Notes 24 and 32)	100,551	3	90,266	3
Notes payable (Note 20)	-	-	307	-
Accounts payable (Note 20)	404,802	11	366,621	11
Accounts payable from related parties (Note 32)	8,011	-	21,791	1
Other payables (Note 21)	208,391	6	204,170	6
Other payables from related parties (Note 32)	40,270	1	19,432	1
Current tax liabilities (Note 26)	52,813	2	84,564	3
Provisions - Current	15,269	-	12,686	-
Lease liabilities - Current (Notes 14 and 32)	11,469	-	12,637	-
Other current liabilities	13,856	-	13,149	-
Total current liabilities	<u>904,189</u>	<u>24</u>	<u>912,351</u>	<u>28</u>
Non-current liabilities				
Deferred tax liabilities (Note 26)	42,041	1	46,066	2
Lease liabilities - Non-current (Notes 14 and 32)	31,444	1	9,150	-
Net defined benefit liabilities - Non-current (Note 22)	-	-	185	-
Guarantee deposits received	480	-	464	-
Other non-current liabilities (Note 12)	102	-	1,590	-
Total non-current liabilities	<u>74,067</u>	<u>2</u>	<u>57,455</u>	<u>2</u>
Total liabilities	<u>978,256</u>	<u>26</u>	<u>969,806</u>	<u>30</u>
Equity attributable to owners of the Company				
Share capital	780,996	21	693,996	21
Capital surplus	480,527	13	60,000	2
Retained earnings				
Legal reserve	164,945	4	137,054	4
Special reserves	26,854	1	20,397	1
Unappropriated earnings	506,707	13	598,919	18
Total retained earnings	<u>698,506</u>	<u>18</u>	<u>756,370</u>	<u>23</u>
Other equity	(8,278)	-	(26,854)	(1)
Total equity attributable to owners of the Company	<u>1,951,751</u>	<u>52</u>	<u>1,483,512</u>	<u>45</u>
Non-controlling interests	824,078	22	830,447	25
Total equity	<u>2,775,829</u>	<u>74</u>	<u>2,313,959</u>	<u>70</u>
Total liabilities and equity	<u>\$ 3,754,085</u>	<u>100</u>	<u>\$ 3,283,765</u>	<u>100</u>

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

Data Image Corporation and Its Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Operating revenue (Notes 24 and 32)	\$ 3,418,445	100	\$ 3,916,245	100
Operating costs (Notes 10, 17, 25, and 32)	<u>2,563,645</u>	<u>75</u>	<u>2,986,378</u>	<u>76</u>
Gross profit	854,800	25	929,867	24
Realized gain on transactions	<u>761</u>	<u>-</u>	<u>2,476</u>	<u>-</u>
Realized gross profit	<u>855,561</u>	<u>25</u>	<u>932,343</u>	<u>24</u>
Operating expenses (Notes 17, 25, and 32)				
Selling expenses	105,767	3	115,601	3
General and administrative expenses	222,488	6	222,476	6
Research and development expenses	209,496	6	191,557	5
Expected credit (gain)loss	<u>(8,400)</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Total operating expenses	<u>529,351</u>	<u>15</u>	<u>535,634</u>	<u>14</u>
Operating income	<u>326,210</u>	<u>10</u>	<u>396,709</u>	<u>10</u>
Non-operating income and expenses (Notes 25 and 32)				
Interest income	12,879	-	8,388	-
Other income	2,363	-	6,122	-
Other gains and losses	(7,461)	-	(1,797)	-
Finance cost	(2,753)	-	(5,485)	-
Share of profit or loss of associates	<u>577</u>	<u>-</u>	<u>(5,889)</u>	<u>-</u>
Total non-operating income and expenses	<u>5,605</u>	<u>-</u>	<u>1,339</u>	<u>-</u>
Income before income tax	331,815	10	398,048	10
Income tax expenses (Note 26)	<u>60,327</u>	<u>2</u>	<u>83,547</u>	<u>2</u>
Net income	<u>271,488</u>	<u>8</u>	<u>314,501</u>	<u>8</u>
Other comprehensive income (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	1,831	-	164	-

(Continued)

Data Image Corporation and Its Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	\$ 421	-	\$ 1,591	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(1,370)	-	(33)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign operations	18,648	1	(7,147)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>726</u>	<u>-</u>	<u>92</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>20,256</u>	<u>1</u>	<u>(5,333)</u>	<u>-</u>
Total comprehensive income	<u>\$ 291,744</u>	<u>9</u>	<u>\$ 309,168</u>	<u>8</u>
Net income attributable to:				
Owners of the Company	\$ 223,194	7	\$ 278,863	7
Non-controlling interests	<u>48,294</u>	<u>1</u>	<u>35,638</u>	<u>1</u>
	<u>\$ 271,488</u>	<u>8</u>	<u>\$ 314,501</u>	<u>8</u>
Total comprehensive income attributable to:				
Owners of the Company	\$ 241,924	7	\$ 272,453	7
Non-controlling interests	<u>49,820</u>	<u>2</u>	<u>36,715</u>	<u>1</u>
	<u>\$ 291,744</u>	<u>9</u>	<u>\$ 309,168</u>	<u>8</u>
Earnings per share (Note 27)				
Basic earnings per share	<u>\$ 2.93</u>		<u>\$ 4.02</u>	
Diluted earnings per share	<u>\$ 2.91</u>		<u>\$ 3.99</u>	

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

Data Image Corporation and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other equity (Note 23)		Total	Non-Controlling Interests (Note 23)	Total Equity
	Share Capital (Note 23)	Capital Surplus (Note 23)	Retained Earnings (Note 23)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income			
			Legal Reserve	Special Reserves	Unappropriated Earnings					
Balance at January 1, 2023	\$ 693,996	\$ 60,000	\$ 94,830	\$ 26,299	\$ 703,329	\$ (19,976)	\$ (421)	\$ 1,558,057	\$ 831,544	\$ 2,389,601
Appropriation of 2022 earnings:										
Legal reserve	-	-	42,224	-	(42,224)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(346,998)	-	-	(346,998)	-	(346,998)
	<u>-</u>	<u>-</u>	<u>42,224</u>	<u>-</u>	<u>(389,222)</u>	<u>-</u>	<u>-</u>	<u>(346,998)</u>	<u>-</u>	<u>(346,998)</u>
Reversal of Special Reserve	-	-	-	(5,902)	5,902	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(37,812)	(37,812)
Net income for the Year Ended December 31, 2023	-	-	-	-	278,863	-	-	278,863	35,638	314,501
Other comprehensive income for the Year Ended December 31, 2023, net of income tax	-	-	-	-	47	(7,022)	565	(6,410)	1,077	(5,333)
Total comprehensive income for the Year Ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,910</u>	<u>(7,022)</u>	<u>565</u>	<u>272,453</u>	<u>36,715</u>	<u>309,168</u>
Balance at December 31, 2023	693,996	60,000	137,054	20,397	598,919	(26,998)	144	1,483,512	830,447	2,313,959
Appropriation of 2023 earnings:										
Legal reserve	-	-	27,891	-	(27,891)	-	-	-	-	-
Special reserve	-	-	-	6,457	(6,457)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(277,598)	-	-	(277,598)	-	(277,598)
	<u>-</u>	<u>-</u>	<u>27,891</u>	<u>6,457</u>	<u>(311,946)</u>	<u>-</u>	<u>-</u>	<u>(277,598)</u>	<u>-</u>	<u>(277,598)</u>
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(46,743)	46,743
Net income for the Year Ended December 31, 2024	-	-	-	-	223,194	-	-	223,194	48,294	271,488
Other comprehensive income for the Year Ended December 31, 2024, net of income tax	-	-	-	-	167	18,414	149	18,730	1,526	20,256
Total comprehensive income for the Year Ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,361</u>	<u>18,414</u>	<u>149</u>	<u>241,924</u>	<u>49,820</u>	<u>291,744</u>
Gain from exercise of disgorgement	-	6	-	-	-	-	-	6	-	6
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(3,627)	33	(20)	(3,614)	(9,446)	(13,060)
Issuance of ordinary shares for cash	87,000	419,160	-	-	-	-	-	506,160	-	506,160
Share-based payments	<u>-</u>	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,361</u>	<u>-</u>	<u>1,361</u>
Balance at December 31, 2024	<u>\$ 780,996</u>	<u>\$ 480,527</u>	<u>\$ 164,945</u>	<u>\$ 26,854</u>	<u>\$ 506,707</u>	<u>\$ (8,551)</u>	<u>\$ 273</u>	<u>\$ 1,951,751</u>	<u>\$ 824,078</u>	<u>\$ 2,775,829</u>

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

Data Image Corporation and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Income before income tax	\$ 331,815	\$ 398,048
Adjustments for:		
Depreciation expenses	65,799	63,921
Amortization expenses	20,795	21,154
Expected credit loss (reversed) recognized	(8,400)	6,000
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	42,193	25,258
Finance cost	2,753	5,485
Interest income	(12,879)	(8,388)
Share-based payments	1,361	-
Share of profit or loss of associates	(577)	5,889
Loss on disposal of property, plant and equipment	266	467
Write-down of inventories	7,952	32,595
Realized gain on transactions with associates	(761)	(2,476)
Changes in operating assets and liabilities		
Financial assets mandatorily measured at fair value through profit or loss	2,422	29,787
Notes receivable	-	410
Accounts receivable	(142,822)	164,844
Accounts receivable from related parties	(11,573)	129,677
Other receivables	(11,889)	7,894
Other receivables from related parties	(2,500)	1,811
Inventories	51,696	313,264
Prepayments	(3,694)	7,815
Other current assets	143	1,355
Net defined benefit asset	(292)	-
Financial liabilities held for trading	(32,159)	(65,772)
Contract liabilities - Current	10,285	(2,022)
Notes payable	(307)	93
Accounts payable	38,181	(200,193)
Accounts payable from related parties	(13,780)	(23,116)
Other payables	4,469	(35,868)
Other payables from related parties	18,996	2,006
Provisions	2,583	(413)
Other current liabilities	707	(2,096)
Net defined benefit liabilities	(185)	(522)
Cash generated from operations	<u>360,598</u>	<u>876,907</u>

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Data Image Corporation and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Interest received	\$ 12,836	\$ 8,268
Interest paid	(2,801)	(5,569)
Income tax paid	<u>(92,872)</u>	<u>(133,863)</u>
Net cash generated from operating activities	<u>277,761</u>	<u>745,743</u>
Cash flows from investing activities		
Purchase of financial assets at amortized cost	-	(117)
Proceeds from sale of financial assets at amortized cost	-	117
Payments for property, plant and equipment and prepayment for equipment	(34,315)	(25,017)
Proceeds from disposal of property, plant and equipment	-	495
Increase in refundable deposits	(1,451)	(1,255)
Decrease in refundable deposits	184	2,546
Payments for intangible assets	(3,443)	(2,065)
Increase in other non-current assets	<u>(265)</u>	<u>-</u>
Net cash used in investing activities	<u>(39,290)</u>	<u>(25,296)</u>
Cash flows from financing activities		
Repayments of short-term borrowings	(44,558)	(240,000)
Proceeds from long-term borrowings	-	240,000
Repayment of long-term borrowings	-	(220,000)
Repayment of the principal portion of lease liabilities	(13,731)	(10,838)
Dividends paid	(277,598)	(346,998)
Proceeds from issuance of ordinary shares	505,526	-
Gain from exercise of disgorgement	6	-
Changes in non-controlling interests	<u>(59,803)</u>	<u>(37,812)</u>
Net cash generated from (used in) financing activities	<u>109,842</u>	<u>(615,648)</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>9,531</u>	<u>(3,309)</u>
Net increase in cash and cash equivalents	357,844	101,490
Cash and cash equivalents at the beginning of the year	<u>947,955</u>	<u>846,465</u>
Cash and cash equivalents at the end of the year	<u>\$1,305,799</u>	<u>\$ 947,955</u>

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

Data Image Corporation and Its Subsidiaries
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. General information

Data Image Corporation (the "Company") was approved by the Ministry of Economic Affairs on November 22, 1997 for establishment. Its scope of business is the design, manufacturing, and sales of LCD touch modules and LCD modules.

The Company's shares have been listed on the Taiwan Stock Exchange (TSE) since March 26, 2024.

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

2. Date and procedure for approving the financial statements

These consolidated financial statements were approved by the Board on March 4, 2025.

3. Application of new and amended standards and interpretations

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not result in material changes in the Group's accounting policies and did not have a material impact on the consolidated financial position and consolidated financial performance of the Group.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the amendments to the above standards and interpretations have not had a material impact on the consolidated financial position and consolidated financial performance.

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

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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”	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 17 and IFRS 9 - 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 1: 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:

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.

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

4. Summary of material accounting policy information

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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 value and net 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 an 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 an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held mainly for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;

- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 11, Table 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currency

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the financial statements of the Group's foreign operations (including subsidiaries and associates) that are prepared using functional currencies which are different from the currency of the Group are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests as appropriate.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

j. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

- k. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

- l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

- 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

- a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

- i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at

FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost, other receivables, restricted bank deposits and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except for the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange swap contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Company's obligations.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Sale of goods

The Group recognizes revenue when control of the goods is transferred to the customer. When the goods are delivered to the customer's specific location, it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Provision of services

Service revenue is the provision of product processing services; that is, it is recognized when the processed products are delivered to the customer's specific location

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

All leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Share-based payment arrangements

The fair value at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in a subsidiary.

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.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	\$ 110	\$ 226
Checking accounts and demand deposits	714,179	514,529
Cash equivalents		
Time deposits	<u>591,510</u>	<u>433,200</u>
	<u>\$ 1,305,799</u>	<u>\$ 947,955</u>

The interest rate ranges of time deposits on the balance sheet date were as follows:

	December 31, 2024	December 31, 2023
Time deposits	0.655%~1.760%	0.530%~1.250%

7. Financial instruments at fair value through profit or loss

	December 31, 2024	December 31, 2023
<u>Financial assets - Current</u>		
Financial assets mandatorily measured as at FVTPL		
Derivative instruments (not under hedge accounting)		
Foreign exchange swap contract (a)	<u>\$ -</u>	<u>\$ 8,614</u>
<u>Financial liabilities - Current</u>		
Held for trading		
Derivatives instruments (not under hedge accounting)		
Foreign exchange swap contract (a)	<u>\$ 3,842</u>	<u>\$ -</u>

- a. At the end of the year, outstanding foreign exchange swap contracts not under hedge accounting were as follows:

December 31, 2024

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
Sell	USD/NTD	2025.01.02~2025.02.05	USD13,000/NTD421,788

December 31, 2023

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
Sell	USD/NTD	2024.01.03~2024.01.30	USD14,350/NTD448,510

The Group entered into foreign exchange swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. Financial assets at fair value through other comprehensive income

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Non-current</u>		
Investments in equity instruments		
Domestic unlisted shares	\$ 5,032	\$ 4,611

The ordinary shares of Insight Genomics Inc. and Renown Information Technology Corp. are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. Notes receivable, accounts receivable and other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 686,909	\$ 544,087
Less: Loss allowance	(3,016)	(2,534)
	<u>\$ 683,893</u>	<u>\$ 541,553</u>
<u>Other receivables</u>		
Business tax refunds receivable	\$ 8,752	\$ 7,197
Others	14,458	4,081
	<u>\$ 23,210</u>	<u>\$ 11,278</u>

a. Accounts receivable

The average credit period of sales of goods is 30 to 160 days from upon shipment or the end of the month. No interest is charged on accounts receivable. In determining the recoverability of accounts receivable, the Group considers any changes in the credit quality of accounts receivable from the original credit granting date to the balance sheet date. For new trading customers, the Group uses publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and credit exposure is controlled by counterparty limits that are reviewed and approved.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer and the customer's current financial position. 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 account receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

December 31, 2024

	Counterparty without Sign of Default		Counterparty with Sign of Default	Total
	Not Past Due	Overdue 1 to 90 Days		
Expected credit loss rate	0.0%~0.5%	0.0%~0.5%	100.0%	
Gross carrying amount	\$ 581,486	\$ 104,581	\$ 842	\$ 686,909
Loss allowance (Lifetime ECLs)	<u>(1,734)</u>	<u>(440)</u>	<u>(842)</u>	<u>(3,016)</u>
Amortized cost	<u>\$ 579,752</u>	<u>\$ 104,141</u>	<u>\$ -</u>	<u>\$ 683,893</u>

December 31, 2023

	Counterparty without Sign of Default		Counterparty with Sign of Default	Total
	Not Past Due	Overdue 1 to 90 Days		
Expected credit loss rate	0.0%~0.5%	0.0%~0.5%	100.0%	
Gross carrying amount	\$ 485,616	\$ 57,641	\$ 830	\$ 544,087
Loss allowance (Lifetime ECLs)	<u>(1,474)</u>	<u>(230)</u>	<u>(830)</u>	<u>(2,534)</u>
Amortized cost	<u>\$ 484,142</u>	<u>\$ 57,411</u>	<u>\$ -</u>	<u>\$ 541,553</u>

The movements of the loss allowance of accounts receivable were as follows:

	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 2,534	\$ 3,856
Add: Impairment loss recognized	473	-
Less: Impairment loss reversed	(20)	(1,310)
Foreign exchange gains and losses	29	(12)
Balance at December 31	<u>\$ 3,016</u>	<u>\$ 2,534</u>

b. Other receivables – Others

In determining the recoverability of other receivables, the Group measures the allowance loss of other receivables according to the probability of collection of accounts, and after assessing the debtor's operating conditions and the possibility of recovery of accounts, the accounts that cannot be collected are included in the loss allowance.

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

	<u>2023</u>
Balance at January 1	\$ 2,118
Less: Impairment loss reversed	(1,543)
Less: Amounts written off	(585)
Foreign exchange gains and losses	10
Balance at December 31	<u>\$ -</u>

10. Inventories

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Raw materials	\$ 297,099	\$ 314,472
Work in process	140,273	130,486
Finished goods	83,773	116,258
Merchandise	20,966	40,543
	<u>\$ 542,111</u>	<u>\$ 601,759</u>

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

	<u>2024</u>	<u>2023</u>
Cost of inventories sold	\$ 2,538,453	\$ 2,944,613
Inventory write-downs	7,952	32,595
Inventory scrapping losses	17,240	9,170
	<u>\$ 2,563,645</u>	<u>\$ 2,986,378</u>

11. Subsidiaries

a. Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements are as follows, and there is no subsidiary excluding from the consolidated financial statements:

<u>Investor</u>	<u>Investee</u>	<u>Nature of Activities</u>	<u>Proportion of Ownership</u>		<u>Remark</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
The Company	Data Image (MAURITIUS) Corporation	Investment	100.00%	100.00%	
The Company	DIVA Laboratories, Ltd.	Medical equipment manufacturing and sales	36.26%	35.55%	1 and 2
DIVA Laboratories, Ltd.	DIVA Laboratories U.S., LLC.	Sales of monitor	100.00%	100.00%	
	DIVA Laboratories GmbH	Sales of monitor	100.00%	100.00%	
	Panoramic Imaging Solutions Inc.	Sales of monitor	-	100.00%	3
Diva Capital Inc.	Diva Capital Inc.	Reinvestment	100.00%	100.00%	
Diva Holding Inc.	Diva Holding Inc.	Reinvestment	100.00%	100.00%	
Diva Holding Inc.	Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	100.00%	100.00%	
Data Image (MAURITIUS) Corporation	Data Image (Suzhou) Corporation	Manufacturing, processing, and sale of LCD touch modules and LCD modules	100.00%	100.00%	

1) The Company originally held 35.55% of the equity in DIVA Laboratories, Ltd. and it acquired an additional 0.71% of the equity on June 14, 2024, increasing shareholding ratio from 35.55% to 36.26% (Note 29). As of December 31, 2024 and 2023, the equity interest held in DIVA Laboratories, Ltd. is 36.26%, and 35.55%, respectively, and controls more than half of the directors of DIVA Laboratories, Ltd.. It is considered that the Company has the substantial ability to lead its relevant activities; therefore, it is included as a subsidiary.

2) A subsidiary with significant non-controlling interests.

3) On March 2, 2023, DIVA Laboratories, Ltd.'s board of directors resolved to dissolve and liquidate its subsidiary, Panoramic Imaging Solutions Inc., and on August 28, 2024, the liquidation proceedings have been completed.

b. Details of subsidiaries that have material non-controlling interests

<u>Name of Subsidiary</u>	<u>Principal Place of Business</u>	<u>Proportion of Ownership and Voting Rights Held by Non-controlling Interests</u>	
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
DIVA Laboratories, Ltd.	New Taipei City	63.74%	64.45%

<u>Name of Subsidiary</u>	<u>Profit (Loss) Allocated to Non-controlling Interests</u>		<u>Non-controlling Interests</u>	
	<u>2024</u>	<u>2023</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
DIVA Laboratories, Ltd.	\$ 48,294	\$ 35,638	\$ 824,078	\$ 830,447

The summarized financial information of the Group's subsidiary below represents amounts before intragroup eliminations.

	December 31, 2024	December 31, 2023
Current assets	\$ 1,031,050	\$ 956,405
Non-current assets	711,946	747,780
Current liabilities	(246,916)	(203,309)
Non-current liabilities	(38,380)	(47,555)
Equity	<u>\$ 1,457,700</u>	<u>\$ 1,453,321</u>
Equity attributable to:		
Owners of the Company	\$ 633,622	\$ 622,874
Non-controlling interests	<u>824,078</u>	<u>830,447</u>
	<u>\$ 1,457,700</u>	<u>\$ 1,453,321</u>
	2024	2023
Revenue	<u>\$ 862,323</u>	<u>\$ 893,844</u>
Net income	\$ 75,340	\$ 55,295
Other comprehensive income	2,374	1,671
Total comprehensive income	<u>\$ 77,714</u>	<u>\$ 56,966</u>
Net income attributable to:		
Owners of the Company	\$ 27,046	\$ 19,657
Non-controlling interests	<u>48,294</u>	<u>35,638</u>
	<u>\$ 75,340</u>	<u>\$ 55,295</u>
Total comprehensive income attributable to:		
Owners of the Company	\$ 27,894	\$ 20,251
Non-controlling interests	<u>49,820</u>	<u>36,715</u>
	<u>\$ 77,714</u>	<u>\$ 56,966</u>
Cash flow		
Operating activities	\$ 123,138	\$ 252,913
Investing activities	3,858	(3,204)
Financing activities	(76,073)	(59,127)
Effect of exchange rate changes on cash and cash equivalents	<u>1,295</u>	<u>(23)</u>
Net cash inflow	<u>\$ 52,218</u>	<u>\$ 190,559</u>
Dividends paid to non-controlling interests	<u>\$ 46,743</u>	<u>\$ 37,812</u>

12. Investment accounted for using the equity method

Investment in associates

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associates that are not individually material		
DMC Components International, LLC	\$ 9,343	\$ 8,874
The Linden Group Corp.	(102)	(1,590)
Add: Credit balance of investment accounted for using the equity method transferred to other non-current liabilities	<u>102</u>	<u>1,590</u>
	<u>-</u>	<u>-</u>
Qubyx Limited	<u>-</u>	<u>-</u>
	<u>\$ 9,343</u>	<u>\$ 8,874</u>

Associates that are not individually material

<u>Name of Associate</u>	<u>Nature of Activities</u>	<u>Principal Place of Business</u>	<u>Proportion of Ownership and Voting Rights</u>	
			<u>December 31, 2024</u>	<u>December 31, 2023</u>
DMC Components International, LLC	Sales agency	Orlando, USA	30%	30%
The Linden Group Corp.	Sales of monitor	USA	19%	19%

DIVA Laboratories, Ltd. owned less than 20% of The Linden Group Corp.'s shares, but DIVA Laboratories, Ltd. is still able to exercise significant influence over The Linden Group Corp. since the transaction amount between them is material to The Linden Group Corp.

The Linden Group Corp., accounted for using the equity method by DIVA Laboratories, Ltd. As of December 31, 2024, the cumulative impairment loss was \$25,787 thousand.

Marc Leppla, the former principal of QUBYX Limited, has now filed a bankruptcy claim with the court for QUBYX Limited. DIVA Laboratories, Ltd. received the bankruptcy liquidation notice documents on July 3, 2020. On November 2, 2023, the liquidation report has been obtained and the liquidation proceedings were completed.

Aggregate information of associates that are not individually material

	<u>2024</u>	<u>2023</u>
The Group's share of:		
Net (loss) income	\$ 577	\$ (5,889)
Other comprehensive income	<u>726</u>	<u>92</u>
Total comprehensive income	<u>\$ 1,303</u>	<u>\$ (5,797)</u>

13. Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Other Equipment</u>	<u>Total</u>
<u>Cost</u>					
Balance at January 1, 2024	\$ 280,641	\$ 639,303	\$ 350,075	\$ 121,212	\$ 1,391,231
Additions	-	-	16,315	13,950	30,265
Disposals/derecognitions	-	-	(932)	(15,948)	(16,880)
Effects of foreign currency exchange differences	-	<u>15,577</u>	<u>10,203</u>	<u>1,816</u>	<u>27,596</u>
Balance at December 31, 2024	<u>\$ 280,641</u>	<u>\$ 654,880</u>	<u>\$ 375,661</u>	<u>\$ 121,030</u>	<u>\$ 1,432,212</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2024	\$ -	\$ 243,846	\$ 276,241	\$ 84,093	\$ 604,180
Depreciation expenses	-	21,372	15,303	15,312	51,987
Disposals/derecognitions	-	-	(873)	(15,741)	(16,614)
Effects of foreign currency exchange differences	-	<u>7,255</u>	<u>8,060</u>	<u>1,175</u>	<u>16,490</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 272,473</u>	<u>\$ 298,731</u>	<u>\$ 84,839</u>	<u>\$ 656,043</u>
Carrying amount at December 31, 2024	<u>\$ 280,641</u>	<u>\$ 382,407</u>	<u>\$ 76,930</u>	<u>\$ 36,191</u>	<u>\$ 776,169</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 280,641	\$ 621,656	\$ 347,532	\$ 120,257	\$ 1,370,086
Additions	-	-	14,427	9,965	24,392
Disposals/derecognitions	-	-	(7,373)	(8,235)	(15,608)
Reclassification	-	24,220	-	-	24,220
Effects of foreign currency exchange differences	-	<u>(6,573)</u>	<u>(4,511)</u>	<u>(775)</u>	<u>(11,859)</u>
Balance at December 31, 2023	<u>\$ 280,641</u>	<u>\$ 639,303</u>	<u>\$ 350,075</u>	<u>\$ 121,212</u>	<u>\$ 1,391,231</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2023	\$ -	\$ 215,023	\$ 271,874	\$ 75,254	\$ 562,151
Depreciation expenses	-	20,448	14,763	17,123	52,334
Disposals/derecognitions	-	-	(6,856)	(7,790)	(14,646)
Reclassification	-	11,359	-	-	11,359
Effects of foreign currency exchange differences	-	<u>(2,984)</u>	<u>(3,540)</u>	<u>(494)</u>	<u>(7,018)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 243,846</u>	<u>\$ 276,241</u>	<u>\$ 84,093</u>	<u>\$ 604,180</u>
Carrying amount at December 31, 2023	<u>\$ 280,641</u>	<u>\$ 395,457</u>	<u>\$ 73,834</u>	<u>\$ 37,119</u>	<u>\$ 787,051</u>

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

Buildings	30-35 years
Machinery	2-10 years
Other equipment	2-10 years

14. Lease arrangements

a. Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amounts		
Land	\$ 9,406	\$ 9,404
Buildings	38,566	14,562
Transportation equipment	3,521	6,021
Office equipment	<u>22</u>	<u>150</u>
	<u>\$ 51,515</u>	<u>\$ 30,137</u>
	2024	2023
Additions to right-of-use assets	<u>\$ 34,857</u>	<u>\$ 10,250</u>
Depreciation charge for right-of-use assets		
Land	\$ 331	\$ 270
Buildings	10,853	8,330
Transportation equipment	2,500	2,065
Office equipment	<u>128</u>	<u>128</u>
	<u>\$ 13,812</u>	<u>\$ 10,793</u>

Except for the aforementioned addition and recognized depreciation, there was no material sublease agreement or impairment on the Group's right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amounts		
Current	<u>\$ 11,469</u>	<u>\$ 12,637</u>
Non-current	<u>\$ 31,444</u>	<u>\$ 9,150</u>

The range of discount rates for lease liabilities was as follows:

	2024	2023
Buildings	1.350%~2.500%	1.350%~2.023%
Transportation equipment	1.300%~2.150%	1.300%~2.150%
Office equipment	1.090%	1.090%

c. Other lease information

	<u>2024</u>	<u>2023</u>
Expenses relating to short-term leases	\$ 1,807	\$ 4,880
Expenses relating to low-value asset leases	\$ 1,095	\$ 963
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 220	\$ 413
Total cash outflow for leases	\$ (17,269)	\$ (17,321)

The Group's leases of certain qualify as short-term leases and leases of certain qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. Investment property

	<u>Buildings</u>	<u>Right-of-Use Assets</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 24,607	\$ 1,913	\$ 26,520
Reclassification	(24,220)	(1,883)	(26,103)
Effects of foreign currency exchange differences	(387)	(30)	(417)
Balance at December 31, 2023	\$ -	\$ -	\$ -
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 10,800	\$ 224	\$ 11,024
Depreciation expenses	738	56	794
Reclassification	(11,359)	(275)	(11,634)
Effects of foreign currency exchange differences	(179)	(5)	(184)
Balance at December 31, 2023	\$ -	\$ -	\$ -
Carrying amount at December 31, 2023	\$ -	\$ -	\$ -

Right-of-use assets included in investment properties are the land located in China and subleased under operating leases.

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	30 years
Right-of-use assets	50 years

16. Goodwill

	<u>2024</u>	<u>2023</u>
Balance at January 1 and December 31	\$ 164,826	\$ 164,826

The Group recorded a goodwill of \$164,826 thousand generated from the acquisition of DIVA Laboratories, Ltd. on October 27, 2021.

17. Intangible assets

	<u>Patents</u>	<u>Computer Software</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 114,508	\$ 44,084	\$ 158,592
Additions	-	3,443	3,443
Disposals/derecognitions	(9,872)	(3,240)	(13,112)
Effects of foreign currency exchange differences	-	517	517
Balance at December 31, 2024	<u>\$ 104,636</u>	<u>\$ 44,804</u>	<u>\$ 149,440</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2024	\$ 47,657	\$ 37,914	\$ 85,571
Amortization expenses	17,439	3,356	20,795
Disposals/derecognitions	(9,872)	(3,240)	(13,112)
Effects of foreign currency exchange differences	-	116	116
Balance at December 31, 2024	<u>\$ 55,224</u>	<u>\$ 38,146</u>	<u>\$ 93,370</u>
Carrying amount at December 31, 2024	<u>\$ 49,412</u>	<u>\$ 6,658</u>	<u>\$ 56,070</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 114,508	\$ 52,567	\$ 167,075
Additions	-	2,065	2,065
Disposals/derecognitions	-	(10,473)	(10,473)
Effects of foreign currency exchange differences	-	(75)	(75)
Balance at December 31, 2023	<u>\$ 114,508</u>	<u>\$ 44,084</u>	<u>\$ 158,592</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2023	\$ 30,217	\$ 44,719	\$ 74,936
Amortization expenses	17,440	3,714	21,154
Disposals/derecognitions	-	(10,473)	(10,473)
Effects of foreign currency exchange differences	-	(46)	(46)
Balance at December 31, 2023	<u>\$ 47,657</u>	<u>\$ 37,914</u>	<u>\$ 85,571</u>
Carrying amount at December 31, 2023	<u>\$ 66,851</u>	<u>\$ 6,170</u>	<u>\$ 73,021</u>

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Patents	5-10 years
Computer software	3-5 years

An analysis of amortization expenses by functions:

	<u>2024</u>	<u>2023</u>
Manufacturing expenses	\$ 13,844	\$ 13,635
Selling and marketing expenses	697	697
General and administrative expenses	2,730	3,418
Research and development expenses	<u>3,524</u>	<u>3,404</u>
	<u>\$ 20,795</u>	<u>\$ 21,154</u>

18. Other assets

	December 31, 2024	December 31, 2023
<u>Current</u>		
Prepayments	\$ 20,127	\$ 16,433
Others	<u>916</u>	<u>1,059</u>
	<u>\$ 21,043</u>	<u>\$ 17,492</u>
 <u>Non-current</u>		
Prepayment for equipment	\$ 10,109	\$ 4,417
Refundable deposits	7,851	6,581
Others	<u>5,490</u>	<u>5,225</u>
	<u>\$ 23,450</u>	<u>\$ 16,223</u>

Other non-current assets pledged as collateral for bank borrowings are set out in Note 33.

19. Borrowings

Short-term borrowings

	December 31, 2024	December 31, 2023
Credit borrowings	<u>\$ 44,915</u>	<u>\$ 86,728</u>

The range of interest rate was as follows:

	December 31, 2024	December 31, 2023
Credit borrowings	3.10%~3.20%	3.35%~3.60%

20. Notes payable and accounts payable

	December 31, 2024	December 31, 2023
<u>Notes payable</u>		
Operating	<u>\$ -</u>	<u>\$ 307</u>
 <u>Accounts payable</u>		
Operating	<u>\$ 404,802</u>	<u>\$ 366,621</u>

21. Other payables

	December 31, 2024	December 31, 2023
Payables for salaries or bonuses	\$ 87,514	\$ 81,764
Remunerations of employee	31,462	35,437
Payables for processing fees	16,368	12,264
Payables for annual leave	13,455	11,694
Payables for professional service fees	10,182	7,853
Remunerations of directors	3,065	3,410
Others	<u>46,345</u>	<u>51,748</u>
	<u>\$ 208,391</u>	<u>\$ 204,170</u>

22. Retirement benefit plans

a. Defined contribution plan

The Company, DIVA Laboratories, Ltd., and Panoramic Imaging Solutions Inc adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiaries abroad administer pension benefit in accordance with their respective jurisdictions. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plans adopted by the Company and DIVA Laboratories, Ltd. in accordance with the Labor Standards Act are operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company and DIVA Laboratories, Ltd. contribute amounts equal to 2% to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	\$ 15,429	\$ 15,691
Fair value of plan assets	<u>(19,748)</u>	<u>(17,702)</u>
Deficit (surplus)	(4,319)	(2,011)
Accounted for as net defined benefit assets	<u>4,319</u>	<u>2,196</u>
Net defined benefit liabilities	<u>\$ -</u>	<u>\$ 185</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Deficit (Surplus)
Balance at January 1, 2024	<u>\$ 15,691</u>	<u>\$ (17,702)</u>	<u>\$ (2,011)</u>
Net interest expense (income)	<u>175</u>	<u>(176)</u>	<u>(1)</u>
Recognized in profit or loss	<u>175</u>	<u>(176)</u>	<u>(1)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,394)	(1,394)
Actuarial losses - changes in financial assumptions	(215)	-	(215)
Actuarial gains - experience adjustments	<u>(222)</u>	<u>-</u>	<u>(222)</u>
Recognized in other comprehensive income	<u>(437)</u>	<u>(1,394)</u>	<u>(1,831)</u>
Contributions from the employer	<u>-</u>	<u>(476)</u>	<u>(476)</u>
Balance at December 31, 2024	<u>\$ 15,429</u>	<u>\$ (19,748)</u>	<u>\$ (4,319)</u>
Balance at January 1, 2023	<u>\$ 16,482</u>	<u>\$ (17,806)</u>	<u>\$ (1,324)</u>
Net interest expense (income)	<u>207</u>	<u>(200)</u>	<u>7</u>
Recognized in profit or loss	<u>207</u>	<u>(200)</u>	<u>7</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(125)	(125)
Actuarial losses - changes in financial assumptions	86	-	86
Actuarial gains - experience adjustments	<u>(125)</u>	<u>-</u>	<u>(125)</u>
Recognized in other comprehensive income	<u>(39)</u>	<u>(125)</u>	<u>(164)</u>
Contributions from the employer	<u>-</u>	<u>(530)</u>	<u>(530)</u>
Benefit paid	<u>(959)</u>	<u>959</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 15,691</u>	<u>\$ (17,702)</u>	<u>\$ (2,011)</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.5%	1.2%
Expected rate of salary increase	2.5%	2.5%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% Increase	\$ (174)	\$ (212)
0.25% Decrease	\$ 179	\$ 216
Expected salary increase rate		
1.00% Increase	\$ 720	\$ 883
1.00% Decrease	\$ (679)	\$ (829)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
Expected contributions to the plans for the next year	\$ 493	\$ 478
Average duration of defined benefit obligation	6.4 years	7.3 years

23. Equity

a. Share capital

Ordinary shares

	December 31, 2024	December 31, 2023
Authorized shares (in thousands)	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and paid shares (in thousands)	<u>78,100</u>	<u>69,400</u>
Issued capital	<u>\$ 780,996</u>	<u>\$ 693,996</u>

The share issued had a par value of \$10 and the right of voting and receiving dividends.

To facilitate the initial public offering (IPO) of the company's shares, the board of directors resolved on December 27, 2023, to issue 8,700 thousand new shares through a cash capital increase, with a par value of \$10 per share. This cash capital increase plan was approved by the Taiwan Stock Exchange Corporation on January 9, 2024, and became effective on that date. The capital increase base date is set for March 22, 2024, and the change of registration was completed on April 8, 2024.

The issuance of the 8,700 thousand new shares through this cash capital increase includes 1,566 thousand shares for public offering, 870 thousand shares for employee subscription, and 6,264 thousand shares for competitive auction. Both the public offering and the employee subscription are issued at a premium of \$50 per share. The competitive auction shares are issued at a weighted average premium price of \$61.76 per share. The total amount received, after deducting underwriting-related fees, was \$505,526 thousand on March 22, 2024.

Within the authorized capital, 5,400 thousand shares are reserved for the issuance of employee stock warrants.

b. Capital surplus

	December 31, 2024	December 31, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u> (Note)		
Issuance of ordinary shares	<u>\$ 480,521</u>	<u>\$ 60,000</u>
<u>May only be used to offset a deficit</u>		
Exercise of disgorgement	<u>\$ 6</u>	<u>\$ -</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

According to the Company's Articles of Incorporation, the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting

Under the dividends policy as set forth in the Articles of Incorporation, 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, until the accumulated legal capital reserve equals the Company's paid-in share capital, 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. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 25(7).

The Company's dividend policy complies with the current and future development plans, taking investment environments, capital requirements, and domestic or foreign competition status into account, and considers shareholders' interest and other factors. The Company made a profit in a fiscal year, and until the distributable earnings equal the Company's paid-in share capital 2%, dividends may be distributed in the form of both cash dividends and share dividends. However, cash dividends are limited to 10% of the total dividends distributed.

An appropriation of earnings to a 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.

The appropriations of earnings for 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Legal reserve	\$ 27,891	\$ 42,224
Special reserve (Reversal of)	\$ 6,457	\$ (5,902)
Cash dividends	\$ 277,598	\$ 346,998
Cash dividends per share (NT\$)	\$ 3.55	\$ 5.00

The above appropriations for cash dividends were resolved by the Company's board of directors on March 1, 2024 and March 3, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on May 28, 2024 and June 15, 2023, respectively.

The company conducted an initial public offering of cash capital increase on March 22, 2024, resulting in an increase in the number of outstanding shares from 69,400 thousand shares to 78,100 thousand shares. Consequently, the cash dividend per share for the 2023 earnings distribution was adjusted to NT\$3.55.

The appropriation of earnings for 2024, which were proposed by the Company's board of directors on March 4, 2025, were as follows:

	2024
Legal reserve	<u>\$ 21,973</u>
Special reserve	<u>\$ (18,576)</u>
Cash dividends	<u>\$ 234,299</u>
Cash dividends per share (NT\$)	\$ 3.00

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 23, 2025.

d. Special reserve

	2024	2023
Balance at January 1	\$ 20,397	\$ 26,299
Appropriations in respect of		
Debits to other equity items	6,457	-
Reversal:		
Reversal of the debits to other equity items	-	(5,902)
Balance at December 31	<u>\$ 26,854</u>	<u>\$ 20,397</u>

When distributing earnings, additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated at the end of the reporting period. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	2024	2023
Balance at January 1	\$ (26,998)	\$ (19,976)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	17,722	(7,055)
Share from associates accounted for using the equity method	<u>692</u>	<u>33</u>
Other comprehensive income recognized for the year	18,414	(7,022)
Acquisition of further interests in subsidiaries	<u>33</u>	<u>-</u>
Balance at December 31	<u>\$ (8,551)</u>	<u>\$ (26,998)</u>

2) Unrealized valuation gain(loss) on financial assets at FVTOCI

	2024	2023
Balance at January 1	\$ 144	\$ (421)
Recognized for the year		
Unrealized gain (loss)		
Equity instruments	149	565
Other comprehensive income recognized for the year	149	565
Acquisition of further interests in subsidiaries	(20)	-
Balance at December 31	<u>\$ 273</u>	<u>\$ 144</u>

f. Non-controlling interests

	2024	2023
Balance at January 1	\$ 830,447	\$ 831,544
Net income	48,294	35,638
Other comprehensive income		
Exchange differences on translation of the financial statements of foreign operations	926	(92)
Unrealized gain (loss) on financial assets at FVTOCI	272	1,026
Share in other comprehensive income of associates accounted for using the equity method	34	59
Remeasurement of defined benefit plans	294	84
Cash dividends distributed by subsidiaries	(46,743)	(37,812)
Non-controlling interests decrease from subsidiaries (Note 29)	(9,446)	-
Balance at December 31	<u>\$ 824,078</u>	<u>\$ 830,447</u>

24. Revenue

a. Breakdown of revenue from contracts with customers

	2024	2023
LCD touch module	\$ 2,101,894	\$ 2,490,629
LCD module	436,986	506,311
Medical and industrial displays	576,956	604,781
Others	302,609	314,524
	<u>\$ 3,418,445</u>	<u>\$ 3,916,245</u>

b. Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	\$ -	\$ -	\$ 410
Accounts receivable (Note 9)	\$ 683,893	\$ 541,553	\$ 705,075
Accounts receivable from related parties	\$ 26,329	\$ 5,903	\$ 144,433
Contract liabilities - Current	\$ 100,551	\$ 90,266	\$ 92,288

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

Revenue in the current year that was recognized from the performance obligations satisfied with the contract liability balance at the beginning of the year was summarized as follows:

	2024	2023
From contract liabilities at the start of the year	<u>\$ 14,962</u>	<u>\$ 45,026</u>
25. <u>Net income</u>		
a. Interest income		
	2024	2023
Bank deposits	<u>\$ 12,879</u>	<u>\$ 8,388</u>
b. Other income		
	2024	2023
Rental income		
Investment property	\$ -	\$ 6,916
Depreciation expenses of investment property	-	(794)
Others	<u>2,363</u>	<u>-</u>
	<u>\$ 2,363</u>	<u>\$ 6,122</u>
c. Other gains and losses		
	2024	2023
Valuation gain (loss) on financial assets and liabilities		
Financial assets mandatorily measured at FVTPL	\$ (6,192)	\$ 38,281
Financial liabilities held for trading	(36,001)	(63,539)
Net foreign exchange gains	27,526	5,110
Loss on disposal of property, plant and equipment	(266)	(467)
Other gains	7,496	18,893
Other losses	<u>(24)</u>	<u>(75)</u>
	<u>\$ (7,461)</u>	<u>\$ (1,797)</u>
d. Finance cost		
	2024	2023
Interest on bank loans	\$ 2,337	\$ 5,223
Interest on lease liabilities	<u>416</u>	<u>262</u>
	<u>\$ 2,753</u>	<u>\$ 5,485</u>

e. Depreciation and amortization

	<u>2024</u>	<u>2023</u>
Property, plant and equipment	\$ 51,987	\$ 52,334
Right-of-use assets	13,812	10,793
Investment property	-	794
Intangible assets	<u>20,795</u>	<u>21,154</u>
	<u>\$ 86,594</u>	<u>\$ 85,075</u>
An analysis of depreciation by function		
Operating costs	\$ 37,430	\$ 34,655
Operating expenses	28,369	28,472
Non-operating income and expenses	<u>-</u>	<u>794</u>
	<u>\$ 65,799</u>	<u>\$ 63,921</u>
An analysis of amortization by function		
Operating costs	\$ 13,844	\$ 13,635
Operating expenses	<u>6,951</u>	<u>7,519</u>
	<u>\$ 20,795</u>	<u>\$ 21,154</u>

f. Employee benefits expense

	<u>2024</u>	<u>2023</u>
Short-term benefits	<u>\$ 581,082</u>	<u>\$ 574,838</u>
Post-employment benefits		
Defined contribution plan	32,472	34,233
Defined benefit plan (Note 22)	<u>(1)</u>	<u>7</u>
	<u>32,471</u>	<u>34,240</u>
Share-based payment		
Equity-settled (Note 28)	<u>1,361</u>	<u>-</u>
Other employee benefits	<u>47,508</u>	<u>50,554</u>
	<u>\$ 662,422</u>	<u>\$ 659,632</u>
An analysis of employee benefits expense by function		
Operating cost	\$ 316,623	\$ 328,274
Operating expenses	<u>345,799</u>	<u>331,358</u>
	<u>\$ 662,422</u>	<u>\$ 659,632</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation, where the Company made a profit in a fiscal year, the Company accrues compensation of employees at rates of no less than 5% and no higher than 20% and accrues remuneration of directors at rates of no higher than 1%. The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 4, 2025 and March 1, 2024, respectively, are as follows:

Accrual rate

	<u>2024</u>	<u>2023</u>
Compensation of employees	8.00%	8.00%
Remuneration of directors	0.75%	0.75%

Amount

	<u>2024</u>	<u>2023</u>
Compensation of employees	\$ 22,810	\$ 28,856
Remuneration of directors	2,138	2,705

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

There is no difference between the 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, 2023 and 2022.

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.

26. Income tax

a. Major components of income tax expenses recognized in profit or loss

	<u>2024</u>	<u>2023</u>
Current tax		
In respect of the current year	\$ 71,352	\$ 98,577
Income tax on unappropriated earnings	-	1,946
Adjustments for prior year	(13,517)	(6,014)
Other	3,158	1,926
	<u>60,993</u>	<u>96,435</u>
Deferred tax		
In respect of the current year	(1,934)	(12,906)
Adjustments for prior year	1,268	18
	<u>(666)</u>	<u>(12,888)</u>
Income tax expenses recognized in profit or loss	<u>\$ 60,327</u>	<u>\$ 83,547</u>

A reconciliation of accounting profit and income tax expense is as follows:

	2024	2023
Income before tax	<u>\$ 331,815</u>	<u>\$ 398,048</u>
Income tax expense calculated at the statutory rate	\$ 77,445	\$ 103,395
Nondeductible expenses in determining taxable income	(583)	2,035
Tax-exempted income	-	(1,123)
Income tax on unappropriated earnings	-	1,946
Unrecognized deductible temporary differences	(2,864)	(12,585)
Adjustments for prior years' tax	(13,517)	(6,014)
Adjustments for prior years' deferred tax	1,268	18
Foreign income tax	3,158	455
Consolidated deferred tax of the enterprise	<u>(4,580)</u>	<u>(4,580)</u>
Income tax expenses recognized in profit or loss	<u>\$ 60,327</u>	<u>\$ 83,547</u>
b. Income tax recognized directly in equity		
	2024	2023
<u>Current tax</u>		
Transaction costs attributed to the issuance of shares	<u>\$ 634</u>	<u>\$ -</u>
c. Income tax recognized in other comprehensive income		
	2024	2023
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plans	<u>\$ 1,370</u>	<u>\$ 33</u>
d. Current tax assets and liabilities		
	December 31, 2024	December 31, 2023
Current tax assets		
Tax refunds receivable	<u>\$ 1,000</u>	<u>\$ 238</u>
Current tax liabilities		
Income taxes payable	<u>\$ 52,813</u>	<u>\$ 84,564</u>

e. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Investment losses accounted for under the equity method	\$ 19,072	\$ (1,253)	\$ -	\$ -	\$ 17,819
Inventory write-downs	24,601	1,600	-	157	26,358
Unrealized foreign exchange losses	5,315	(2,982)	-	-	2,333
Payables for annual leave	2,339	351	-	-	2,690
Defined benefit obligations	2,310	(2,164)	(146)	-	-
Others	5,540	(242)	-	14	5,312
	<u>\$ 59,177</u>	<u>\$ (4,690)</u>	<u>\$ (146)</u>	<u>\$ 171</u>	<u>\$ 54,512</u>
Deferred Tax Liabilities					
Temporary differences					
Property, plant and equipment	\$ 26,564	\$ (1,092)	\$ -	\$ -	\$ 25,472
Intangible assets	13,370	(3,488)	-	-	9,882
Taxation difference in depreciation expenses	3,052	(209)	-	107	2,950
Investment gains accounted for using the equity method	2,151	(227)	-	-	1,924
Defined benefit obligations	-	(799)	1,224	-	425
Unrealized foreign exchange gains	-	1,280	-	-	1,280
Others	929	(821)	-	-	108
	<u>\$ 46,066</u>	<u>\$ (5,356)</u>	<u>\$ 1,224</u>	<u>\$ 107</u>	<u>\$ 42,041</u>

2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary difference					
Investment losses accounted for under the equity method	\$ 18,390	\$ 682	\$ -	\$ -	\$ 19,072
Inventory write-downs	18,273	6,401	-	(73)	24,601
Unrealized foreign exchange losses	3,882	1,433	-	-	5,315
Payables for annual leave	2,467	(128)	-	-	2,339
Defined benefit obligations	2,447	(104)	(33)	-	2,310
Others	4,928	618	-	(6)	5,540
	<u>\$ 50,387</u>	<u>\$ 8,902</u>	<u>\$ (33)</u>	<u>\$ (79)</u>	<u>\$ 59,177</u>
Deferred Tax Liabilities					
Temporary difference					
Property, plant and equipment	\$ 27,656	\$ (1,092)	\$ -	\$ -	\$ 26,564
Intangible assets	16,858	(3,488)	-	-	13,370
Taxation difference in depreciation expenses	3,307	(207)	-	(48)	3,052
Investment gains accounted for using the equity method	1,989	162	-	-	2,151
Others	290	639	-	-	929
	<u>\$ 50,100</u>	<u>\$ (3,986)</u>	<u>\$ -</u>	<u>\$ (48)</u>	<u>\$ 46,066</u>

- f. Deductible temporary difference for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31, 2024	December 31, 2023
Deductible temporary differences	<u>\$ 63,725</u>	<u>\$ 82,287</u>

- g. Income tax assessments

The income tax for the Company and DIVA Laboratories, Ltd returns through 2022, have been assessed by the tax authorities.

27. Earnings per share

Unit: NT\$ per share

	2024	2023
Basic earnings per share	<u>\$ 2.93</u>	<u>\$ 4.02</u>
Diluted earnings per share	<u>\$ 2.91</u>	<u>\$ 3.99</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Income

	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 223,194</u>	<u>\$ 278,863</u>

Weighted average number of ordinary shares outstanding

	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	76,174	69,400
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>566</u>	<u>552</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>76,740</u>	<u>69,952</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation 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.

28. Share-based payment arrangements

Employee Stock Option Plan for Issuance of Ordinary Shares for Cash

On December 27, 2023, the Company's board of directors resolved to issue 8,700 thousand ordinary shares which increased the share capital issued, reserving 870 thousand shares for employee subscription in accordance with the Company Act. If employees do not fully subscribe or waive their subscription rights, the chairman is authorized to allocate the unsubscribed shares to designated investors. The recognized compensation cost for the Year Ended December 31, 2024, is \$1,361 thousand.

Options of ordinary shares issued for Cash granted in March 2024 were priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	<u>March, 2024</u>
Share price on the grant date	\$ 52.22
Exercise price	\$ 50
Expected volatility	12.7%
Expected life	0.008 years
Expected dividends rate	0.0%
Risk-free interest rate	1.1%

29. Equity transactions with non-controlling interests

The Company originally held 35.55% of DIVA Laboratories, Ltd. and it acquired an additional 0.71% of the equity on June 14, 2024, increasing shareholding ratio from 35.55% to 36.26%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over this subsidiary.

	DIVA Laboratories, Ltd.
Consideration paid	\$ (13,060)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	9,446
Reattribution of other equity from non-controlling interests	
Exchange differences on translating the financial statements of foreign operations	(33)
Unrealized gain on financial assets at FVTOCI	<u>20</u>
Differences recognized from equity transactions	<u>\$ (3,627)</u>
	DIVA Laboratories, Ltd.
<u>Line items adjusted for equity transactions</u>	
Retained earnings	<u>\$ (3,627)</u>

30. Capital management

The Group manages its capital to ensure the Group will be able to continue as going concerns with a capital structure that is most suitable for the Group's current operation and development and make good use of various equity and debt instruments to provide the Group with capital required for operating plans, while maximizing the return to stakeholders.

The capital structure of the Group consists of net debt and equity attributable to owners of the Company.

The Group is not subject to any externally imposed capital requirements.

31. Financial instruments

a. Fair value of financial instruments not measured at fair value

For financial instruments not measured at fair value, that maturities are near or that future receipt or payment amounts approximate their carrying amounts, their fair values are estimated based on their carrying amounts as of the consolidated balance sheet date.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic unlisted shares	\$ -	\$ -	\$ -	\$ -
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 5,032	\$ 5,032
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 3,842	\$ -	\$ 3,842

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic unlisted shares	\$ -	\$ -	\$ -	\$ -
Derivatives	-	8,614	-	8,614
	<u>\$ -</u>	<u>\$ 8,614</u>	<u>\$ -</u>	<u>\$ 8,614</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 4,611	\$ 4,611

There were no transfers between Levels 1 and 2 in the current and prior years

2) Reconciliation of Level 3 fair value measurements of financial instruments

2024

Financial assets	Financial Assets at FVTPL Equity instruments	Financial Assets at FVTOCI Equity instruments	Total
Balance at January 1	\$ -	\$ 4,611	\$ 4,611
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	421	421
Balance at December 31	<u>\$ -</u>	<u>\$ 5,032</u>	<u>\$ 5,032</u>

2023

Financial assets	Financial Assets at FVTPL Equity instruments	Financial Assets at FVTOCI Equity instruments	Total
Balance at January 1	\$ -	\$ 3,020	\$ 3,020
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	1,591	1,591
Balance at December 31	<u>\$ -</u>	<u>\$ 4,611</u>	<u>\$ 4,611</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange swap contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The domestic unlisted shares and listed shares under trading suspension held by the Group and there was no market value for reference; therefore, the valuation method was adopted.

c. Categories of financial instruments

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily measured as at FVTPL	\$ -	\$ 8,614
Financial assets at amortized cost		
Cash and cash equivalents	1,305,799	947,955
Accounts receivable	683,893	541,553
Accounts receivable from related parties	26,329	5,903
Other receivables	14,458	4,081
Other receivables from related parties	5,464	2,857
Refundable deposits	7,851	6,581
Financial assets FVTOCI		
Equity instruments	5,032	4,611
<u>Financial liabilities</u>		
FVTPL		
Held for trading	3,842	-
Amortized cost		
Short-term borrowings	44,915	86,728
Notes payable	-	307
Accounts payable	404,802	366,621
Accounts payable from related parties	8,011	21,791
Other payables	72,895	71,865
Other payables from related parties	40,270	19,432
Guarantee deposits received	480	464

d. Financial risk management objectives and policies

The financial risks related to the operating activities of the Group are market risk, credit risk and liquidity risk. Except for market risk, which is affected by external factors and is unpredictable, the remaining two risks can be generally controlled or eliminated through internal control or operating procedures. Therefore, in response to changes in market risks, the Group uses appropriate financial instrument operations to reduce the adverse effects that market risks may have on the Group's financial position and financial performance.

1) Market risk

The Group's activities exposed it primarily to the market risks include foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group have foreign currency denominated sales and purchases, which expose to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollars.

The following table details the Group's sensitivity to a 1% increase and decrease in each functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates an increase/a decrease in pre-tax profit associated with each functional currency strengthening 1% against the relevant currency. For a 1% weakening of each functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	Impact of U.S. dollars	
	2024	2023
Profit and loss	\$ (4,343)	\$ (4,446)

b) Interest rate risk

The Group's risk of changes in interest rates mainly comes from short-term borrowings and long-term borrowings with fixed and floating interest rates. Changes in market interest rates will change the effective interest rate of borrowings, resulting in the risk of changes in the future fair value and cash flow.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial assets	\$ 592,546	\$ 434,220
Financial liabilities	65,371	108,515
Cash flow interest rate risk		
Financial assets	713,244	513,215
Financial liabilities	22,457	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year.

If interest rates had been 1% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased/increased by \$6,908 thousand and \$5,132 thousand, respectively.

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, due to the failure of the counterparty to discharge its obligation, could be equal to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

To mitigate credit risk, the Group's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the Group reviews the recoverable amounts of amounts receivable on a case-by-case basis on the balance sheet date to ensure that appropriate impairment losses have been provided for uncollectible amounts receivable. Accordingly, the Group's management considers that the Group's credit risk has been significantly reduced.

3) Liquidity risk

The Group maintains sufficient cash and cash equivalents to meet the cash requirements for operating activities through accounts and financing management and reduces the impact of cash flow fluctuations. The Group's Finance Department monitors the use of bank financing limits at all times and ensures compliance with the terms of borrowing contracts.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

The current portion of non-interest-bearing financial liabilities is due within one year. These liabilities are not subject to any contractual obligations requiring immediate settlement. The non-current financial liabilities primarily comprise guarantee deposits received from customers, which serve as credit collateral. These deposits do not have specified maturity dates.

December 31, 2024

	<u>Within 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 12,366	\$ 32,868
Variable interest rate instruments	22,781	-
Fixed interest rate instruments	<u>22,786</u>	<u>-</u>
	<u>\$ 57,933</u>	<u>\$ 32,868</u>

December 31, 2023

	<u>Within 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 12,911	\$ 9,354
Fixed interest rate instruments	<u>88,111</u>	<u>-</u>
	<u>\$ 101,022</u>	<u>\$ 9,354</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the year.

32. Related party transactions

The Company's parent is Qisda Corporation, which held 31.11% and 28.82% of the ordinary shares of the Company at December 31, 2024 and 2023, respectively.

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 as follows.

a. Related parties and their relationship with the Group

<u>Related Party</u>	<u>Relationship with the Group</u>
Qisda Corporation	Parent company
AUO Corporation	A corporate Director who values the parent company by using the equity method
Darwin Precisions Corporation	A subsidiary of AUO Corporation
AUO Display Plus Corporation	A subsidiary of AUO Corporation
DFI Inc.	Sister company
BenQ AB DentCare Corporation	Sister company
BenQ Medical Technology Corporation	Sister company
BenQ Asia Pacific Corp.	Sister company
BenQ Healthcare Corporation	Sister company
BenQ Materials Corp.	Sister company
BenQ Technology (Shanghai) Co., Ltd.	Sister company
Qisda (Suzhou) Co., Ltd.	Sister company

(Continued)

Related Party	Relationship with the Consolidated Company
Qisda Optronics (Suzhou) Co., Ltd.	Sister company
Qisda Precision Industry (SuZhou) Co., Ltd	Sister company
Global Intelligence Network Co., Ltd.	Sister company
Metaage Corporation	Sister company
Simula Technology Inc.	Sister company
Concord Medical Co., Ltd	Sister company
Metaguru Corporation	Sister company
Action Star Technology Co., Ltd.	Sister company
Ace Pillar Co., Ltd.	Sister company
BenQ Foundation	Substantial related party
Unictron Technologies Corporation	Associate
Everlasting Digital ESG Co., Ltd.	Associate
Aplex Technology Inc.	Associate
DMC Components International, LLC	Associate
The Linden Group Corp.	Associate
QUBYX Software Technologies Inc	Associate

b. Operating revenue

Item	Related Party Category	2024	2023
Sales	Parent company	\$ 340	\$ 134
	A subsidiary of AUO Corporation	-	427
	Sister company	12,768	30,222
	Associate	<u>83,515</u>	<u>30,246</u>
		<u>\$ 96,623</u>	<u>\$ 61,029</u>

As most of the Group's transactions with the abovementioned related parties are customized products with no comparable products, the prices are negotiated by both parties; sales to related parties and non-related parties are collected 30 to 150 days from upon shipment or end of the month and collected 30 to 160 days from upon shipment or end of the month., respectively.

c. Purchases

Related Party Category	2024	2023
Parent company	\$ 19	\$ 58
A subsidiary of AUO Corporation	125,340	86,542
Sister company	7,132	3,990
Associate	-	195
	<u>\$ 132,491</u>	<u>\$ 90,785</u>

As most of the transactions with the abovementioned related parties are raw materials required by customized products with no comparable products, the prices are negotiated by both parties; purchases from related parties and non-related parties are paid 30 to 90 days from after delivery or end of the month and paid 30 to 120 days end of the month, respectively.

d. Contract liabilities

Related Party Category	December 31, 2024	December 31, 2023
Associate	\$ <u> -</u>	\$ <u> 2,184</u>

e. Receivables from related parties

Item	Related Party Category/Name	December 31, 2024	December 31, 2023
Accounts receivables	Parent company	\$ 43	\$ 13
	Sister company	2,250	3,356
	Associate	24,036	11,387
	Less: Loss allowance	<u> -</u>	<u> (8,853)</u>
		<u>24,036</u>	<u> 2,534</u>
		<u>\$ 26,329</u>	<u>\$ 5,903</u>
Other receivables	Sister company		
	Qisda Optronics (Suzhou) Co., Ltd..	\$ 5,350	\$ 2,857
	Associate	<u>114</u>	<u> -</u>
		<u>\$ 5,464</u>	<u>\$ 2,857</u>

The outstanding accounts receivable from related parties are unsecured.

f. Payables to related parties

Item	Related Party Category	December 31, 2024	December 31, 2023
Accounts payable	A subsidiary of AUO Corporation	\$ 7,499	\$ 21,742
	Sister company	512	17
	Associate	<u> -</u>	<u> 32</u>
		<u>\$ 8,011</u>	<u>\$ 21,791</u>
Other payables	Parent company	\$ 28,693	\$ 7,797
	Sister company	6,066	1,887
	Associate	<u>5,511</u>	<u>9,748</u>
		<u>\$ 40,270</u>	<u>\$ 19,432</u>

The outstanding accounts payable to related parties are unsecured.

g. Acquisition of property, plant and equipment

Related Party Category	Purchase price	
	2024	2023
Parent company	<u>\$ 1,739</u>	<u>\$ <u> -</u></u>

h. Lease agreement

Item	Related Party Category	December 31, 2024	December 31, 2023
Lease liabilities	Parent company	<u>\$ 597</u>	<u>\$ 2,373</u>
Item	Related Party Category	2024	2023
Interest expenses (accounted for as finance cost)	Parent company	<u>\$ 21</u>	<u>\$ 45</u>

The Group rented the Taoyuan Office from the parent company in November 2021 and the Taoyuan Plant from the parent company in May 2020. The lease terms are 3.5 years and 5 years, respectively. The rental is based on the rental level of similar assets, and it pays a fixed lease payment monthly according to the lease contract.

i. Prepayments (accounted for as other current assets)

Related Party Category	December 31, 2024	December 31, 2023
A subsidiary of AUO Corporation		
AUO Display Plus Corporation	\$ -	\$ 3,075
Sister company	281	177
Associate	<u>-</u>	<u>242</u>
	<u>\$ 281</u>	<u>\$ 3,494</u>

The prepayment to the subsidiary of AUO Corporation is for the preparation of materials.

The prepayment to the sister company is for software and other services

The prepayment to the associates is for inspection and testing services.

j. Other related party transactions

Related Party Category/Name	2024	2023
<u>Operating cost</u>		
Parent company	\$ 13,568	\$ 19,515
A subsidiary of AUO Corporation	15	-
Sister company	1,216	336
Associate	<u>2,499</u>	<u>1,304</u>
	<u>\$ 17,298</u>	<u>\$ 22,413</u>
<u>Operating cost - Processing fee</u>		
Parent company	<u>\$ 3,991</u>	<u>\$ 1,258</u>

(Continued)

<u>Related Party Category/Name</u>	<u>2024</u>	<u>2023</u>
<u>Operating expenses</u>		
Parent company	\$ 2,047	\$ 1,646
AUO Corporation	-	1
A subsidiary of AUO Corporation	458	610
Sister company	3,178	1,451
Associate	1,980	1,100
Substantial related party	-	1,000
	<u>\$ 7,663</u>	<u>\$ 5,808</u>
 <u>Operating expenses - Commission expense</u>		
Associate	<u>\$ 22,762</u>	<u>\$ 29,879</u>
 <u>Other income</u>		
Sister company	\$ -	\$ 76
Associate	90	99
	<u>\$ 90</u>	<u>\$ 175</u>

As the parent company provided partial management services to the Group, the management expenses recognized for the Years Ended December 31, 2024 and 2023 were \$15,615 thousand and \$21,161 thousand, respectively.

Commission expenses are calculated based on the rates agreed upon in contracts and are paid only after the Group has received the relevant accounts receivable for sales of goods as an agent.

Other income consists of certification service fees charged to associates.

k. Remuneration of key management personnel

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 44,055	\$ 43,734
Share-based payments	151	-
Post-employment benefits	243	324
	<u>\$ 44,449</u>	<u>\$ 44,058</u>

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

33. Pledged assets

The following assets of the Group have been pledged as the collateral for the collection of business taxes after the release of the imported goods by customs:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Refundable deposits (accounted for as other non-current assets)	<u>\$ 1,536</u>	<u>\$ 1,633</u>

34. Significant assets and liabilities denominated in foreign currencies

The Group's significant financial 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 the foreign currencies and the respective functional currencies were as follows:

December 31, 2024

	Foreign Currency	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 25,110	32.785	(USD: NTD)	\$ 823,174
USD	9,642	7.2993	(USD: CNY)	316,108
<u>Non-monetary items</u>				
Investment accounted for using the equity method				
USD	282	32.785	(USD: NTD)	9,241
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	19,068	32.785	(USD: NTD)	625,141
USD	2,435	7.2993	(USD: CNY)	79,835

December 31, 2023

	Foreign Currency	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 26,273	30.7500	(USD: NTD)	\$ 807,888
USD	9,635	7.0912	(USD: CNY)	296,277
<u>Non-monetary items</u>				
Investment accounted for using the equity method				
USD	237	30.7500	(USD: NTD)	7,284
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	19,602	30.7500	(USD: NTD)	602,750
USD	1,848	7.0912	(USD: CNY)	56,827

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were \$27,526 thousand and \$5,110 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

36. Separately disclosed items

a. Information on significant transactions:

- 1) Financing provided to others: None.
- 2) Endorsements/guarantees provided: Table 1.
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 9) Trading in derivative instruments: Note 7.
- 10) Others: Intercompany relationships and significant intercompany transactions: Table 5.

b. Information on investees: Table 6.

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 year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.
- 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: Table 8.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

- c) The amount of property transactions and the amount of the resultant gains or losses
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information on major shareholders: Table 9.

37. Segment information

The Group's chief operating decision maker allocates resources and assesses performance based on financial information categorized by product lines. The LCD module segment and the display module segment are identified as separate operating segments by the chief operating decision maker.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results by reportable segments:

2024

	LCD Module Segment	Display Module Segment	Total
Revenue from external customers	\$ 2,557,904	\$ 860,541	\$ 3,418,445
Inter-segment income	<u>9,448</u>	<u>1,782</u>	<u>11,230</u>
Segment revenue	2,567,352	862,323	3,429,675
Eliminations	<u>(9,448)</u>	<u>(1,782)</u>	<u>(11,230)</u>
Consolidated revenue	<u>\$ 2,557,904</u>	<u>\$ 860,541</u>	<u>\$ 3,418,445</u>
Segment income	<u>\$ 230,280</u>	<u>\$ 95,930</u>	\$ 326,210
Interest income			12,879
Other income			2,363
Other gains and losses			(7,461)
Finance cost			(2,753)
Share of profit or loss of associates			<u>577</u>
Profit before tax			<u>\$ 331,815</u>

2023

	LCD Module Segment	Display Module Segment	Total
Revenue from external customers	\$ 3,023,199	\$ 893,046	\$ 3,916,245
Inter-segment revenue	<u>7,071</u>	<u>798</u>	<u>7,869</u>
Segment revenue	3,030,270	893,844	3,924,114
Eliminations	<u>(7,071)</u>	<u>(798)</u>	<u>(7,869)</u>
Consolidated revenue	<u>\$ 3,023,199</u>	<u>\$ 893,046</u>	<u>\$ 3,916,245</u>
Segment income	<u>\$ 327,459</u>	<u>\$ 69,250</u>	<u>\$ 396,709</u>
Interest income			8,388
Other income			6,122
Other gains and losses			(1,797)
Finance cost			(5,485)
Share of profit or loss of associates			<u>(5,889)</u>
Profit before tax			<u>\$ 398,048</u>

Inter-segment revenue was accounted for according to market prices.

Segment profit represents the profit before tax earned by each segment without share of profit of associates, interest income, other income, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment total assets and liabilities

	December 31, 2024	December 31, 2023
<u>Segment assets</u>		
LCD Module Segment	\$ 1,988,165	\$ 1,559,354
Display Module Segment	1,701,065	1,656,122
Unallocated assets	<u>64,855</u>	<u>68,289</u>
Consolidated total assets	<u>\$ 3,754,085</u>	<u>\$ 3,283,765</u>
<u>Segment liabilities</u>		
LCD Module Segment	\$ 659,740	\$ 652,530
Display Module Segment	223,560	185,056
Unallocated liabilities	<u>94,956</u>	<u>132,220</u>
Consolidated total liabilities	<u>\$ 978,256</u>	<u>\$ 969,806</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- (1) All assets were allocated to reportable segments other than interests in associates accounted for using the equity method, and current and deferred tax assets. Goodwill was allocated to the reportable segments. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments; and

- (2) All liabilities were allocated to reportable segments other than credit balance of investment accounted for using the equity method, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable were allocated in proportion to segment assets.

c. Geographical information

The Group operates in two principal geographical areas -Taiwan and China.

The Group's revenue from external customers by location of operations and information on its non-current assets by location of assets are detailed below.

	Revenue from External		Non-current Assets	
	Customers		December 31,	December 31,
	2024	2023	2024	2023
Taiwan	\$ 3,365,667	\$ 3,852,728	\$ 737,250	\$ 742,850
China	<u>52,778</u>	<u>63,517</u>	<u>330,782</u>	<u>325,476</u>
	<u>\$ 3,418,445</u>	<u>\$ 3,916,245</u>	<u>\$ 1,068,032</u>	<u>\$ 1,068,326</u>

Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets, and assets arising from insurance contracts.

d. Information on major customers

For the years ended December 31, 2024 and 2023, single customers contributing 10% or more to the Group's revenue were as follows:

	2024	2023
Company A	\$ 576,447	\$ 309,907
Company B	<u>328,028</u>	<u>627,399</u>
	<u>\$ 904,475</u>	<u>\$ 937,306</u>

Data Image Corporation and Its Subsidiaries
Endorsements/Guarantees Provided
For the Year Ended December 31, 2024
(In Thousands of New Taiwan Dollars)

Table 1

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/Guaranteed During the Year	Outstanding Endorsement/Guarantee at the End of the Year	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/Guarantee Limit (Note)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Data Image (Suzhou) Corporation	A wholly owned subsidiary through Data Image (MAURITIUS) Corporation	\$ 390,350	\$ 64,940	\$ 32,785	\$ -	\$ -	1.68%	\$ 975,875	Yes	No	Yes

Note: The total amount of the Company's endorsements /guarantees is limited to 50% of the Company's net worth as stated in its latest financial statements. The endorsements/guarantees provided to a single enterprise are limited to 20% of its net worth, as stated in its latest financial statements.

Data Image Corporation and Its Subsidiaries
 Marketable securities held
 December 31, 2024
 (In Thousands of New Taiwan Dollars)

Table 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of shares	Carrying amount	Percentage of Ownership	Fair value	
DIVA Laboratories, Ltd.	Stocks Insight Genomics Inc.	—	Financial assets at fair value through other comprehensive income - non-current	600,000	\$ 2,856	6.40%	\$ 2,856	
	Renown Information Technology Corp.	—	Financial assets at fair value through other comprehensive income - non-current	240,000	2,176	4.80%	2,176	
	Pharmally International Holding Company Limited	—	Financial assets at fair value through profit or loss - current	150,000	-	-	(Note)	

Note : Pharmally International Holding Company Limited was delisted on April 1, 2021. Due to the assessment that the fair value of the marketable securities may be extremely low and a reasonable valuation price was unable to be obtained, the entire amount was recognized as a valuation loss.

Data Image Corporation and Its 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 Year Ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Table 3

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/sales	Amount	% of Total (Note 1)	Payment Terms	Unit price	Payment Terms	Ending Balance	% of Total	
The Company	AUO Display Plus Corporation	A subsidiary of AUO Corporation	Purchases	\$ (125,340)	(12)	45 days end of the month	Based on the agreed prices	45 days end of the month	\$ (7,499)	(2)	
The Company	Data Image (Suzhou) Corporation	Subsidiary	Processing fees	(974,711)	(96)	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	(307,842)	(65)	
Data Image (Suzhou) Corporation	The Company	Parent company	Processing income	974,711	97	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	307,842	99	

Note 1: The processing fees are calculated as a percentage of the total manufacturing expenses.

Note 2: Transactions between Group have been fully written off when preparing the consolidated financial statements.

Data Image Corporation and Its Subsidiaries
 Receivables from Related Parties Amounting to at least NT\$100 million or 20% of the Paid-in Capital
 December 31, 2024
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 4

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Year	Allowance for Impairment Loss
					Amount	Actions Taken		
Data Image (Suzhou) Corporation	The Company	Parent company	\$ 307,842	3.20	\$ -	—	\$ 208,957	\$ -

Note: Transactions between Group have been fully written off when preparing the consolidated financial statements.

Data Image Corporation and Its Subsidiaries
Intercompany relationships and significant Intercompany transactions
For the Year Ended December 31, 2024
(In Thousands of New Taiwan Dollars)

Table 5

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	Data Image (Suzhou) Corporation	1	Accounts payable from related parties	\$ (307,842)	Notes 2 and 3	8%
1	Data Image (Suzhou) Corporation	The Company	2	Commissioned processing fees	974,711	Note 2	28%
				Processing income	(974,711)	Note 2	28%
				Accounts receivable from related parties	307,842	Notes 2 and 3	8%

Note 1: There are two types of relationships with the trader: 1. The Company to a subsidiary; 2. a subsidiary to the Company; 3. a subsidiary to another subsidiary.

Note 2: The Company sells raw materials and semi-finished products to Data Image (Suzhou) Corporation, and then it purchases partial finished products and semi-finished products from the company to sell to customers. As the processing is without imported materials, the related sales income is expressed as a net amount. In addition, after offsetting the relevant amounts receivable and payable, collection and payment will be made based on the capital status of Data Image (Suzhou) Corporation.

Note 3: Refer to the balance after offsetting of receivables and payables.

Note 4: Transactions between Group have been fully written off when preparing the consolidated financial statements.

Note 5: Business relationships and significant transactions that reach at least 1% of the consolidated operating revenue or total assets of the Group shall be disclosed.

Data Image Corporation and Its Subsidiaries
Information on Investees
For the Year Ended December 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 6

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of shares	Ratio (%)	Carrying amount			
The Company	Data Image (MAURITIUS) Corporation	Mauritius	Investment	\$ 518,381	\$ 518,381	20,215,000	100.00	\$ 507,945	\$ 18,563	\$ 18,563	—
	DIVA Laboratories, Ltd.	Taiwan	Medical equipment manufacturing and sales	638,740	625,680	21,273,122	36.26	633,622	93,661	27,046	Note 1
	DMC Components International, LLC	Orlando, USA	Sales agency	24,304	24,304	300,000	30.00	9,343	(2,923)	(1,134)	Note 2
DIVA Laboratories, Ltd.	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00	1,018	(167)	(167)	-
	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00	21,164	5,578	5,578	-
	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	-	24,600	-	-	-	1,511	1,514	Notes 3 and 4
	Diva Capital Inc.	Samoa	Reinvestment	52,908	52,908	-	100.00	9,039	(861)	(859)	Note 5
	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00	(102)	9,004	1,711	Notes 6 and 7
Diva Capital Inc.	Diva Holding Inc.	Samoa	Reinvestment	52,598	52,598	-	100.00	9,122	(862)	Note 8	-

Note 1: The difference between the profit and loss of the investee recognized based on the shareholding ratio in the current year and the investment gain or loss recognized in the current year is the effect of the fair value of the investee's assets being higher than the book value of the amortization.

Note 2: The carrying amount deducted the unrealized gain on downstream transactions of \$621 thousand.

Note 3: The recognized investment gain is the reversal of the unrealized gross profit of \$3 thousand from the upstream transactions at the beginning of the year.

Note 4: On March 2, 2023, DIVA Laboratories, Ltd.'s board of directors resolved to dissolve and liquidate its subsidiary, Panoramic Imaging Solutions Inc., and on August 28, 2024, the liquidation proceedings have been completed.

Note 5: The carrying amount deducted the unrealized gain on downstream transactions of \$76 thousand.

Note 6: The carrying amount deducted the unrealized gain on downstream transactions of \$2,008 thousand.

Note 7: DIVA Laboratories, Ltd. had accumulated \$25,787 thousand of impairment loss on the investment in The Linden Group Corp. accounted for using the equity method.

Note 8: The profit or loss of the investee has been included in its investees. To avoid confusion, it is not expressed otherwise presented in these financial statements.

Note 9: The investment gain or loss between investees, the long-term equity investment of the investees, and the net worth of the equity of the investees were fully written off when the consolidated financial statements were prepared.

Data Image Corporation and Its Subsidiaries
Information on Investments in Mainland China
For the Year Ended December 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 7

Investee Company	Main Businesses and Products	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of Year	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of Year	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount at the End of Year (Note 1)	Accumulated Repatriation of Investment Income at the End of Year
					Outward	Inward						
Data Image (Suzhou) Corporation	Manufacturing, processing, and sale of LCD touch modules and LCD modules	\$ 534,081 (USD 16,300 thousand)	An investee in Mainland China through investment in the establishment of Data Image (MAURITIUS) Corporation in a third region	\$ 511,884 (USD 15,654 thousand)	\$ -	\$ -	\$ 511,884 (USD 15,654 thousand)	\$ 18,598 (RMB 4,223 thousand)	100%	\$ 18,598 (RMB 4,223 thousand)	\$ 506,552 (RMB 112,780 thousand)	\$ -
Suzhou Diva Lab. Inc.	Medical equipment wholesale, import and export business	52,643 (USD 1,725 thousand)	Diva Capital Inc., a 100% owned third region subsidiary, reinvested in a third region company Diva Holding Inc., and reinvested in a mainland China company	52,643 (USD 1,725 thousand)	-	-	52,643 (USD 1,725 thousand)	(861) (RMB 192 thousand)	100%	(861) (RMB 192 thousand)	9,081 (RMB 2,022 thousand)	-

Investor	Accumulated Outward Remittance for Investments in Mainland China at the end of the year	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Company	USD 15,654 thousand	USD 16,952 thousand	\$ 1,665,497 (Note 2)
DIVA Laboratories, Ltd.	USD 1,725 thousand	USD 2,000 thousand	\$ 633,301 (Note 3)

Note 1: It was recognized based on the financial statements reviewed by the parent company's CPAs in Taiwan for the same period.

Note 2: The calculation is based on the limit of 60% of the net worth, according to related regulations from the Investment Commission, MOEA.

Note 3: The calculation is based on a limit of 60% of the consolidated net value of DIVA Laboratories, Ltd., according to related regulations from the Investment Commission, MOEA.

Note 4: The investment gain or loss between investees, the long-term equity investment of the investees, and the net worth of the equity of the investees were fully written off when the consolidated financial statements were prepared.

Data Image Corporation and Its Subsidiaries

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

For the Year Ended December 31, 2024

(In Thousands of New Taiwan Dollars,)

Table 8

Investee Company	Transaction type	Purchases/sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transaction	Ending Balance	%		
Data Image (Suzhou) Corporation	Sales	\$ 9,941	-	Proceed in accordance with the agreed-upon price	To be determined subject to the capital status	To be determined subject to the capital status	\$ -	-	\$ -	(Note 1)
Data Image (Suzhou) Corporation	Processing fee	974,711	96%	Made at the general purchase price	To be determined subject to the capital status	To be determined subject to the capital status	(307,842)	65%	-	(Note 1)

Note 1: The Company sells raw materials and semi-finished products to Data Image (Suzhou) Corporation, and then it purchases partial finished products and semi-finished products from the company to sell to customers. As the processing is without imported materials, the related sales income and cost are expressed at a net amount. In addition, after offsetting the relevant accounts receivable and payable, collection and payment will be made based on its capital status and the balance after offsetting accounts receivable and payable on December 31, 2024.

Note 2: Transactions between Group have been fully written off when preparing the consolidated financial statements.

Data Image Corporation and Its Subsidiaries
Information on Major Shareholders
December 31, 2024

Table 9

Name of major shareholders	Shares	
	Number of Shares	Percentage of Ownership(%)
Qisda Corporation	24,295,000	31.11%
Fu-Chi Teng	4,041,366	5.17%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current year. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.