

Data Image Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

Independent Auditors' Report

The Board of Directors and Shareholders
Data Image Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Data Image Corporation and its subsidiaries, as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the balances of investments accounted for using the equity method as of March 31, 2025 and 2024 were \$7,551 thousand (including an investment credit balance of \$694 thousand using the equity method) and \$9,387 thousand (including an investment credit balance of \$737 thousand using the equity method), respectively; the net comprehensive income (loss) recognized for the three months ended March 31, 2025 and 2024 were (\$1,215) thousand and \$1,813 thousand, respectively. Information related to the investees as described in Note 33 of the consolidated financial statements was recognized and disclosed based on the investee companies' financial statements for the same periods, which were not reviewed by auditors.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the consolidated financial statements do not give a true and fair view of the consolidated financial position of Data Image Corporation and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 5, 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
March 31, 2025, December 31 and March 31, 2024
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
Current assets						
Cash and cash equivalents (Note 6)	\$ 1,365,282	36	\$ 1,305,799	35	\$ 1,584,264	40
Accounts receivable (Notes 9 and 23)	661,947	17	683,893	18	627,593	16
Accounts receivable from related parties (Notes 23 and 30)	26,569	1	26,329	1	12,311	-
Other receivables (Note 9)	13,253	-	23,210	1	14,815	-
Other receivables from related parties (Note 30)	11,385	-	5,464	-	3,500	-
Current tax assets	1,013	-	1,000	-	1,236	-
Inventories (Note 10)	565,861	15	542,111	14	589,260	15
Other current assets (Notes 17 and 30)	31,491	1	21,043	-	16,178	-
Total current assets	<u>2,676,801</u>	<u>70</u>	<u>2,608,849</u>	<u>69</u>	<u>2,849,157</u>	<u>71</u>
Non-current assets						
Financial assets at fair value through other comprehensive income						
- Non-current (Note 8)	5,719	-	5,032	-	5,102	-
Investments accounted for using the equity method (Note 12)	8,245	-	9,343	-	10,124	-
Property, plant and equipment (Note 13)	775,402	20	776,169	21	790,280	20
Right-of-use assets (Note 14)	48,667	1	51,515	1	26,905	1
Goodwill (Note 15)	164,826	4	164,826	4	164,826	4
Intangible assets (Note 16)	51,053	2	56,070	2	67,827	2
Deferred tax assets	54,277	2	54,512	2	55,319	1
Net defined benefit assets - non-current (Note 21)	4,448	-	4,319	-	2,196	-
Other non-current assets (Notes 17 and 31)	23,883	1	23,450	1	19,738	1
Total current assets	<u>1,136,520</u>	<u>30</u>	<u>1,145,236</u>	<u>31</u>	<u>1,142,317</u>	<u>29</u>
Total assets	<u>\$ 3,813,321</u>	<u>100</u>	<u>\$ 3,754,085</u>	<u>100</u>	<u>\$ 3,991,474</u>	<u>100</u>
Liabilities and equity						
Current liabilities						
Short-term borrowings (Note 18)	\$ 45,787	1	\$ 44,915	1	\$ 88,592	2
Financial liabilities at fair value through profit or loss - Current						
(Note 7)	4,019	-	3,842	-	5,384	-
Contract liabilities - Current (Notes 23 and 30)	98,714	3	100,551	3	93,029	2
Notes payable (Note 19)	-	-	-	-	329	-
Accounts payable (Note 19)	399,568	11	404,802	11	455,799	12
Accounts payable from related parties (Note 30)	5,844	-	8,011	-	39,104	1
Other payables (Note 20)	409,280	11	208,391	6	424,949	11
Other payables from related parties (Note 30)	132,967	4	40,270	1	128,489	3
Current tax liabilities	69,384	2	52,813	2	97,316	3
Provisions - Current	16,206	-	15,269	-	11,669	-
Lease liabilities - Current (Notes 14 and 30)	10,812	-	11,469	-	10,912	-
Other current liabilities	14,428	-	13,856	-	12,192	-
Total current liabilities	<u>1,207,009</u>	<u>32</u>	<u>904,189</u>	<u>24</u>	<u>1,367,764</u>	<u>34</u>
Non-current liabilities						
Deferred tax liabilities	40,977	1	42,041	1	45,339	1
Lease liabilities - Non-current (Notes 14 and 30)	29,215	1	31,444	1	7,443	1
Net defined benefit liabilities - non-current	-	-	-	-	68	-
Guarantee deposits received	489	-	480	-	473	-
Other non-current liabilities (Note 12)	694	-	102	-	737	-
Total non-current liabilities	<u>71,375</u>	<u>2</u>	<u>74,067</u>	<u>2</u>	<u>54,060</u>	<u>2</u>
Total liabilities	<u>1,278,384</u>	<u>34</u>	<u>978,256</u>	<u>26</u>	<u>1,421,824</u>	<u>36</u>
Equity attributable to owners of the Company						
Share capital	780,996	20	780,996	21	780,996	19
Capital surplus	480,527	13	480,527	13	480,521	12
Retained earnings						
Legal reserve	164,945	4	164,945	4	137,054	3
Special reserves	26,854	1	26,854	1	20,397	1
Unappropriated earnings	316,431	8	506,707	13	369,545	9
Total retained earnings	<u>508,230</u>	<u>13</u>	<u>698,506</u>	<u>18</u>	<u>526,996</u>	<u>13</u>
Other equity	2,177	-	(8,278)	-	(15,667)	-
Total equity attributable to owners of the Company	<u>1,771,930</u>	<u>46</u>	<u>1,951,751</u>	<u>52</u>	<u>1,772,846</u>	<u>44</u>
Non-controlling interests	763,007	20	824,078	22	796,804	20
Total equity	<u>2,534,937</u>	<u>66</u>	<u>2,775,829</u>	<u>74</u>	<u>2,569,650</u>	<u>64</u>
Total liabilities and equity	<u>\$ 3,813,321</u>	<u>100</u>	<u>\$ 3,754,085</u>	<u>100</u>	<u>\$ 3,991,474</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 Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Operating revenue (Notes 23 and 30)	\$ 816,384	100	\$ 861,386	100
Operating costs (Notes 10, 16, 24, and 30)	<u>608,113</u>	<u>74</u>	<u>654,004</u>	<u>76</u>
Gross profit	208,271	26	207,382	24
Unrealized gain on transactions	(475)	-	-	-
Realized gain on transactions	<u>-</u>	<u>-</u>	<u>290</u>	<u>-</u>
Realized gross profit	<u>207,796</u>	<u>26</u>	207,672	<u>24</u>
Operating expenses (Notes 16, 24, and 30)				
Selling expenses	28,079	4	31,455	4
General and administrative expenses	56,579	7	54,998	6
Research and development expenses	51,637	6	49,241	6
Expected credit gain	<u>(124)</u>	<u>-</u>	<u>(8,553)</u>	<u>(1)</u>
Total operating expenses	<u>136,171</u>	<u>17</u>	<u>127,141</u>	<u>15</u>
Operating income	<u>71,625</u>	<u>9</u>	<u>80,531</u>	<u>9</u>
Non-operating income and expenses (Notes 24 and 30)				
Interest income	2,067	-	1,819	-
Other income	2,944	-	2,650	-
Other gains and losses	(1,567)	-	(4,681)	-
Finance cost	(616)	-	(857)	-
Share of profit or loss of associates	<u>(1,351)</u>	<u>-</u>	<u>1,355</u>	<u>-</u>
Total non-operating income and expenses	<u>1,477</u>	<u>-</u>	<u>286</u>	<u>-</u>
Income before income tax	73,102	9	80,817	9
Income tax expenses (Note 25)	<u>16,135</u>	<u>2</u>	<u>19,838</u>	<u>2</u>
Net income	<u>56,967</u>	<u>7</u>	<u>60,979</u>	<u>7</u>

(Continued)

Data Image Corporation and Its Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Other comprehensive income (Note 22)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	\$ 687	-	\$ 491	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign operations	10,407	1	11,105	1
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>136</u>	<u>-</u>	<u>458</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>11,230</u>	<u>1</u>	<u>12,054</u>	<u>1</u>
Total comprehensive income	<u>\$ 68,197</u>	<u>8</u>	<u>\$ 73,033</u>	<u>8</u>
Net income attributable to:				
Owners of the Company	\$ 44,023	5	\$ 48,224	6
Non-controlling interests	<u>12,944</u>	<u>2</u>	<u>12,755</u>	<u>1</u>
	<u>\$ 56,967</u>	<u>7</u>	<u>\$ 60,979</u>	<u>7</u>
Total comprehensive income attributable to:				
Owners of the Company	\$ 54,478	6	\$ 59,411	7
Non-controlling interests	<u>13,719</u>	<u>2</u>	<u>13,622</u>	<u>1</u>
	<u>\$ 68,197</u>	<u>8</u>	<u>\$ 73,033</u>	<u>8</u>
Earnings per share (Note 26)				
Basic earnings per share	<u>\$ 0.56</u>		<u>\$ 0.69</u>	
Diluted earnings per share	<u>\$ 0.56</u>		<u>\$ 0.68</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 Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other equity (Note 22)		Total	Non-Controlling Interests (Note 22)	Total Equity
	Share Capital (Note 22)	Capital Surplus (Notes 22 and 27)	Retained Earnings (Note 22)			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 on January 1, 2024	\$ 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:										
Cash dividends distributed by the Company	-	-	-	-	(277,598)	-	-	(277,598)	-	(277,598)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(47,265)	(47,265)
Net income for the three months ended March 31, 2024	-	-	-	-	48,224	-	-	48,224	12,755	60,979
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	11,013	174	11,187	867	12,054
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	48,224	11,013	174	59,411	13,622	73,033
Issuance of ordinary shares for cash	87,000	419,160	-	-	-	-	-	506,160	-	506,160
Share-based payments	-	1,361	-	-	-	-	-	1,361	-	1,361
Balance on March 31, 2024	<u>\$ 780,996</u>	<u>\$ 480,521</u>	<u>\$ 137,054</u>	<u>\$ 20,397</u>	<u>\$ 369,545</u>	<u>\$ (15,985)</u>	<u>\$ 318</u>	<u>\$1,772,846</u>	<u>\$ 796,804</u>	<u>\$2,569,650</u>
Balance on January 1, 2025	\$ 780,996	\$ 480,527	\$ 164,945	\$ 26,854	\$ 506,707	\$ (8,551)	\$ 273	\$1,951,751	\$ 824,078	\$2,775,829
Appropriation of 2024 earnings:										
Cash dividends distributed by the Company	-	-	-	-	(234,299)	-	-	(234,299)	-	(234,299)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(74,790)	(74,790)
Net income for the three months ended March 31, 2025	-	-	-	-	44,023	-	-	44,023	12,944	56,967
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	10,206	249	10,455	775	11,230
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	44,023	10,206	249	54,478	13,719	68,197
Balance on March 31, 2025	<u>\$ 780,996</u>	<u>\$ 480,527</u>	<u>\$ 164,945</u>	<u>\$ 26,854</u>	<u>\$ 316,431</u>	<u>\$ 1,655</u>	<u>\$ 522</u>	<u>\$1,771,930</u>	<u>\$ 763,007</u>	<u>\$2,534,937</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 Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
Cash flows from operating activities		
Income before income tax	\$ 73,102	\$ 80,817
Adjustments for:		
Depreciation expenses	16,523	16,434
Amortization expenses	5,066	5,241
Expected credit reversed recognized	(124)	(8,553)
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	8,988	21,823
Finance cost	616	857
Interest income	(2,067)	(1,819)
Share-based payments	-	1,361
Share of profit or loss of associates	1,351	(1,355)
Loss on disposal of property, plant and equipment	65	18
(Reversal of) write-down of inventories	(115)	3,624
Unrealized gain on transactions with associates	475	-
Realized gain on transactions with associates	-	(290)
Changes in operating assets and liabilities		
Financial assets mandatorily measured at fair value through profit or loss	374	437
Accounts receivable	22,053	(86,358)
Accounts receivable from related parties	(240)	2,445
Other receivables	10,032	(3,512)
Other receivables from related parties	(5,921)	(643)
Inventories	(23,635)	8,875
Other current assets	(10,448)	1,314
Net defined benefit asset	(129)	-
Financial liabilities held for trading	(9,185)	(8,262)
Contract liabilities - Current	(1,837)	2,763
Notes payable	-	22
Accounts payable	(5,234)	89,178
Accounts payable from related parties	(2,167)	17,313
Other payables	(16,090)	(869)
Other payables from related parties	(775)	2,608
Provisions	937	(1,017)
Other current liabilities	572	(957)
Net defined benefit liabilities	-	(117)
Cash generated from operations	62,187	141,378
Interest received	1,992	1,794

(Continued)

Data Image Corporation and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
Interest paid	\$ (616)	\$ (855)
Income tax paid	(406)	(4,319)
Net cash generated from operating activities	<u>63,157</u>	<u>137,998</u>
Cash flows from investing activities		
Payments for property, plant and equipment and prepayment for equipment	(3,786)	(9,926)
Increase in refundable deposits	(1,806)	-
Decrease in refundable deposits	<u>297</u>	<u>70</u>
Net cash used in investing activities	<u>(5,295)</u>	<u>(9,856)</u>
Cash flows from financing activities		
Repayment of the principal portion of lease liabilities	(3,363)	(3,432)
Proceeds from issuance of ordinary shares	<u>-</u>	<u>505,526</u>
Net cash (used in) generated from financing activities	<u>(3,363)</u>	<u>502,094</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>4,984</u>	<u>6,073</u>
Net increase in cash and cash equivalents	59,483	636,309
Cash and cash equivalents at the beginning of the period	<u>1,305,799</u>	<u>947,955</u>
Cash and cash equivalents at the end of the period	<u>\$1,365,282</u>	<u>\$1,584,264</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 Three Months Ended March 31, 2025 and 2024
(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 May 5, 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 2026

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

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance.

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

<u>New, Amended and 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” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

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. Basis of consolidation

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

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 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. Material accounting judgments and key sources of estimation uncertainty

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

The material accounting judgments and key sources of estimation uncertainty applied to these consolidated financial statements are consistent with those applied to the consolidated financial statements for the year ended December 31, 2024.

6. Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$ 156	\$ 110	\$ 153
Checking accounts and demand deposits	731,526	714,179	735,711
Cash equivalents			
Time deposits	633,600	591,510	848,400
	<u>\$ 1,365,282</u>	<u>\$ 1,305,799</u>	<u>\$ 1,584,264</u>

7. Financial instruments at fair value through profit or loss

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial liabilities - Current</u>			
Held for trading			
Derivatives instruments (not under hedge accounting)			
Foreign exchange swap contract (a)	\$ 4,015	\$ 3,842	\$ 5,335
Foreign exchange forward contracts (b)	<u>4</u>	<u>-</u>	<u>49</u>
	<u>\$ 4,019</u>	<u>\$ 3,842</u>	<u>\$ 5,384</u>

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

March 31, 2025

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
Sell	USD/NTD	2025.04.02~2025.04.25	USD13,600/NTD446,834

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

March 31, 2024

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
Sell	USD/NTD	2024.04.02~2024.04.25	USD12,000/NTD378,005

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

- b. At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

March 31, 2025

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
Sell	RMB/USD	2025.04.30	RMB2,898/USD400

March 31, 2024

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
Sell	RMB/USD	2024.04.15~2024.04.26	RMB13,049/USD1,800

The Group entered into foreign exchange forward 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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Non-current</u>			
Investments in equity instruments			
Domestic unlisted shares	\$ 5,719	\$ 5,032	\$ 5,102

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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 664,856	\$ 686,909	\$ 630,445
Less: Loss allowance	(2,909)	(3,016)	(2,852)
	<u>\$ 661,947</u>	<u>\$ 683,893</u>	<u>\$ 627,593</u>
<u>Other receivables</u>			
Business tax refunds receivable	\$ 11,018	\$ 8,752	\$ 10,663
Others	2,235	14,458	4,152
	<u>\$ 13,253</u>	<u>\$ 23,210</u>	<u>\$ 14,815</u>

a. Accounts receivable

The average credit period of sales of goods is 30 to 230 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 an 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.

March 31, 2025

	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	\$ 641,211	\$ 22,787	\$ 858	\$ 664,856
Loss allowance (Lifetime ECLs)	(1,938)	(113)	(858)	(2,909)
Amortized cost	<u>\$ 639,273</u>	<u>\$ 22,674</u>	<u>\$ -</u>	<u>\$ 661,947</u>

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)	(1,734)	(440)	(842)	(3,016)
Amortized cost	<u>\$ 579,752</u>	<u>\$ 104,141</u>	<u>\$ -</u>	<u>\$ 683,893</u>

March 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	\$ 584,809	\$ 44,788	\$ 848	\$ 630,445
Loss allowance (Lifetime ECLs)	(1,806)	(198)	(848)	(2,852)
Amortized cost	<u>\$ 583,003</u>	<u>\$ 44,590</u>	<u>\$ -</u>	<u>\$ 627,593</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 3,016	\$ 2,534
Add: Impairment loss recognized	40	300
Less: Impairment loss reversed	(164)	-
Foreign exchange gains and losses	17	18
Balance on March 31	<u>\$ 2,909</u>	<u>\$ 2,852</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.

10. Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 318,877	\$ 297,099	\$ 322,724
Work in process	137,025	140,273	129,024
Finished goods	86,062	83,773	84,499
Merchandise	<u>23,897</u>	<u>20,966</u>	<u>53,013</u>
	<u>\$ 565,861</u>	<u>\$ 542,111</u>	<u>\$ 589,260</u>

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

	For the Three Months Ended March 31	
	2024	2023
Cost of inventories sold	\$ 607,222	\$ 647,229
Inventory (reversal of) write-downs	(115)	3,624
Inventory scrapping losses	<u>1,006</u>	<u>3,151</u>
	<u>\$ 608,113</u>	<u>\$ 654,004</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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
The Company	Data Image (MAURITIUS) Corporation	Investment	100.00%	100.00%	100.00%	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2025	December 31, 2024	March 31, 2024	
	DIVA Laboratories, Ltd.	Medical equipment manufacturing and sales	36.26%	36.26%	35.55%	1 及 2
DIVA Laboratories, Ltd.	DIVA Laboratories U.S., LLC.	Sales of monitor	100.00%	100.00%	100.00%	
	DIVA Laboratories GmbH	Sales of monitor	100.00%	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%	100.00%	
Diva Holding Inc.	Diva Holding Inc.	Reinvestment	100.00%	100.00%	100.00%	
Diva Holding Inc.	Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	100.00%	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%	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%. As of March 31, 2025, December 31 and March 31, 2024, the equity interest held in DIVA Laboratories, Ltd. is 36.26%, 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

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		March 31, 2025	December 31, 2024	March 31, 2024
DIVA Laboratories, Ltd.	New Taipei City	63.74%	63.74%	64.45%
	Profit (Loss) Allocated to Non-controlling Interests			
	For the Three Months Ended March 31		Non-controlling Interests	
	2025	2024	March 31, 2025	December 31, 2024
DIVA Laboratories, Ltd.	<u>\$ 12,944</u>	<u>\$ 12,755</u>	<u>\$ 763,007</u>	<u>\$ 824,078</u>
			March 31, 2024	
				<u>\$ 796,804</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 1,061,989	\$ 1,031,050	\$ 1,012,465
Non-current assets	703,980	711,946	735,954
Current liabilities	(366,472)	(246,916)	(303,362)
Non-current liabilities	<u>(37,610)</u>	<u>(38,380)</u>	<u>(43,936)</u>
Equity	<u>\$ 1,361,887</u>	<u>\$ 1,457,700</u>	<u>\$ 1,401,121</u>
Equity attributable to:			
Owners of the Company	\$ 598,880	\$ 633,622	\$ 604,317
Non-controlling interests	<u>763,007</u>	<u>824,078</u>	<u>796,804</u>
	<u>\$ 1,361,887</u>	<u>\$ 1,457,700</u>	<u>\$ 1,401,121</u>
		For the Three Months Ended March 31	
		2025	2024
Revenue		<u>\$ 207,110</u>	<u>\$ 222,388</u>
Net income		\$ 20,307	\$ 19,791
Other comprehensive income		<u>1,217</u>	<u>1,344</u>
Total comprehensive income		<u>\$ 21,524</u>	<u>\$ 21,135</u>
Net income attributable to:			
Owners of the Company		\$ 7,363	\$ 7,036
Non-controlling interests		<u>12,944</u>	<u>12,755</u>
		<u>\$ 20,307</u>	<u>\$ 19,791</u>
Total comprehensive income attributable to:			
Owners of the Company		\$ 7,805	\$ 7,513
Non-controlling interests		<u>13,719</u>	<u>13,622</u>
		<u>\$ 21,524</u>	<u>\$ 21,135</u>
Cash flow			
Operating activities		\$ 2,567	\$ 47,226
Investing activities		1,128	1,156
Financing activities		(662)	(665)
Effect of exchange rate changes on cash and cash equivalents		<u>407</u>	<u>705</u>
Net cash inflow		<u>\$ 3,440</u>	<u>\$ 48,422</u>

12. Investment accounted for using the equity method

Investment in associates

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Associates that are not individually material			
DMC Components International, LLC	\$ 8,245	\$ 9,343	\$ 10,124
The Linden Group Corp.	(694)	(102)	(737)
Add: Credit balance of investment accounted for using the equity method transferred to other non-current liabilities	<u>694</u>	<u>102</u>	<u>737</u>
	<u>\$ 8,245</u>	<u>\$ 9,343</u>	<u>\$ 10,124</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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
DMC Components International, LLC	Sales agency	Orlando, USA	30%	30%	30%
The Linden Group Corp.	Sales of monitor	USA	19%	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 March 31, 2025, the cumulative impairment loss was \$25,787 thousand.

For the three months ended March 31, 2025 and 2024, investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have not been reviewed.

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 on January 1, 2025	\$ 280,641	\$ 654,880	\$ 375,661	\$ 121,030	\$ 1,432,212
Additions	-	-	3,718	2,571	6,289
Disposals/derecognitions	-	-	(38)	(17,403)	(17,441)
Effects of foreign currency exchange differences	-	8,758	5,982	1,094	15,834
Balance on March 31, 2025	<u>\$ 280,641</u>	<u>\$ 663,638</u>	<u>\$ 385,323</u>	<u>\$ 107,292</u>	<u>\$ 1,436,894</u>

(Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Other Equipment</u>	<u>Total</u>
<u>Accumulated depreciation</u>					
Balance on January 1, 2025	\$ -	\$ 272,473	\$ 298,731	\$ 84,839	\$ 656,043
Depreciation expenses	-	5,373	3,908	3,736	13,017
Disposals/derecognitions	-	-	(34)	(17,342)	(17,376)
Effects of foreign currency exchange differences	-	4,345	4,718	745	9,808
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 282,191</u>	<u>\$ 307,323</u>	<u>\$ 71,978</u>	<u>\$ 661,492</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 280,641</u>	<u>\$ 382,407</u>	<u>\$ 76,930</u>	<u>\$ 36,191</u>	<u>\$ 776,169</u>
Carrying amount on March 31, 2025	<u>\$ 280,641</u>	<u>\$ 381,447</u>	<u>\$ 78,000</u>	<u>\$ 35,314</u>	<u>\$ 775,402</u>
<u>Cost</u>					
Balance on January 1, 2024	\$ 280,641	\$ 639,303	\$ 350,075	\$ 121,212	\$ 1,391,231
Additions	-	-	5,533	4,046	9,579
Disposals/derecognitions	-	-	-	(4,184)	(4,184)
Effects of foreign currency exchange differences	-	9,360	6,098	1,072	16,530
Balance on March 31, 2024	<u>\$ 280,641</u>	<u>\$ 648,663</u>	<u>\$ 361,706</u>	<u>\$ 122,146</u>	<u>\$ 1,413,156</u>
<u>Accumulated depreciation</u>					
Balance on January 1, 2024	\$ -	\$ 243,846	\$ 276,241	\$ 84,093	\$ 604,180
Depreciation expenses	-	5,284	3,754	3,963	13,001
Disposals/derecognitions	-	-	-	(4,166)	(4,166)
Effects of foreign currency exchange differences	-	4,335	4,827	699	9,861
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 253,465</u>	<u>\$ 284,822</u>	<u>\$ 84,589</u>	<u>\$ 622,876</u>
Carrying amount on March 31, 2024	<u>\$ 280,641</u>	<u>\$ 395,198</u>	<u>\$ 76,884</u>	<u>\$ 37,557</u>	<u>\$ 790,280</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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Carrying amounts			
Land	\$ 9,504	\$ 9,406	\$ 9,524
Buildings	35,798	38,566	11,867
Transportation equipment	2,896	3,521	5,396
Office equipment	469	22	118
	<u>\$ 48,667</u>	<u>\$ 51,515</u>	<u>\$ 26,905</u>

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 477</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Land	\$ 84	\$ 81
Buildings	2,768	2,695
Transportation equipment	625	625
Office equipment	<u>29</u>	<u>32</u>
	<u>\$ 3,506</u>	<u>\$ 3,433</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 three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts			
Current	<u>\$ 10,812</u>	<u>\$ 11,469</u>	<u>\$ 10,912</u>
Non-current	<u>\$ 29,215</u>	<u>\$ 31,444</u>	<u>\$ 7,443</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	1.350%~2.500%	1.350%~2.500%	1.350%~2.023%
Transportation equipment	1.300%~2.150%	1.300%~2.150%	1.300%~2.150%
Office equipment	2.148%	1.090%	1.090%

c. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	<u>\$ 516</u>	<u>\$ 400</u>
Expenses relating to low-value asset leases	<u>\$ 304</u>	<u>\$ 272</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 45</u>	<u>\$ 15</u>
Total cash outflow for leases	<u>\$ (4,477)</u>	<u>\$ (4,230)</u>

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. Goodwill

For the Three Months Ended March 31

	<u>2025</u>	<u>2024</u>
Balance on January 1 and March 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.

16. Intangible assets

	<u>Patents</u>	<u>Computer Software</u>	<u>Total</u>
<u>Cost</u>			
Balance on January 1, 2025	\$ 104,636	\$ 44,804	\$ 149,440
Disposals/derecognitions	-	(627)	(627)
Effects of foreign currency exchange differences	-	138	138
Balance on March 31, 2025	<u>\$ 104,636</u>	<u>\$ 44,315</u>	<u>\$ 148,951</u>
<u>Accumulated amortization</u>			
Balance on January 1, 2025	\$ 55,224	\$ 38,146	\$ 93,370
Amortization expenses	4,360	706	5,066
Disposals/derecognitions	-	(627)	(627)
Effects of foreign currency exchange differences	-	89	89
Balance on March 31, 2025	<u>\$ 59,584</u>	<u>\$ 38,314</u>	<u>\$ 97,898</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 49,412</u>	<u>\$ 6,658</u>	<u>\$ 56,070</u>
Carrying amount on March 31, 2025	<u>\$ 45,052</u>	<u>\$ 6,001</u>	<u>\$ 51,053</u>
<u>Cost</u>			
Balance on January 1, 2024	\$ 114,508	\$ 44,084	\$ 158,592
Disposals/derecognitions	-	(343)	(343)
Effects of foreign currency exchange differences	-	116	116
Balance on March 31, 2024	<u>\$ 114,508</u>	<u>\$ 43,857</u>	<u>\$ 158,365</u>
<u>Accumulated amortization and impairment</u>			
Balance on January 1, 2024	\$ 47,657	\$ 37,914	\$ 85,571
Amortization expenses	4,360	881	5,241
Disposals/derecognitions	-	(343)	(343)
Effects of foreign currency exchange differences	-	69	69
Balance on March 31, 2024	<u>\$ 52,017</u>	<u>\$ 38,521</u>	<u>\$ 90,538</u>
Carrying amount on March 31, 2024	<u>\$ 62,491</u>	<u>\$ 5,336</u>	<u>\$ 67,827</u>

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

Patents	6-10 years
Computer software	3-5 years

An analysis of amortization expenses by functions:

	For the Three Months Ended March 31	
	2025	2024
Manufacturing expenses	\$ 3,483	\$ 3,409
Selling and marketing expenses	174	174
General and administrative expenses	587	810
Research and development expenses	822	848
	<u>\$ 5,066</u>	<u>\$ 5,241</u>

17. Other assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Prepayments	\$ 27,474	\$ 20,127	\$ 14,499
Others	4,017	916	1,679
	<u>\$ 31,491</u>	<u>\$ 21,043</u>	<u>\$ 16,178</u>
<u>Non-current</u>			
Refundable deposits	\$ 9,425	\$ 7,851	\$ 6,517
Prepayment for equipment	8,968	10,109	7,996
Others	5,490	5,490	5,225
	<u>\$ 23,883</u>	<u>\$ 23,450</u>	<u>\$ 19,738</u>

Other non-current assets pledged as collateral for bank borrowings are set out in Note 31.

18. Borrowings

Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Credit borrowings	<u>\$ 45,787</u>	<u>\$ 44,915</u>	<u>\$ 88,592</u>

The range of interest rate was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Credit borrowings	3.10%~3.20%	3.10%~3.20%	3.35%~3.60%

19. Notes payable and accounts payable

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
<u>Notes payable</u>			
Operating	\$ -	\$ -	\$ 329
<u>Accounts payable</u>			
Operating	\$ 399,568	\$ 404,802	\$ 455,799

20. Other payables

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Payables for dividends	\$ 215,617	\$ -	\$ 218,414
Payables for salaries or bonuses	58,845	87,514	60,047
Remunerations of employee	38,480	31,462	42,797
Payables for processing fees	15,526	16,368	15,810
Payables for annual leave	11,710	13,455	10,854
Payables for professional service fees	10,823	10,182	9,270
Remunerations of directors	2,473	3,065	2,414
Others	55,806	46,345	65,343
	<u>\$ 409,280</u>	<u>\$ 208,391</u>	<u>\$ 424,949</u>

21. Retirement benefit plans

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were \$(9) thousand and \$0 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

22. Equity

a. Share capital

Ordinary shares

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Authorized shares (in thousands)	200,000	200,000	200,000
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and paid shares (in thousands)	78,100	78,100	78,100
Issued capital	<u>\$ 780,996</u>	<u>\$ 780,996</u>	<u>\$ 780,996</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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<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>\$ 480,521</u>	<u>\$ 480,521</u>
<u>May only be used to offset a deficit</u>			
Exercise of disgorgement	<u>\$ 6</u>	<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 24(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 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Legal reserve	\$ 21,973	\$ 27,891
(Reversal of) special reserve	\$ (18,576)	\$ 6,457
Cash dividends	<u>\$ 234,299</u>	<u>\$ 277,598</u>
Cash dividends per share (NT\$)	\$ 3.00	\$ 3.55

The above 2024 and 2023 appropriations for cash dividends had been resolved by the Company's board of directors on March 4, 2025 and March 1, 2024, respectively; the other proposed appropriations for 2023 had been resolved by the shareholders in their meeting on May 28, 2024. The other proposed appropriations for 2024 will be resolved by the shareholders in their meeting to be held on May 23, 2025.

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.

d. Special reserve

	For the Three Months Ended	
	March 31	
	<u>2025</u>	<u>2024</u>
Balance on January 1 and March 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

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ (8,551)	\$ (26,998)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	10,085	10,567
Share from associates accounted for using the equity method	<u>121</u>	<u>446</u>
Other comprehensive income recognized for the period	<u>10,206</u>	<u>11,013</u>
Balance on March 31	<u>\$ 1,655</u>	<u>\$ (15,985)</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 273	\$ 144
Recognized for the period		
Unrealized gain (loss)		
Equity instruments	<u>249</u>	<u>174</u>
Other comprehensive income recognized for the period	<u>249</u>	<u>174</u>
Balance on March 31	<u>\$ 522</u>	<u>\$ 318</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2025	2024
Balance on January 1	\$ 824,078	\$ 830,447
Net income	12,944	12,755
Cash dividends distributed by subsidiaries	(74,790)	(47,265)
Other comprehensive income		
Exchange differences on translation of the financial statements of foreign operations	322	538
Unrealized gain (loss) on financial assets at FVTOCI	438	317
Share in other comprehensive income of associates accounted for using the equity method	<u>15</u>	<u>12</u>
Balance on March 31	<u>\$ 763,007</u>	<u>\$ 796,804</u>

23. Revenue

a. Breakdown of revenue from contracts with customers

	For the Three Months Ended March 31	
	2025	2024
LCD touch module	\$ 539,409	\$ 520,830
LCD module	62,993	116,682
Medical and industrial displays	139,155	157,466
Others	74,827	66,408
	<u>\$ 816,384</u>	<u>\$ 861,386</u>

b. Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Accounts receivable (Note 9)	<u>\$ 661,947</u>	<u>\$ 683,893</u>	<u>\$ 627,593</u>	<u>\$ 541,553</u>
Accounts receivable from related parties	<u>\$ 26,569</u>	<u>\$ 26,329</u>	<u>\$ 12,311</u>	<u>\$ 5,903</u>
Contract liabilities - Current	<u>\$ 98,714</u>	<u>\$ 100,551</u>	<u>\$ 93,029</u>	<u>\$ 90,266</u>

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 on the beginning of the year was summarized as follows:

	For the Three Months Ended March 31	
	2025	2024
From contract liabilities at the start of the year	<u>\$ 4,045</u>	<u>\$ 12,095</u>

24. Net income

a. Interest income

	For the Three Months Ended March 31	
	2025	2024
Bank deposits	<u>\$ 2,067</u>	<u>\$ 1,819</u>

b. Other income

	For the Three Months Ended March 31	
	2025	2024
Rental income	\$ 240	\$ 1,138
Others (Note 30)	2,704	1,512
	<u>\$ 2,944</u>	<u>\$ 2,650</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
Valuation gain (loss) on financial assets and liabilities		
Financial assets mandatorily measured at FVTPL	\$ 374	\$ (8,177)
Financial liabilities held for trading	(9,362)	(13,646)
Net foreign exchange gains	6,915	17,130
Loss on disposal of property, plant and equipment	(65)	(18)
Other gains	571	401
Other losses	-	(371)
	<u>\$ (1,567)</u>	<u>\$ (4,681)</u>

d. Finance cost

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	\$ 367	\$ 769
Interest on lease liabilities	249	88
	<u>\$ 616</u>	<u>\$ 857</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	\$ 13,017	\$ 13,001
Right-of-use assets	3,506	3,433
Intangible assets	5,066	5,241
	<u>\$ 21,589</u>	<u>\$ 21,675</u>
 An analysis of depreciation by function		
Operating costs	\$ 9,229	\$ 9,403
Operating expenses	7,294	7,031
	<u>\$ 16,523</u>	<u>\$ 16,434</u>
 An analysis of amortization by function		
Operating costs	\$ 3,483	\$ 3,409
Operating expenses	1,583	1,832
	<u>\$ 5,066</u>	<u>\$ 5,241</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Short-term benefits	\$ 143,713	\$ 148,643
Post-employment benefits		
Defined contribution plan	9,157	8,827
Defined benefit plan (Note 21)	(9)	-
	<u>9,148</u>	<u>8,827</u>
Share-based payment		
Equity-settled (Note 27)	-	1,361
Other employee benefits	<u>11,855</u>	<u>12,326</u>
	<u>\$ 164,716</u>	<u>\$ 171,157</u>
An analysis of employee benefits expense by function		
Operating cost	\$ 76,148	\$ 83,647
Operating expenses	<u>88,568</u>	<u>87,510</u>
	<u>\$ 164,716</u>	<u>\$ 171,157</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%. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company expect to resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of non-executive employees at rates of no less than 10% of the total compensation of employees mentioned above. The compensation of employees (including non-executive employees) and the remuneration of directors for the three months ended March 31, 2025 and 2024 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	8.00%	8.00%
Remuneration of directors	0.75%	0.75%

Amount

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	\$ 4,580	\$ 4,996
Remuneration of directors	429	468

The appropriations of employees' compensation and remuneration of directors for 2024 and 2023 that were resolved by the board of directors on March 4, 2025 and March 1, 2024, respectively, are as shown below:

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, 2024 and 2023.

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

25. Income tax

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

	For the Three Months Ended March 31	
	<u>2025</u>	<u>2024</u>
Current tax		
In respect of the current period	\$ 16,110	\$ 15,420
Adjustments for prior year	-	(207)
Other	<u>822</u>	<u>817</u>
	16,932	16,030
Deferred tax		
In respect of the current period	<u>(797)</u>	<u>3,808</u>
Income tax expenses recognized in profit or loss	<u>\$ 16,135</u>	<u>\$ 19,838</u>

- b. Income tax recognized directly in equity

	For the Three Months Ended March 31	
	<u>2025</u>	<u>2024</u>
<u>Current tax</u>		
Transaction costs attributed to the issuance of shares	<u>\$ -</u>	<u>\$ 634</u>

- c. Income tax assessments

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

26. Earnings per share

Unit: NT\$ per share

	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share	\$ 0.56	\$ 0.69
Diluted earnings per share	\$ 0.56	\$ 0.68

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

Net Income

	For the Three Months Ended March 31	
	2025	2024
Earnings used in the computation of basic and diluted earnings per share	\$ 44,023	\$ 48,224

Weighted average number of ordinary shares outstanding (in thousands of shares)

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	78,100	70,356
Effect of potentially dilutive ordinary shares:		
Compensation of employees	427	346
Weighted average number of ordinary shares used in the computation of diluted earnings per share	78,527	70,702

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.

27. 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 three months ended March 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%

28. 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.

29. 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

March 31, 2025

	<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	\$ -	\$ -	\$ 5,719	\$ 5,719
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 4,019	\$ -	\$ 4,019

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

March 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	\$ -	\$ -	\$ 5,102	\$ 5,102
<u>Financial liabilities at FVTPL</u>				
Derivatives	\$ -	\$ 5,384	\$ -	\$ 5,384

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

For the Three Months Ended March 31, 2025

<u>Financial assets</u>	<u>Financial Assets at FVTPL</u>	<u>Financial Assets at FVTOCI</u>	<u>Total</u>
	<u>Equity instruments</u>	<u>Equity instruments</u>	
Balance on January 1	\$ -	\$ 5,032	\$ 5,032
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	687	687
Balance on March 31	<u>\$ -</u>	<u>\$ 5,719</u>	<u>\$ 5,719</u>

For the Three Months Ended March 31, 2024

Financial assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Equity instruments	Equity instruments	
Balance on January 1	\$ -	\$ 4,611	\$ 4,611
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	491	491
Balance on March 31	<u>\$ -</u>	<u>\$ 5,102</u>	<u>\$ 5,102</u>

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

Financial Instrument	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts and foreign exchange swap contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the period 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 held by the Group and there was no market value for reference; therefore, the valuation method was adopted.

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 1,365,282	\$ 1,305,799	\$ 1,584,264
Accounts receivable	661,947	683,893	627,593
Accounts receivable from related parties	26,569	26,329	12,311
Other receivables	2,235	14,458	4,152
Other receivables from related parties	11,385	5,464	3,500
Refundable deposits	9,425	7,851	6,517
Financial assets FVTOCI			
Equity instruments	5,719	5,032	5,102
<u>Financial liabilities</u>			
FVTPL			
Held for trading	4,019	3,842	5,384

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Amortized cost			
Short-term borrowings	45,787	44,915	88,592
Notes payable	-	-	329
Accounts payable	399,568	404,802	455,799
Accounts payable from related parties	5,844	8,011	39,104
Other payables	82,155	72,895	90,423
Other payables from related parties	39,495	40,270	22,040
Guarantee deposits received	489	480	473

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 period are set out in Note 32.

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 period 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	
For the Three Months Ended	
March 31	
2025	2024
Profit and loss	\$ (4,546) \$ (4,242)

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 period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	\$ 634,636	\$ 592,546	\$ 849,420
Financial liabilities	62,921	65,371	106,947
Cash flow interest rate risk			
Financial assets	730,654	713,244	733,302
Financial liabilities	22,893	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 reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period 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 three months ended March 31, 2025 and 2024 would have decreased/increased by \$1,769 thousand and \$1,833 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 period, 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 period.

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.

March 31, 2025

	<u>Within 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 11,656	\$ 30,468
Variable interest rate instruments	23,048	-
Fixed interest rate instruments	<u>23,047</u>	<u>-</u>
	<u>\$ 57,751</u>	<u>\$ 30,468</u>

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>

March 31, 2024

	<u>Within 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
Lease liabilities	\$ 11,138	\$ 7,606
Fixed interest rate instruments	<u>89,211</u>	<u>-</u>
	<u>\$ 100,349</u>	<u>\$ 7,606</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 period.

30. Related party transactions

The Company's parent is Qisda Corporation, which held 31.11%, 31.11% and 25.61% of the ordinary shares of the Company at March 31, 2025, December 31 and March 31, 2024, 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
Darwin Precisions Corporation	A subsidiary of AUO Corporation
AUO Display Plus Corporation	A subsidiary of AUO Corporation
DFI Inc.	Sister company
BenQ Asia Pacific Corp.	Sister company
BenQ Healthcare Corporation	Sister company
BenQ Materials Corp.	Sister company
Qisda (Suzhou) Co., Ltd.	Sister company
Qisda Optronics (Suzhou) Co., Ltd.	Sister company
Qisda Electronics(Suzhou) Co. Ltd.	Sister company
Qisda Precision Industry (SuZhou) Co., Ltd	Sister company
Global Intelligence Network Co., Ltd.	Sister company
Metaage Corporation	Sister company
Concord Medical Co., Ltd	Sister company
Metaguru Corporation	Sister company
Simula Technology Inc.	Sister company
Golden Spirit Co., Ltd.	Sister company
Action Star Technology Co., Ltd.	Sister company
Darly Venture Inc.	Sister company
Darly2 Venture, Inc.	Sister company
BenQ Foundation	Substantial related party
Aplex Technology Inc.	Substantial related party
Gene Chen	Substantial related party
DMC Components International, LLC	Associate
The Linden Group Corp.	Associate

b. Operating revenue

Item	Related Party Category	For the Three Months Ended March 31	
		2025	2024
Sales	Parent company	\$ 451	\$ -
	Sister company	3,188	2,683
	Substantial related party	496	-
	Associate	22,726	8,717
		<u>\$ 26,861</u>	<u>\$ 11,400</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 230 days from upon shipment or end of the month., respectively.

c. Purchases

Related Party Category	For the Three Months Ended March 31	
	2025	2024
A subsidiary of AUO Corporation	\$ 6,924	\$ 45,824
Sister company	1,249	1,406
	<u>\$ 8,173</u>	<u>\$ 47,230</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	March 31, 2025	December 31, 2024	March 31, 2024
Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,914</u>

e. Receivables from related parties

Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivables	Parent company	\$ 464	\$ 43	\$ -
	Sister company	2,879	2,250	4,354
	Substantial related party	235	6	-
	Associate	22,991	24,030	7,957
		<u>\$ 26,569</u>	<u>\$ 26,329</u>	<u>\$ 12,311</u>
Other receivables	Sister company	\$ 11,254	\$ 5,350	\$ 3,500
	Qisda Optronics (Suzhou) Co., Ltd..	27	-	-
	Associate	104	114	-
		<u>\$ 11,385</u>	<u>\$ 5,464</u>	<u>\$ 3,500</u>

The outstanding accounts receivable from related parties are unsecured. For the three months ended March 31, 2025 and 2024, no impairment losses were recognized for trade receivables from related parties.

f. Payables to related parties

<u>Item</u>	<u>Related Party Category</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable	A subsidiary of AUO Corporation	\$ 4,557	\$ 7,499	\$ 38,936
	Sister company	1,287	512	168
		<u>\$ 5,844</u>	<u>\$ 8,011</u>	<u>\$ 39,104</u>
Other payables	Parent company (Note 1)	\$ 103,711	\$ 28,693	\$ 86,060
	Sister company (Note 1)	24,358	6,066	31,659
	Associate	4,898	5,511	10,770
		<u>\$ 132,967</u>	<u>\$ 40,270</u>	<u>\$ 128,489</u>

The outstanding accounts payable to related parties are unsecured.

Note 1: As of March 31, 2025 and 2024, other payables included dividend payable amounting to \$93,472 thousand and \$106,449 thousand, respectively.

g. Lease agreement

<u>Item</u>	<u>Related Party Category</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Lease liabilities	Parent company	<u>\$ 150</u>	<u>\$ 597</u>	<u>\$ 1,931</u>
			For the Three Months Ended March 31	
<u>Item</u>	<u>Related Party Category</u>	<u>2025</u>	<u>2024</u>	
Interest expenses (accounted for as finance cost)	Parent company		<u>\$ 2</u>	<u>\$ 8</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.

h. Prepayments (accounted for as other current assets)

<u>Related Party Category</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Sister company	\$ 178	\$ 281	\$ 101
Associate	-	-	181
	<u>\$ 178</u>	<u>\$ 281</u>	<u>\$ 282</u>

i. Other related party transactions

<u>Related Party Category/Name</u>	For the Three Months Ended March 31	
	2025	2024
<u>Operating cost</u>		
Parent company (Note 2)	\$ 1,859	\$ 2,945
A subsidiary of AUO Corporation	47	-
Sister company	323	97
Associate	3	1,837
	<u>\$ 2,232</u>	<u>\$ 4,879</u>
 <u>Operating cost - Processing fee</u>		
Parent company	\$ 8,221	\$ 817
Sister company	336	-
	<u>\$ 8,557</u>	<u>\$ 817</u>
 <u>Operating expenses</u>		
Parent company (Note 2)	\$ 669	\$ 812
A subsidiary of AUO Corporation	14	166
Sister company	289	694
Substantial related party	22	-
Associate	1,329	570
	<u>\$ 2,323</u>	<u>\$ 2,242</u>
 <u>Operating expenses - Commission expense</u>		
Associate	<u>\$ 3,569</u>	<u>\$ 7,187</u>
 <u>Other income</u>		
Substantial related party		
Gene Chen	\$ 2,120	\$ -
Associate	-	6
	<u>\$ 2,120</u>	<u>\$ 6</u>

Note 2: As the parent company provided partial management services to the Group, the management expenses recognized for the three months ended March 31, 2025 and 2024 were \$2,528 thousand and \$3,757 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.

j. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employee benefits	\$ 10,454	\$ 9,739
Share-based payments	-	151
Post-employment benefits	54	81
	<u>\$ 10,508</u>	<u>\$ 9,971</u>

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

31. 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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Refundable deposits (accounted for as other non-current assets)	<u>\$ 1,536</u>	<u>\$ 1,536</u>	<u>\$ 1,635</u>

32. 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:

March 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>		<u>Carrying Amount</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 25,273	33.205	(USD: NTD)	\$ 839,173
USD	9,720	7.2521	(USD: CNY)	322,771
<u>Non-monetary items</u>				
Investment accounted for using the equity method				
USD	227	33.205	(USD: NTD)	7,551
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	19,242	33.205	(USD: NTD)	639,094
USD	2,055	7.2521	(USD: CNY)	68,234

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

March 31, 2024

	Foreign Currency	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 26,821	32.000	(USD: NTD)	\$ 858,267
USD	11,011	7.2241	(USD: CNY)	352,362
<u>Non-monetary items</u>				
Investment accounted for using the equity method				
USD	293	32.000	(USD: NTD)	9,387
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	22,524	32.000	(USD: NTD)	\$ 720,775
USD	2,051	7.2241	(USD: CNY)	65,629

For the three months ended March 31, 2025 and 2024, realized and unrealized net foreign exchange gains were \$6,915 thousand and \$17,130 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.

33. Separately disclosed items

a. Information on significant transactions:

- 1) Financing provided to others: None.
- 2) Endorsements/guarantees provided: Table 1.

- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures): None.
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2.
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
 - 6) Others: Intercompany relationships and significant intercompany transactions: Table 4.
- b. Information on investees: Table 5.
- c. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.
 - 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 7.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - 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 period 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

34. **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:

For the Three Months Ended March 31, 2025

	LCD Module Segment	Display Module Segment	Total
Revenue from external customers	\$ 609,277	\$ 207,107	\$ 816,384
Inter-segment income	<u>1,876</u>	<u>3</u>	<u>1,879</u>
Segment revenue	611,153	207,110	818,263
Eliminations	<u>(1,876)</u>	<u>(3)</u>	<u>(1,879)</u>
Consolidated revenue	<u>\$ 609,277</u>	<u>\$ 207,107</u>	<u>\$ 816,384</u>
Segment income	<u>\$ 45,607</u>	<u>\$ 26,018</u>	\$ 71,625
Interest income			2,067
Other income			240
Other gains and losses			1,137
Finance cost			(616)
Share of profit or loss of associates			<u>(1,351)</u>
Profit before tax			<u>\$ 73,102</u>

For the Three Months Ended March 31, 2024

	LCD Module Segment	Display Module Segment	Total
Revenue from external customers	\$ 640,159	\$ 221,227	\$ 861,386
Inter-segment revenue	<u>2,009</u>	<u>1,111</u>	<u>3,120</u>
Segment revenue	642,168	222,338	864,506
Eliminations	<u>(2,009)</u>	<u>(1,111)</u>	<u>(3,120)</u>
Consolidated revenue	<u>\$ 640,159</u>	<u>\$ 221,227</u>	<u>\$ 861,386</u>
Segment income	<u>\$ 55,666</u>	<u>\$ 24,865</u>	\$ 80,531
Interest income			1,819
Other income			1,138
Other gains and losses			(3,169)
Finance cost			(857)
Share of profit or loss of associates			<u>1,355</u>
Profit before tax			<u>\$ 80,817</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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Segment assets</u>			
LCD Module Segment	\$ 2,024,727	\$ 1,988,165	\$ 2,223,537
Display Module Segment	1,725,059	1,701,065	1,701,258
Unallocated assets	<u>63,535</u>	<u>64,855</u>	<u>66,679</u>
Consolidated total assets	<u>\$ 3,813,321</u>	<u>\$ 3,754,085</u>	<u>\$ 3,991,474</u>
<u>Segment liabilities</u>			
LCD Module Segment	\$ 873,059	\$ 659,740	\$ 1,026,810
Display Module Segment	294,270	223,560	251,622
Unallocated liabilities	<u>111,055</u>	<u>94,956</u>	<u>143,392</u>
Consolidated total liabilities	<u>\$ 1,278,384</u>	<u>\$ 978,256</u>	<u>\$ 1,421,824</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.

Data Image Corporation and Its Subsidiaries
Endorsements/Guarantees Provided
For the Three Months Ended March 31, 2025
(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 Period	Outstanding Endorsement/ Guarantee at the End of the Period	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	\$ 354,386	\$ 33,205	\$ 33,205	\$ -	\$ -	1.87%	\$ 885,965	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
Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
For the Three Months Ended March 31, 2025
(In Thousands of New Taiwan Dollars)

Table 2

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	Data Image (Suzhou) Corporation	Subsidiary	Processing fees	\$ (229,175)	(95)	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	\$ (313,206)	(67)	
Data Image (Suzhou) Corporation	The Company	Parent company	Processing income	229,175	95	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	313,206	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
March 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 3

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Data Image (Suzhou) Corporation	The Company	Parent company	\$ 313,206	3.08	\$ -	—	\$ 84,341	\$ -

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 Three Months Ended March 31, 2025
(In Thousands of New Taiwan Dollars)

Table 4

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	\$ (313,206)	Notes 2 and 3	8%
1	Data Image (Suzhou) Corporation	The Company	2	Commissioned processing fees	229,175	Note 2	28%
				Processing income	(229,175)	Note 2	28%
				Accounts receivable from related parties	313,206	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 Three Months Ended March 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 5

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of shares	Ratio (%)	Carrying amount			
The Company	Data Image (MAURITIUS) Corporation	Mauritius	Investment	\$ 518,381	\$ 518,381	20,215,000	100.00	\$ 521,899	\$ 4,051	\$ 4,051	—
	DIVA Laboratories, Ltd.	Taiwan	Medical equipment manufacturing and sales	638,740	638,740	21,273,122	36.26	598,880	24,888	7,363	Note 1
	DMC Components International, LLC	Orlando, USA	Sales agency	24,304	24,304	300,000	30.00	8,245	(3,148)	(1,345)	Note 2
DIVA Laboratories, Ltd.	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00	960	(106)	(106)	-
	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00	22,144	703	703	-
	Diva Capital Inc.	Samoa	Reinvestment	52,908	52,908	-	100.00	9,442	223	223	Note 3
	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00	(694)	(32)	(6)	Notes 4 and 5
Diva Capital Inc.	Diva Holding Inc.	Samoa	Reinvestment	52,598	52,598	-	100.00	9,515	223	Note 6	-

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 \$486 thousand.

Note 3: The carrying amount deducted the unrealized gain on downstream transactions of \$76 thousand.

Note 4: The carrying amount deducted the unrealized gain on downstream transactions of \$2,618 thousand.

Note 5: 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 6: 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 7: 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 Three Months Ended March 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 6

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 Period	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount on the End of Period (Note 1)	Accumulated Repatriation of Investment Income at the End of Period
					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)	\$ 4,034 (RMB 896 thousand)	100%	\$ 4,034 (RMB 896 thousand)	\$ 520,487 (RMB 113,676 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)	223 (RMB 49 thousand)	100%	223 (RMB 49 thousand)	9,484 (RMB 2,071 thousand)	-

Investor	Accumulated Outward Remittance for Investments in Mainland China at the End of the Period	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	\$ 1,520,962 (Note 2)
DIVA Laboratories, Ltd.	USD 1,725 thousand	USD 2,000 thousand	\$ 578,562 (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 Three Months Ended March 31, 2025
(In Thousands of New Taiwan Dollars,)

Table 7

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	\$ 3,721	-	Proceed in accordance with the agreed-upon price	To be determined subject to the capital status	To be determined subject to the capital status	\$ -	-	\$ -	—
Data Image (Suzhou) Corporation	Processing fee	229,175	95%	Made at the general purchase price	To be determined subject to the capital status	To be determined subject to the capital status	(313,206)	67%	-	(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 March 31, 2025.

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