

**SHIAN YIH ELECTRONIC INDUSTRY CO., LTD  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2025 and 2024**

No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R. O. C.

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## **Independent Auditors’ Review Report**

To the Board of Directors of Shian Yih Electronic Industry Co., Ltd:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Shian Yih Electronic Industry Co., Ltd and its subsidiaries as of June 30, 2025 and adjusted June 30, 2024, and the related consolidated statements of comprehensive income and changes in equity for the three months and six months periods ended June 30, 2025 and 2023, and changes in cash flows for the six months ended June 30, 2025 and adjusted for the six months ended June 30, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. 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 conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Shian Yih Electronic Industry Co., Ltd and its subsidiaries as of June 30, 2025 and adjusted June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the three months and six months ended June 30, 2025 and adjusted June 30, 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 Chen, Yen-Hui and Wu, Chun-Yuan.

KPMG

Taipei, Taiwan (Republic of China)  
August 7, 2025

**Notes to Readers**

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, December 31, 2024 and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024				June 30, 2025		December 31, 2024		June 30, 2024			
Assets		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:																	
1100	Cash and cash equivalents (note 6(1))	\$	1,105,333	50	1,396,693	56	1,425,783	55	2100	Short-term borrowings (note 6(12), 7 and 8)	\$	-	-	6,000	-	6,000	-
1170	Accounts receivable, net								2130	Contract liabilities-current (note 6(22))		967	-	855	-	1,086	-
	(note 6(3))		352,121	16	422,586	17	428,253	17	2170	Accounts payable		197,542	9	271,575	11	245,702	10
1200	Other receivables (note 6(4))		7,361	-	6,174	-	6,374	-	2200	Other payables (note 7)		140,518	6	89,481	4	232,900	9
1220	Current Tax Assets		4,723	-	4,862	-	-	-	2230	Current tax liabilities		12,096	1	2,382	-	8,675	-
130X	Inventories (note 6(5))		164,233	7	246,763	10	360,669	14	2280	Lease liabilities-current(notes 6(15))		8,203	-	8,212	-	2,613	-
1410	Prepayments		30,655	2	36,197	2	35,792	1	2300	Other current liabilities (notes 6(13))		9,792	-	6,925	-	9,225	-
1470	Other current assets		3,638	-	2,502	-	1,799	-	2313	Deferred revenue (notes 6(16))		183	-	378	-	839	-
1476	Other financial assets-current								2320	Long-term borrowings, current portion (notes							
	(note 6(11) and 8)		245,531	11	36,064	2	36,215	2		6(14) and 8)		58,750	3	58,750	2	61,105	2
			1,913,595	86	2,151,841	87	2,294,885	89				428,051	19	444,558	17	568,145	21
Non-current assets:																	
1521	Non-current financial assets at fair								Non-Current liabilities:								
	value through other comprehensive								2540	Long-term borrowings (notes 6(14) and 8)		31,520	2	60,647	3	89,432	4
	income(note 6(2))		9,924	-	9,246	-	9,744	-	2570	Deferred tax liabilities		9,675	-	31,773	1	26,503	1
1600	Property, plant and equipment								2580	Lease liabilities — non-current (notes 6(15))		14,067	1	18,142	1	1,076	-
	(notes (6(7) and 8)		211,621	10	208,209	9	233,822	9	2630	Long-term deferred revenue (notes 6(16))		8	-	62	-	191	-
1755	Right-of-use assets(notes 6(8))		41,404	2	47,760	2	25,340	1	2670	Guarantee Deposit Received		1,217	-	1,316	-	1,203	-
1760	Investment property, net (note 6(9))		-	-	-	-	424	-				56,487	3	111,940	5	118,405	5
1822	Intangible assets (note 6(10))		3,391	-	5,193	-	4,423	-		Total liabilities		484,538	22	556,498	22	686,550	26
1840	Deferred tax assets		44,759	2	46,593	2	22,919	1	Equity attributable to owners of parent								
1900	Other non-current assets		-	-	1,834	-	443	-	(notes 6(20)):								
1980	Guarantee deposits paid		1,779	-	1,485	-	1,384	-	3100	Share capital		611,750	28	611,750	25	611,750	24
			312,878	14	320,320	13	298,499	11	3200	Capital surplus		669,790	30	669,678	27	669,678	26
									3300	Retained earnings		628,752	28	730,171	30	728,359	28
									3400	Other equity		(192,596)	(9)	(114,877)	(5)	(120,006)	(5)
										Total equity attributable to owners of parent:		1,717,696	77	1,896,722	77	1,889,781	73
									36XX	Non-controlling interests (notes 6(6))		24,239	1	18,941	1	17,053	1
Total assets		\$	2,226,473	100	2,472,161	100	2,593,384	100	Total equity			1,741,935	78	1,915,663	78	1,906,834	74
									Total liabilities and equity		\$	2,226,473	100	2,472,161	100	2,593,384	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the Three and Six months ended June 30, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		three months ended June 30				six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6(22))	\$366,632	100	376,310	100	731,981	100	794,135	100
5000	Operating costs (notes 6(5), (18) and (23))	285,104	78	314,352	84	585,492	80	655,229	83
5950	Gross profit from operations	81,528	22	61,958	16	146,489	20	138,906	17
	Operating expenses (notes 6(15), (18) and (23)) :								
6100	Selling expenses	14,612	4	15,747	4	29,459	4	32,566	3
6200	Administrative expenses	28,866	8	33,859	9	59,659	8	69,363	9
6300	Research and development expenses	12,654	3	14,695	4	27,144	4	28,793	4
		56,132	15	64,301	17	116,262	16	130,722	17
6900	Net operating income	25,396	7	(2,343)	(1)	30,227	4	8,184	-
7000	Non-operating income and expenses:								
7100	Interest income (note 6(24))	12,232	3	13,430	4	25,287	4	25,843	3
7010	Other income (note 6(16))	2,343	1	2,445	-	4,191	1	5,253	2
7190	Gain on disposal of property, plant and equipment	-	-	1	-	6	-	165	-
7630	Foreign exchange gain and losses, net	(128,395)	(35)	18,457	6	(114,276)	(16)	66,715	8
7050	Finance costs (notes 6(15) and 7)	(513)	-	(971)	-	(1,128)	-	(1,669)	-
		(114,333)	(31)	33,362	10	(85,920)	(11)	96,307	13
7900	Profit before income tax	(88,937)	(24)	31,019	9	(55,693)	(7)	104,491	13
7950	Less: Income tax expenses (note 6(19))	(13,683)	(3)	9,169	3	(3,124)	-	25,609	3
8200	Profit for the period	(75,254)	(21)	21,850	6	(52,569)	(7)	78,882	10
8300	Other comprehensive income:								
8310	Items that may not be reclassified subsequently to profit or loss:								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	605	-	1,006	-	678	-	410	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(notes 6(19))	-	-	-	-	-	-	-	-
		605	-	1,006	-	678	-	410	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign financial statements	(93,545)	(25)	7,369	2	(78,397)	(11)	28,038	4
8399	Income tax related to items that will be reclassified to profit or loss(notes 6(19))	-	-	-	-	-	-	-	-
		(93,545)	(25)	7,369	2	(78,397)	(11)	28,038	4
8300	Other comprehensive income (after tax)	(92,940)	(25)	8,375	2	(77,719)	(11)	28,448	4
8500	Total comprehensive income for the period	<u>\$9,168,194</u>	<u>(25)</u>	<u>30,225</u>	<u>8</u>	<u>(130,288)</u>	<u>(18)</u>	<u>107,330</u>	<u>14</u>
	Profit (loss), attributable to:								
8610	Owners of parent	\$ (76,298)	(21)	22,792	6	(52,479)	(7)	80,835	10
8620	Non-controlling interest(note 6(6))	1,044	-	(942)	-	(90)	-	(1,953)	-
		<u>\$ (75,254)</u>	<u>(21)</u>	<u>21,850</u>	<u>6</u>	<u>(52,569)</u>	<u>(7)</u>	<u>78,882</u>	<u>10</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ (169,238)	(46)	31,167	8	(130,198)	(18)	109,283	14
8720	Non-controlling interest	1,044	-	(942)	-	(90)	-	(1,953)	-
		<u>\$ (168,194)</u>	<u>(46)</u>	<u>30,225</u>	<u>8</u>	<u>(130,288)</u>	<u>(18)</u>	<u>107,330</u>	<u>14</u>
	Earnings per share (note 6(21))								
9750	Basic earnings per share (NT dollars)	<u>\$ (1.25)</u>		<u>0.37</u>		<u>(0.86)</u>		<u>1.32</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ (1.25)</u>		<u>0.37</u>		<u>(0.86)</u>		<u>1.31</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

**Consolidated Statements of Changes in Equity**

**For the six months ended June 30, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent											
	Retained earnings						Other equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2024</b>	\$ 611,750	669,678	248,469	130,082	372,971	751,522	(132,453)	(16,001)	(148,454)	1,884,496	19,006	1,903,502
Net income for the six months ended June 30, 2024	-	-	-	-	80,835	80,835	-	-	-	80,835	(1,953)	78,882
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	28,038	410	28,448	28,448	-	28,448
Comprehensive income for the six months ended June 30, 2024	-	-	-	-	80,835	80,835	28,038	410	28,448	109,283	(1,953)	107,330
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	14,883	-	(14,883)	-	-	-	-	-	-	-
special reserve	-	-	-	18,372	(18,372)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(103,998)	(103,998)	-	-	-	(103,998)	-	(103,998)
	-	-	14,883	18,372	(137,253)	(103,998)	-	-	-	(103,998)	-	(103,998)
<b>Balance at June 30, 2024</b>	<b>\$ 611,750</b>	<b>669,678</b>	<b>263,352</b>	<b>148,454</b>	<b>316,553</b>	<b>728,359</b>	<b>(104,415)</b>	<b>(15,591)</b>	<b>(120,006)</b>	<b>1,889,781</b>	<b>17,053</b>	<b>1,906,834</b>
<b>Balance at January 1, 2025</b>	\$ 611,750	669,678	263,352	148,454	318,365	730,171	(98,788)	(16,089)	(114,877)	1,896,722	18,941	1,915,663
Net income for the six months ended June 30, 2025	-	-	-	-	(52,479)	(52,479)	-	-	-	(52,479)	(90)	(52,569)
Other comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	-	(78,397)	678	(77,719)	(77,719)	-	(77,719)
Comprehensive income for the six months ended June 30, 2025	-	-	-	-	(52,479)	(52,479)	(78,397)	678	(77,719)	(130,198)	(90)	(130,288)
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	8,265	-	(8,265)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(48,940)	(48,940)	-	-	-	(48,940)	-	(48,940)
Reversal of Special Reserve	-	-	-	(33,577)	33,577	-	-	-	-	-	-	-
	-	-	8,265	(33,577)	(23,628)	(48,940)	-	-	-	(48,940)	-	(103,998)
Changes in Ownership Interests in Subsidiaries	-	112	-	-	-	-	-	-	-	112	(112)	-
Increase in Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	5,500	5,500
<b>Balance at June 30, 2025</b>	<b>\$ 611,750</b>	<b>669,790</b>	<b>271,617</b>	<b>114,877</b>	<b>242,258</b>	<b>628,752</b>	<b>(177,185)</b>	<b>(15,411)</b>	<b>(192,596)</b>	<b>1,717,696</b>	<b>24,239</b>	<b>1,741,935</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

**Consolidated Statements of Cash Flows**  
**For the six months ended June 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ (55,693)	104,491
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	36,577	46,486
Amortization expense	1,536	627
Interest expense	1,128	1,669
Interest income	(25,287)	(25,843)
Gain from disposal of property, plan and equipment	(6)	(165)
Total adjustments to reconcile profit (loss)	13,948	22,774
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease in accounts receivable	70,465	130,354
Decrease (increase) in other receivables	(263)	3,111
Decrease in inventories	82,530	32,669
Decrease in prepayments	5,542	11,220
Decrease (increase) in other current assets	(1,136)	1,212
Total changes in operating assets	157,138	178,566
Changes in operating liabilities:		
Decrease in accounts payable	(74,033)	(111,413)
Increase (decrease) in other payables include related parties	(73)	9,695
Increase (decrease) in other current liabilities	2,979	(255)
Total changes in operating liabilities	(71,091)	(101,973)
Total changes in operating assets and liabilities	86,047	76,593
Total adjustments	99,995	99,367
Cash inflow generated from operations	44,302	203,858
Interest received	24,363	26,007
Interest paid	(1,132)	(1,672)
Income taxes paid	(7,094)	(38,163)
<b>Net cash flows from operating activities</b>	60,439	190,030
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(46,976)	(8,647)
Proceeds from disposal of property, plant and equipment	6	165
Increase in refundable deposits	(294)	(2)
Acquisition of intangible assets	-	(2,569)
Decrease (Increase) in other financial assets	(209,467)	210,549
Increase in other non-current assets	-	(992)
<b>Net cash flows from investing activities</b>	(256,731)	198,504
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	(6,000)	-
Repayments of long-term borrowings	(29,376)	(32,907)
Decrease (increase) in guarantee deposits received	(99)	30
Payment of lease liabilities	(4,084)	(3,977)
Capital Increase in Cash by Subsidiary	5,500	-
<b>Net cash flows used in financing activities</b>	(34,059)	(36,854)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(61,009)	22,087
<b>Net (Decrease) increase in cash and cash equivalents</b>	(291,360)	373,767
<b>Cash and cash equivalents at beginning of period</b>	1,396,693	1,052,016
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,105,333</b>	<b>1,425,783</b>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**June 30, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**1 Company history**

Shian Yih Electronic Industry Co., Ltd (the “Company” ) was incorporated on October 11, 1979 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’ s registered office is at No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R.O.C. The Company and its subsidiaries (together referred to as the “Group” ) mainly engage in manufacture and sale of back light modules.

**2 Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements for the six Months ended June 30, 2025 and 2024 were authorized for issuance by the board of directors on August 7, 2025.

**3 New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) Approval date and procedures of the consolidated financial statements:

The newly amended International Financial Reporting Standards, which are scheduled to take effect on January 1, 2026, are not expected to have a material impact on the consolidated financial statements.

- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 — Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS Standards
- Amendments to IFRS 9 and IFRS 7 — Contracts Involving Renewable Electricity

(Continued)

## (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

(Continued)

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

#### 4 Summary of material accounting policies:

##### (1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

##### (2) Basis of consolidation

###### (i) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Principal activity	Shareholding		
			June 30, 2025	December 31, 2023	June 30, 2024
The Company	Shian Yih (Samoa) Electronic Industry Co., Ltd. (Shian Yih (Samoa))	Investee	100.00%	100.00%	100.00%
The Company	Chian Yih Optotech Co., Ltd. (Chian Yih Optotech)	Manufacture and sale of optical products	49.17%	50.00%	50.00%
Shian Yih (Samoa)	Fair Some (Samoa) Industrial Ltd. (Fair Some (Samoa))	Investee	100.00%	100.00%	100.00%
Shian Yih (Samoa)	Wise Development Group Ltd. (Wise)	Investee	100.00%	100.00%	100.00%
Wise	Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan Fair Lumi)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%	100.00%
Fair Some (Samoa)	Dongguan Shian Yih Electronic Co., Ltd. (Dongguan Shian Yih)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%	100.00%

**Note:** On February 9, 2025, Chian Yih Optotech conducted a cash capital increase by issuing 1,000,000 new shares. As the consolidated entity did not subscribe to the new shares in proportion to its original ownership, its equity interest was reduced from 50% to 49.17%.

###### (ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(Continued)

(3) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

**5 Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended March 31, 2025. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

**6 Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

(1) Cash and cash equivalents

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Cash on hand and petty cash	\$ 1,627	1,978	1,373
Demand deposits	224,861	321,883	313,278
Checking account deposits	94	196	265
Time deposits	878,751	1,072,636	1,110,867
Cash and cash equivalents in the consolidated statement of cash flows	<b>\$ 1,105,333</b>	<b>1,396,693</b>	<b>1,425,783</b>

(Continued)

## (2) Financial assets at fair value through other comprehensive income

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Equity investments at fair value through other comprehensive income: :			
Unlisted common shares			
Domestic Company–Ying Cheng Investment Corp.	<u><u>\$ 9,924</u></u>	<u><u>9,246</u></u>	<u><u>9,744</u></u>

The purpose that the Group invests in the above-mentioned equity securities is for long-term strategies rather than trading purpose. Therefore, those equity securities are designated as financial assets at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as for the six months ended June 30, 2025 and 2024.

For credit risk and market risk, please refer to note 6(25).

None of the financial assets mentioned above has been pledged as security.

## (3) Accounts receivable

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Accounts receivable — measured as amortized cost	\$ 352,121	423,261	428,253
Less: loss allowance	-	(675)	-
	<u><u>\$ 352,121</u></u>	<u><u>442,586</u></u>	<u><u>428,253</u></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

The expected credit losses (ECLs) on accounts receivable as of June 30, 2025, December 31, 2024 and June 30, 2024 were determined as follows:

	<b>June 30, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-avera ge loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 334,554	-	-
1 to 30 days past due	8,988	-	-
31 to 60 days past due	7,966	-	-
61 to 90 days past due	521	-	-
91 to 180 days past due	-	-	-
More than 181 days past due	92	-	-
Total	<u><u>\$ 352,121</u></u>		<u><u>-</u></u>

(Continued)

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 398,781	-	-
1 to 30 days past due	17,780	-	-
31 to 60 days past due	5,581	-	-
61 to 90 days past due	-	-	-
91 to 180 days past due	444	-	-
More than 181 days past due	675	100%	675
Total	<u>\$ 423,261</u>		<u>675</u>

	June 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 411,726	-	-
1 to 30 days past due	8,663	-	-
31 to 60 days past due	7,091	-	-
61 to 90 days past due	99	-	-
More than 91 days past due	674	-	-
Total	<u>\$ 428,253</u>		<u>-</u>

The movements in the allowance for accounts receivable were as follows:

	For the six months ended June	
	2025	2024
Balance at January 1	\$675	-
Amount written off during the year due to uncollectibility	(675)	-
Balance at March 30	<u>-</u>	<u>-</u>

(4) Other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Other receivables	<u>\$ 7,361</u>	<u>6,174</u>	<u>6,374</u>

For further credit risk information, please refers to note 6(25).

(Continued)

## (5) Inventories

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Merchandise	\$ 15,533	14,958	19,695
Finished goods	32,124	75,359	107,839
Work in progress	47,301	62,630	78,117
Raw materials	65,487	89,685	150,767
Supplies	3,788	4,131	4,251
	<b>\$ 164,233</b>	<b>246,763</b>	<b>360,669</b>

The costs of sales were as follows:

	<b>three months ended June 30</b>		<b>six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Inventory that has been sold	\$279,431	291,894	568,790	617,984
Write-down of inventories	(5,685)	9,727	(8,952)	12,130
Losses on inventory write-offs	406	1,332	2,949	2,778
Overage of inventories	(1)	(1)	(1)	(1)
Unallocated production overheads	10,953	11,400	22,706	22,338
Operating costs	<b>\$285,104</b>	<b>314,352</b>	<b>585,492</b>	<b>655,229</b>

For the six months ended June 30, 2025, as there was evidence indicating an improvement in economic conditions, the previously recognized inventory write-down was reversed.

The Group's did not provide any inventories as collateral for its loans.

## (6) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<b>Subsidiary</b>	<b>Major Operation place Registered country</b>	<b>Percentage of non-controlling interests</b>		
		<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
CHIAN YIH OPTOTECH CO., LTD.	Taiwan	50.83%	50%	50%

**Note:** On February 9, 2025, Chian Yih Optotech Co., Ltd. conducted a cash capital increase by issuing 1,000,000 shares. As the Group did not subscribe to the new shares in proportion to its existing shareholding, the non-controlling interest increased from 50% to 50.83%.

The following information of the material non-controlling interests of subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

(Continued)

## CHIAN YIH OPTOTECH CO., LTD's Collective financial information :

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current assets	\$ 21,394	18,854	12,806
Non-current assets	37,137	39,143	32,932
Current liabilities	(3,382)	(11,665)	(10,348)
Non-current liabilities	(7,462)	(8,449)	(1,282)
Net assets	<u><b>\$ 47,687</b></u>	<u><b>37,883</b></u>	<u><b>34,108</b></u>
Non-controlling interests	<u><b>\$ 24,239</b></u>	<u><b>18,941</b></u>	<u><b>17,053</b></u>

	<b>three months ended June 30</b>		<b>six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Sale revenue	<u>\$6,597</u>	<u>2,514</u>	<u>8,576</u>	<u>5,012</u>
Net loss	<u>\$2,052</u>	<u>(1,884)</u>	<u>(196)</u>	<u>(3,907)</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprehensive income	<u><b>\$2,052</b></u>	<u><b>(1,884)</b></u>	<u><b>(196)</b></u>	<u><b>(3,907)</b></u>
Loss, attributable to non-controlling interests	<u><b>\$1,044</b></u>	<u><b>(942)</b></u>	<u><b>(90)</b></u>	<u><b>(1,953)</b></u>
Comprehensive income, attributable to non-controlling interests	<u><b>\$1,044</b></u>	<u><b>(942)</b></u>	<u><b>(90)</b></u>	<u><b>(1,953)</b></u>
	<b>For the six months ended June 30</b>			
	<b>2025</b>	<b>2024</b>		
Net cash flows from operating activities	\$1,865	(1,298)		
Net cash flows from Investing activities	(50)	-		
Net cash flows from financing activities	2,934	(1,047)		
Net Increase(decrease) in cash and cash equivalents	<u><b>4,749</b></u>	<u><b>(2,345)</b></u>		

(Continued)



## (7) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings and Construction	Machinery and equipment	Office and miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
<b>Cost:</b>						
Balance on January 1, 2025	\$ 6,971	599,728	478,017	124,302	3,004	1,212,022
Additions	-	1,548	16,252	1,411	31,696	50,907
Disposal	-	-	(384)	(736)	-	(1,120)
Reclassification	-	667	1,985	-	(2,652)	-
Effect of movements in exchange rates	-	(45,350)	(34,131)	(5,776)	(2,251)	(87,508)
Balance on June 30, 2025	<b>\$ 6,971</b>	<b>556,593</b>	<b>461,739</b>	<b>119,201</b>	<b>29,797</b>	<b>1,174,301</b>
Balance on January 1, 2024	\$ 6,971	578,187	465,527	120,030	2,328	1,173,043
Additions	-	186	8,281	581	332	9,380
Disposal	-	-	(1,964)	(90)	-	(2,054)
Reclassification	-	-	2,032	125	(2,157)	-
Effect of movements in exchange rates	-	16,779	10,916	1,845	56	29,596
Balance on June 30, 2024	<b>\$ 6,971</b>	<b>595,152</b>	<b>484,792</b>	<b>122,491</b>	<b>559</b>	<b>1,209,965</b>
<b>Accumulated depreciation:</b>						
Balance on January 1, 2025	\$ -	476,122	416,662	111,029	-	1,003,813
Depreciation	-	11,489	17,136	3,511	-	32,136
Disposal	-	-	(384)	(736)	-	(1,120)
Effect of movements in exchange rates	-	(37,543)	(29,369)	(5,237)	-	(72,149)
Balance on June 30, 2025	<b>\$ -</b>	<b>450,068</b>	<b>404,045</b>	<b>108,567</b>	<b>-</b>	<b>962,680</b>
Balance on January 1, 2024	\$ -	429,727	381,974	100,420	-	912,121
Depreciation	-	16,978	19,604	5,087	-	41,669
Disposal	-	-	(1,944)	(90)	-	(2,054)
Effect of movements in exchange rates	-	13,515	9,268	1,624	-	24,407
Balance on June 30, 2024	<b>\$ -</b>	<b>460,220</b>	<b>408,882</b>	<b>107,041</b>	<b>-</b>	<b>976,143</b>
<b>Carrying amounts:</b>						
Balance on January 1, 2025	<b>\$ 6,971</b>	<b>123,606</b>	<b>61,355</b>	<b>13,273</b>	<b>3,004</b>	<b>208,209</b>
Balance on June 30, 2025	<b>\$ 6,971</b>	<b>106,525</b>	<b>57,694</b>	<b>10,634</b>	<b>29,797</b>	<b>211,621</b>
Balance on January 1, 2024	<b>\$ 6,971</b>	<b>148,460</b>	<b>83,553</b>	<b>19,610</b>	<b>2,328</b>	<b>260,922</b>
Balance on June 30, 2024	<b>\$ 6,971</b>	<b>134,932</b>	<b>75,910</b>	<b>15,450</b>	<b>559</b>	<b>233,822</b>

The property, plant and equipment had been pledged as collateral for long-term bank loans; please refer to note 8.

(Continued)

## (8) Right-of-use assets

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Total</u>
<b>Carrying amounts:</b>			
Balance on January 1, 2025	\$ 21,633	26,127	47,760
Balance on June 30, 2025	\$ 19,349	22,055	41,404
Balance on January 1, 2024	\$ 21,579	7,273	28,852
Balance on June 30, 2024	\$ 21,883	3,457	25,340

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2025 and 2024. Information on depreciation for the period is discussed in note 12(1). Please refer to note 6(8) to the 2024 annual consolidated financial statements for other related information.

## (9) Investment property

Investment property, which means assets owned by the Group, refers to plants leased to third parties under operating leases. The leases of investment properties contain an initial non-cancellable lease term of 10 years.

The rental income of all leased investment properties is in fixed amounts.

The movements in investment property of the Group were as follows:

	<u>Self-owned asset-buildings and structures</u>
<b>Carrying amounts:</b>	
Balance on January 1, 2025	\$ -
Balance on June 30, 2025	\$ -
Balance on January 1, 2024	\$ 1,002
Balance on June 30, 2024	\$ 424

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2025 and 2024. Information on depreciation for the period is discussed in note 12(1). Please refer to note 6(9) to the 2024 annual consolidated financial statements for other related information.

The fair value of investment property was not significantly different from those disclosed in note 6(9) to the annual consolidated financial statements for the year ended December 31, 2023.

The Group did not provide any investment property as collateral for its loans.

(Continued)

## (10) Intangible assets

The intangible assets of the Group were as follows:

	Software	Goodwill	Total
<b>Carrying value:</b>			
Balance on January 1, 2025	\$ 4,133	1,060	5,193
Balance on June 30, 2025	\$ 2,331	1,060	3,391
Balance on January 1, 2024	\$ 1,360	1,060	2,420
Balance on June 30, 2024	\$ 3,363	1,060	4,423

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2025 and 2024. Information on amortization for the period is discussed in note 12(1). Please refer to note 6(10) to the 2024 annual consolidated financial statements for other related information.

None of the Group's intangible assets was pledged as collateral.

## (11) Other financial assets -current

The other financial assets of the Group were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Restricted bank deposits	\$ 2,931	3,279	3,765
Time deposits—more than 3 months	242,600	32,785	32,450
	<u>\$ 242,600</u>	<u>36,064</u>	<u>36,215</u>

Restricted bank deposits are time deposits secured by bank loan pledged. Bank time deposits with an original maturity of more than three months are certificates of deposit that do not meet the definition of cash equivalent.

For the restricted bank deposits pledged as security, please refer to note 8.

For the six months ended June 30, 2025 and 2024, no impairment has been recognized for other financial assets.

Please refer to note 6(25) for credit risk and market risk associated with other financial assets.

## (12) Short-term borrowings

	June 30, 2025	December 31, 2023	June 30, 2024
Other short-term borrowings - related parties	\$ -	6,000	6,000
Unused short-term credit lines	\$ 443,050	484,098	479,575
Range of interest rates	-	2.425%	2.3%

## (i) Issuance short-term borrowings and repayments

There were no significant issues, repurchases and repayments of short-term borrowings for the six months ended June 30, 2025 and 2024. For the six months ended June 30, 2025 and 2024 the Group's repayments were \$6,000 and \$0 thousand respectively.

(Continued)

## (ii) The borrowings from related parties

The borrowings from related parties, please refers to note 7.

## (13) Other current liabilities

The Group's other current liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Advance molding payment	\$ 6,115	4,714	6,232
Temporary receipts	3,183	1,704	2,422
Receipts under custody	494	507	571
	<u>\$ 9,792</u>	<u>6,925</u>	<u>9,225</u>

## (14) Long-term borrowings

The details of long-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans	\$ 90,461	119,837	151,567
Less: current portion	(58,750)	(58,750)	(61,105)
Government grants	(191)	(440)	(1,030)
	<u>\$ 31,520</u>	<u>60,647</u>	<u>89,432</u>
Unused short-term credit lines	\$ -	-	-
Range of interest rates	<u>0.72%~1.875%</u>	<u>0.72%~1.875%</u>	<u>0.595%~0.72%</u>

## (i) Issuance short-term borrowings and repayments

There were no significant issues of long-term borrowings for the six months ended June 30, 2025 and 2024. For the six months ended June 30, 2025 and 2024 the Group's repayments were \$29,376 thousand and \$32,907 thousand respectively.

## (ii) Government low-interest loans

The differences between the amounts and fair values of the preferential low-interest loans granted by the government under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" were considered government grants; please refer to note 6(16) for details.

## (iii) Collateral for bank loans

For the collateral for long-term borrowings, please refer to note 8.

## (15) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 8,203	8,212	2,613
Non-current	14,067	18,142	1,076
	<u>\$ 22,270</u>	<u>26,354</u>	<u>3,689</u>

(Continued)

For the maturity analysis, please refer to note 6(25).

The amounts recognized in profit or loss were as follows:

	<b>three months ended</b>		<b>six months ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	<u>\$82</u>	<u>18</u>	<u>176</u>	<u>43</u>
Expenses relating to short-term leases	<u>\$1,168</u>	<u>1,229</u>	<u>2,408</u>	<u>2,299</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	<b>For the six months ended</b>	
	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	<u>\$ 6,668</u>	<u>6,319</u>

(i) Land and Building leases

The Group leases land, buildings and structures for office spaces and plants, with a lease term of 3 years, and some leases include an option to extend the lease for an additional period of the same duration at the end of the lease term.

(ii) Other leases

The Group also leases dormitory and other leases with contract terms of one to three years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(16) Deferred revenues

	<b>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2024</b>	<b>2024</b>
Government grants	<u>\$ 191</u>	<u>440</u>	<u>1,030</u>
Current	\$ 183	378	839
Non-current	8	62	191
	<u>\$ 191</u>	<u>440</u>	<u>1,030</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's government preferential low-interest loans under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" amounted to \$90,461 thousand, \$119,837 thousand and \$151,567 thousand and the fair values thereof amounted to \$90,270 thousand, \$119,397 thousand and \$150,537 thousand respectively. The differences between the amounts and fair values of the loans, amounting to \$191 thousand, \$440 thousand and \$1,030 thousand respectively, were considered to be government grants through low-interest loans and recognized as deferred revenues. For the three months and six months ended June 30, 2025 and 2024, the Group's revenues from government grants amounted to \$109thousand, \$365 thousand, \$249thousand and \$766 thousand, respectively, both of which were included in other revenues.

(Continued)

## (17) Operating leases

There were no significant changes in operating lease for the six months ended June 30, 2025 and 2024. Please refer to note 6(17) to the consolidated financial statements for the year ended December 31, 2024 for other related information.

## (18) Employee benefits

## Defined contribution plans

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three months and six months ended June 30, 2025 and 2024 were as follows:

	three months ended June 30		six months ended June 30	
	2025	2024	2025	2024
Operating costs	\$346	404	700	822
Selling expenses	192	194	384	401
Administration expenses	412	412	841	824
Research and development expenses	150	122	274	238
	<b><u>\$1,100</u></b>	<b><u>\$1,132</u></b>	<b><u>2,199</u></b>	<b><u>2,285</u></b>

Except for the Company, other subsidiaries adopted the defined contribution method under their local law, and accordingly, the pension costs were \$6,101 thousand, \$6,931 thousand, \$13,104 thousand and \$11,889 thousand for the three months and six months ended June 30, 2025 and 2024.

## (19) Income taxes

(i) The components of income tax for the three months and six months ended June 30, 2025 and 2024 were as follows:

	three months ended June 30		six months ended June 30	
	2025	2024	2025	2024
Income taxes	<b><u>\$(13,683)</u></b>	<b><u>9,169</u></b>	<b><u>(3,124)</u></b>	<b><u>25,609</u></b>

(ii) The Group's has no income tax expenses recognized under other comprehensive profits and losses.

(iii) Assessment of tax

The tax returns of the Company and its domestic subsidiaries have been examined and approved until 2022 by the R.O.C. tax authorities.

(Continued)

## (20) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to June 30, 2025 and 2024. For the related information, please refer to note 6(20) to the consolidated financial statements for the year ended December 31, 2024.

## (i) Capital surplus

The components of the Company's capital surplus balance are as follows:

	<b>114.6.30</b>	<b>113.12.31</b>	<b>113.6.30</b>
Premium on issuance of shares	\$ 668,486	668,486	668,486
Gains on disposal of assets	207	207	207
Recognized changes in ownership interests in subsidiaries	1,097	985	985
	<b>\$ 669,790</b>	<b>669,678</b>	<b>669,678</b>

## (ii) Retained earnings

The Company's Articles of Incorporation stipulates that Company's net earnings shall first be used to offset prior years' losses, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the Company's paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The amount of share dividends is determined based on the Company's earnings accumulated in the current and prior years, taking into account the Company's profitability, capital structure, and future operating requirements. The dividend distribution policy is to pay dividends by means of a combination of share dividend and cash dividend taking into consideration capital requirement and diluted earnings per share, and the cash dividend shall be no less than 20% of the amount of the dividend distribution.

The types and ratios of the above-mentioned earnings distribution are adjusted pursuant to resolution of a shareholders' meeting based on the actual profit and capital for the year.

## 1) Special reserve

In accordance with the regulation set by the Financial Supervisory Commission, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The special earnings reserve will be recognized from the profit after income tax of the current period plus other current earnings and the undistributed retained earnings of the previous period. The net reduction of other shareholders' equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The special reserve for the years ended June 30, 2025, December 31, 2024 and June 30, 2024 was \$114,877 thousand, \$148,454 thousand and \$148,454 thousand, respectively.

(Continued)

## 2) Earnings distribution

On February 25, 2025, the 2024 earnings appropriation was resolved in a board meeting. On March 12, 2024, the 2023 earnings appropriation was resolved in a board meeting. Dividends were distributed to owners as follows:

	2024		2023	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders				
Cash	\$ 0.80	<u>48,940</u>	1.7	<u>103,998</u>

## (21) Earnings per share

## (i) Basic earnings per share

For the three months and six months ended June 30, 2025 and 2024, the Company's earnings per share were calculated as follows:

## 1) Profit attributable to ordinary shareholders of the Company

	three months ended June 30		six months ended June 30	
	2025	2024	2025	2024
Net Profit attributable to ordinary shareholders of the Company	<u>\$ (76,298)</u>	<u>\$ 22,792</u>	<u>(52,479)</u>	<u>80,835</u>

## 2) Weighted average number of ordinary shares

	three months ended June 30		six months ended June 30	
	2025	2024	2024	2024
Weighted average number of ordinary shares(in thousands)	<u>61,175</u>	<u>61,175</u>	<u>61,175</u>	<u>61,175</u>
Basic earnings per share (NT dollars)	<u>(1.25)</u>	<u>0.37</u>	<u>(0.86)</u>	<u>1.32</u>

## (ii) Diluted earnings per share

## 1) Net profit attributable to ordinary shareholders of the Company (diluted)

	three months ended June 30		six months ended June 30	
	2025	2024	2025	2024
Net profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ (76,298)</u>	<u>\$ 22,792</u>	<u>(52,479)</u>	<u>80,835</u>

(Continued)



## 2) Weighted average number of ordinary shares (diluted)

	<b>three months ended June 30</b>		<b>six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Weighted average number of ordinary shares(basic) (in thousands)	\$61,175	\$61,175	61,175	61,175
Effect of dilutive potential ordinary shares				
Effect of employee share bonus	-	97	-	511
Weighted average number of ordinary shares(after adjustment of potential diluted ordinary shares)	<u><b>\$61,175</b></u>	<u><b>\$61,272</b></u>	<u><b>61,175</b></u>	<u><b>61,686</b></u>
Diluted earnings per share (NT dollars)	<u><b>(1.25)</b></u>	<u><b>0.37</b></u>	<u><b>(0.86)</b></u>	<u><b>1.31</b></u>

## (22) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<b>three months ended June 30</b>		<b>six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<u>Primary geographical markets</u>				
Taiwan	\$108,646	\$115,699	217,681	220,064
China	112,670	184,794	267,246	375,231
The United States	80,756	46,770	137,471	122,527
Thailand	24,303	2,270	40,804	9,393
Other countries	40,257	26,777	68,779	66,920
	<u><b>\$366,632</b></u>	<u><b>\$376,310</b></u>	<u><b>731,981</b></u>	<u><b>794,135</b></u>
<u>Major products/services lines</u>				
Backlight modules	\$321,567	332,137	639,194	701,554
Other	45,065	44,173	92,787	92,581
	<u><b>\$366,632</b></u>	<u><b>376,310</b></u>	<u><b>731,981</b></u>	<u><b>794,135</b></u>

## (ii) Contract balances

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Contract liabilities	<u><b>\$ 967</b></u>	<u><b>855</b></u>	<u><b>1,086</b></u>

The amount of revenue recognized for the three months and six months ended June 30, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were \$0 , \$0 , \$86 thousand and \$1,811 thousand, respectively.

(Continued)

## (23) Remunerations of employees, directors, and supervisors

On May 26, 2025, the Company's shareholders resolved to amend the Articles of Incorporation. Under the amended Articles, if the Company has earnings in any given year, no less than 2% and no more than 10% of the earnings shall be allocated as employee remuneration (including no less than 25% as the remuneration distributed to grass-root employees) and no more than 2% as directors' remuneration. However, if the Company has accumulated losses, the amount necessary to cover such losses shall be retained in advance. The recipients of the employee remuneration, whether in the form of shares or cash, include employees of controlled or subordinate companies that meet certain criteria.

Prior to the amendment, the Articles stipulated that if the Company had earnings in any given year, no less than 2% and no more than 10% of the earnings shall be allocated as employee remuneration, and no more than 2% as directors' remuneration. However, if the Company had accumulated losses, the amount necessary to cover such losses was to be retained in advance. The recipients of the employee remuneration, whether in the form of shares or cash, also included employees of controlled or subordinate companies that met certain criteria.

For the three months and six months ended June 30, 2025 and 2024, the Company's employee remunerations were estimated at \$(1,681) thousand, \$3,276 thousand, \$0 thousand and \$11,451 thousand, and director and supervisor remunerations were estimated at \$(672) thousand, \$655 thousand, \$0 thousand and \$2,290 thousand, respectively. The estimates mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

For the year ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to \$5,902 thousand and \$14,064 thousand, and directors' remuneration amounting to \$1,967 thousand and \$4,018 thousand. Related information would be available at the Market Observation Post System website.

## (24) Non-operating income and expenses

## (i) Interest income

The details of interest income were as follows:

	three months ended June 30		six months ended June 30	
	2025	2024	2025	2024
Interest income from bank deposits	<u>\$12,232</u>	<u>\$13,430</u>	<u>25,287</u>	<u>25,843</u>

(Continued)

## (ii) Other income

The details of other income were as follows:

	three months ended June 30		six months ended June 30	
	2025	2024	2024	2024
Rent income	\$1,338	\$1,318	2,694	2,622
Government grants income	109	365	249	766
Other income	896	762	1,248	1,865
	<b>\$2,343</b>	<b>\$2,445</b>	<b>4,191</b>	<b>5,253</b>

## (iii) Finance costs

The details of finance costs were as follows:

	three months ended June 30		six months ended June 30	
	2025	2024	2025	2024
Interest expense on bank deposits	\$431	\$953	952	1,626
Implicit interest on leases	82	18	176	43
	<b>\$513</b>	<b>\$971</b>	<b>1,128</b>	<b>1,669</b>

## (25) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(25) to the consolidated financial statements for the year ended December 31, 2024.

## (i) Credit risk

## 1) Concentration of credit risk

As of June 30, 2025, December 31, 2023 and June 30, 2024, the Group assessed the concentrations of credit risk arising from its major Customer, at percentages below 34%, 41% and 46%, respectively, of the total trade receivables.

## 2) Credit risk on receivables

For credit risk exposure of accounts receivable, please refer to note 6(3). Other financial assets at amortized cost includes other receivables and investments in time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7). For the six months ended June 30, 2025 and 2024, the Group's other receivables and CD (certificate of deposit) investments have no expected credit losses (ECLs).

## (ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

(Continued)

	Carrying amount	Contractual cash flows	Within a year	1~2years	2~5years	Over 5 years
<b>June 30, 2025</b>						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 90,270	91,879	59,688	22,893	9,298	-
Accounts payable (non-interest-bearing)	197,542	197,542	197,542	-	-	-
Other payables (non-interest-bearing)	140,518	140,518	140,518	-	-	-
Lease liabilities (fixed interest rate)	22,270	22,970	8,520	8,520	5,930	-
Guarantee deposits received	1,217	1,217	411	634	97	75
	<b>\$ 451,817</b>	<b>454,126</b>	<b>406,679</b>	<b>32,047</b>	<b>15,325</b>	<b>75</b>
<b>December 31, 2024</b>						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 119,397	121,917	59,968	50,585	11,364	-
Fixed-rate loan	6,000	6,120	6,126	-	-	-
Accounts payable (non-interest-bearing)	271,575	271,575	271,575	-	-	-
Other payables (non-interest-bearing)	89,481	89,481	89,481	-	-	-
Lease liabilities (fixed interest rate)	26,354	27,230	8,520	8,520	10,190	-
Guarantee deposits received	1,316	1,316	453	-	781	82
	<b>\$ 514,123</b>	<b>517,644</b>	<b>436,123</b>	<b>59,105</b>	<b>22,335</b>	<b>82</b>
<b>June 30, 2024</b>						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 150,537	154,149	62,270	59,688	30,973	1,218
Fixed-rate loan	6,000	6,051	6,051	-	-	-
Accounts payable (non-interest-bearing)	245,702	245,702	245,702	-	-	-
Other payables (non-interest-bearing)	232,900	232,900	232,900	-	-	-
Lease liabilities (fixed interest rate)	3,689	3,730	2,650	1,080	-	-
Guarantee deposits received	1,203	1,203	245	206	670	82
	<b>\$ 640,031</b>	<b>643,735</b>	<b>549,818</b>	<b>60,974</b>	<b>31,643</b>	<b>1,300</b>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

## (iii) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

		(In thousands of foreign currencies)								
		June 30, 2025			December 31, 2024			June 30, 2024		
		Foreign currency	Exchang rates	NTD	Foreign currency	Exchang rates	NTD	Foreign currency	Exchang rates	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	46,095	29.300	1,350,584	44,086	32.785	1,445,360	44,727	32.450	1,451,391
RMB		1,878	4.089	7,679	2,013	4.4918	9,042	2,428	4.4461	10,844
HKD		1,321	3.732	4,930	1,031	4.222	4,353	800	4.155	3,324
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	5,673	29.300	166,219	5,157	32,785	313,314	\$ 8,157	32.450	264,695
RMB		684	4.089	2,797	848	4.4918	2,810	1,282	4.4661	5,726
HKD		522	3.732	1,948	767	4.222	1,819	375	4.155	1,558

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, borrowings and accounts and other payables that are denominated in foreign currency. An appreciation (depreciation) of 1% of the NTD against USD, RMB and HKD as of June 30, 2025 and June 30, 2024, with all other variables remaining constant, would have increased or decreased profits after tax by \$9,538 thousand and \$9,549 thousand, respectively. The analysis is performed on the same basis for prior year.

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the six months ended June 30, 2025 and 2024, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$(114,276) thousand and \$66,715 thousand, respectively.

## (iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1%, the Group's net income would have decreased/increased by \$4,124 thousand and \$3,973 thousand for the six months ended June 30, 2025 and 2024 respectively, with all other variable factors remaining constant. This is mainly due to the Group's time deposit and borrowings at variable rates.

(Continued)

## (v) Fair value information

## 1) Categories and fair values of financial instruments

The fair value of financial assets at FVTPL is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		June 30, 2025			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through other comprehensive income</b>					
Unlisted common shares	<u>\$ 9,924</u>	-	-	9,924	9,924
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 1,105,333	-	-	-	-
Accounts receivable	352,121	-	-	-	-
Other receivables (excluding tax refunds receivable)	5,285	-	-	-	-
Other financial assets—current	245,531	-	-	-	-
Guarantee deposits paid	<u>1,779</u>	-	-	-	-
Subtotal	<u>\$ 1,710,049</u>	-	-	-	-
<b>Financial liabilities measured at amortized cost</b>					
Accounts payables	197,542	-	-	-	-
Other payables (to related parties)	140,518	-	-	-	-
Long-term borrowings (including current portion)	90,270	-	-	-	-
Lease liabilities (current and non-current)	22,270	-	-	-	-
Guarantee deposits received	<u>1,217</u>	-	-	-	-
Subtotal	<u>\$ 451,817</u>	-	-	-	-

(Continued)

December 31, 2024					
	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through other comprehensive income</b>					
Unlisted common shares	<u>\$ 9,246</u>	-	-	9,246	9,246
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 1,396,693	-	-	-	-
Accounts receivable	422,586	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,410	-	-	-	-
Other financial assets — current	36,064	-	-	-	-
Guarantee deposits paid	<u>1,485</u>	-	-	-	-
Subtotal	<u>\$ 1,861,238</u>	-	-	-	-
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payables	271,575	-	-	-	-
Other payables (to related parties)	89,481	-	-	-	-
Long-term borrowings (including current portion)	119,397	-	-	-	-
Lease liabilities (current and non-current)	26,354	-	-	-	-
Guarantee deposits received	<u>1,316</u>	-	-	-	-
Subtotal	<u>\$ 514,123</u>	-	-	-	-

June 30, 2024					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through other comprehensive income</b>					
Unlisted common shares	<u>\$ 9,744</u>	-	-	9,744	9,744
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 1,425,783	-	-	-	-
Accounts receivable	428,253	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,432	-	-	-	-
Other financial assets — current	36,215	-	-	-	-
Guarantee deposits paid	<u>1,384</u>	-	-	-	-
Subtotal	<u>\$ 1,896,067</u>	-	-	-	-
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payables	245,702	-	-	-	-
Other payables (to related parties)	232,900	-	-	-	-
Long-term borrowings (including current portion)	150,537	-	-	-	-
Lease liabilities (current and non-current)	3,689	-	-	-	-
Guarantee deposits received	<u>1,203</u>	-	-	-	-
Subtotal	<u>\$ 640,031</u>	-	-	-	-

(Continued)

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

2.1 Financial assets measured at amortized cost

If there is a public quotation in an active market, the market price will be used as the fair value; if there is no market price for reference, an evaluation method will be used to estimate or the counterparty's quotation will be used.

2.2 Financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level for the six months ended June 30, 2025 and 2024

4) Reconciliation of Level 3 fair values

	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
Opening balance, January 1, 2025	\$ 9,246
In other comprehensive income	678
Ending Balance, June 30, 2025	<b>\$ 9,924</b>
Opening balance, January 1, 2024	\$ 9,334
In other comprehensive income	410
Ending Balance, June 30, 2025	<b>\$ 9,744</b>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income-equity investments.

Most equity investments with a level 3 fair value but without an active market have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

For the Group's unquoted equity instruments that are not intended for short-term trading, management has obtained the latest financial statements of the investee, evaluated industry development, and reviewed accessible public information. Accordingly, the Group reviews and evaluate the investee's operational situation of the current and future years, so as to assess the fair value of the investee. In general, changes in industry and market prospects are highly correlated with changes in the operations and future business performance of the investee.

(Continued)



Quantified information on significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Financial assets at FVOCI–equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> <li>• Net Asset Value</li> <li>• Minority interest discounts (21.88% as of June 30, 2025, December 31, 2024 and June 30, 2024)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the net asset value, the higher the fair value.</li> <li>• The higher the equity discount, the lower the fair value.</li> </ul>

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The fair value measurements of the Group's financial instruments are considered reasonable; however, the use of different valuation models or inputs may result in different valuation outcomes. For financial instruments classified as Level 3, changes in valuation inputs would have the following effects:

<b>Input</b>	<b>Upward or downward movement</b>	<b>Changes in other comprehensive income arising from changes in fair value</b>	
<b>June 30, 2025</b>		<b>Favorable</b>	<b>Unfavorable</b>
Minority interest discount ratio of 21.88%	1%	127	127
<b>December 31, 2024</b>			
Minority interest discount ratio of 21.88%	1%	118	118
<b>June 30, 2024</b>			
Minority interest discount ratio of 21.88%	1%	125	125

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(26) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(26) to the consolidated financial statements for the year ended December 31, 2024.

(Continued)

## (27) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(27) to the consolidated financial statements for the year ended December 31, 2024 for further details.

## (28) Investing and financing activities not affecting current cash flow

(i) Reconciliation of Non-Cash Investing Activities of the Group for the Six Months Ended June 30, 2025 and 2024 is as follows:

	For the six months ended June 30	
	2025	2024
Acquisition of Property, Plant and Equipment	\$ 50,907	9,380
(Increase) Decrease in Equipment Payables	(2,138)	1,523
Prepayments for Equipment Transferred to Property, Plant and Equipment	(1,793)	(2,256)
	<u>\$ 46,976</u>	<u>8,647</u>

(ii) The Group's reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	June 30, 2025
Short-term borrowings	\$ 6,000	(6,000)	-
Long-term borrowings (including deferred revenues and current portion)	119,837	(29,376)	90,461
Lease liabilities	26,354	(4,084)	22,270
Guarantee deposits received	1,316	(99)	1,217
Total liabilities from financing activities	<u>\$ 153,507</u>	<u>(39,559)</u>	<u>113,948</u>

	January 1, 2024	Cash flows	June 30, 2024
Short-term borrowings	\$ 6,000	-	6,000
Long-term borrowings (including deferred revenues and current portion)	184,474	(32,907)	151,567
Lease liabilities	7,666	(3,977)	3,687
Guarantee deposits received	1,173	30	1,203
Total liabilities from financing activities	<u>\$ 199,313</u>	<u>(36,854)</u>	<u>162,459</u>

(Continued)

## 7 Related-party transactions

### (1) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Fair Some Industrial Limited (Fair Some (Hong Kong))	The Company' s director is the entity' s owner
Cheng Rong Investment Co., Ltd. (Cheng Rong Investment)	The entity' s chairman is the second immediate family of the vice chairman of the Company (Note)
Note: Prior to the re-election at the shareholders' meeting of the Company on May 26, 2025, the chairman of that company and the vice chairman of the Company were related within the second degree of kinship.	

### (2) Significant transactions with related parties

#### (i) Borrowing from Related Parties

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group' s borrowings from other related parties in the amounts of \$0, \$6,000 thousand and \$6,000 thousand respectively, please refer to note 6(12). The above-mentioned borrowings from related parties were unsecured and bore interest at the average short-term borrowing rates from financial institutions applicable in the year in which each related party provided the funds. For the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, the Group paid interest expenses to other related parties of NT\$0 thousand, NT\$33 thousand, NT\$36 thousand, and NT\$69 thousand, respectively.

#### (ii) Others

The outstanding balances arising from other transactions such as customs declaration fees by other related parties on behalf of the Group were included in other payables.

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Other related parties	<u>\$ 258</u>	<u>291</u>	<u>288</u>

### (3) Key management personnel compensation

Key management personnel compensation comprised:

	<b>three months ended June 30</b>		<b>six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$1,985	\$3,384	5,425	7,872
Post-employment benefits	97	87	192	174
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u><b>\$2,082</b></u>	<u><b>\$3,471</b></u>	<u><b>5,617</b></u>	<u><b>8,046</b></u>

The Group has not provided non-monetary benefits such as housing, cars and other vehicles for key management.

(Continued)

**8 Pledged assets:**

The carrying values of assets pledged as security were as follows:

<b>Assets pledged as security</b>	<b>Liabilities secured by pledge</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Other financial assets — current	Loan guarantee	\$ 2,931	3,279	3,765
Land	Loan guarantee	2,951	2,951	2,951
Buildings	Loan guarantee	17,188	17,925	18,663
Machinery and equipment	Loan guarantee	228	2,178	5,063
		<b>\$ 23,298</b>	<b>26,333</b>	<b>30,442</b>

**9 Commitments and contingencies: None****10 Losses due to major disasters: None****11 Subsequent events: None****12 Other:**

- (1) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

<b>By item</b>	<b>By function</b>	<b>For the three months ended June 30</b>					
		<b>2025</b>			<b>2024</b>		
		<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>
Employee benefits							
Salary		60,180	27,577	87,757	71,609	31,822	103,431
Labor and health insurance		2,379	1,733	4,112	2,018	1,547	3,565
Pension		5,153	2,048	7,201	6,012	2,051	8,063
Remuneration of directors		-	344	344	-	1,758	1,758
Others		3,676	879	4,555	4,323	751	5,074
Depreciation		14,241	2,512	16,753	19,652	3,772	23,424
Amortization		-	741	741	8	415	423

<b>By item</b>	<b>By function</b>	<b>For the six months ended June 30</b>					
		<b>2025</b>			<b>2024</b>		
		<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>
Employee benefits							
Salary		130,411	57,161	187,572	141,404	65,188	206,592
Labor and health insurance		4,522	3,433	7,955	5,307	3,463	8,770
Pension		11,061	4,242	15,303	10,381	3,793	14,174
Remuneration of directors		-	2,102	2,102	-	4,479	4,479
Others		7,415	1,646	9,061	8,314	1,499	9,813
Depreciation		31,563	5,014	36,577	38,852	7,634	46,486
Amortization		8	1,528	1,536	16	611	627

(Continued)

## SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 13 Other disclosures:

##### (a) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2025:

##### (i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	SHIAN YIH (DONGGUAN)	Loans receivable from related parties	Yes	132,820	117,200	-	-	2	-	Working capital	-	No	-	429,424	689,078
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	33,205	29,300	-	- %	2	-	Working capital	-	No	-	429,424	689,078

Note 1: Financing purposes:

- 1) Transaction counterparty
- 2) Entities with short-term financing needs

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 25% of the equity attributable to owners of parent reported in the most recent period.

Note 3: The aggregate amount of loans to a single party shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

##### (ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	FAIR LUMI (DONGGUAN)	3	687,078	33,025	29,300	-	-	1.71%	687,078	Y	N	Y
0	The Company	SHIAN YIH (DONGGUAN)	3	687,078	132,820	117,200	-	-	6.82%	687,078	Y	N	Y

Note1: The relationship between the guarantor and the counter-party of guarantee and endorsement is as follows:

1. Transaction counterparties.
2. An entity wherein the Company owns more than 50% voting rights, directly or indirectly.
3. The entity owning more than 50% voting rights in the Company, directly or indirectly.
4. The Company owned at least 90% of voting rights in the entity, directly or indirectly.
5. An industry peer or joint builder mutually guaranteed according to a construction contract.
6. An entity endorsed and/or guaranteed by all shareholders in proportion to shareholding in joint investment.
7. An industry peer and joint provider of performance guarantee for a presale contract pursuant to the Consumer Protection Act.

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

Note 3: The the guarantees provided for other parties shall not exceed 40% of the equity attributable to owners of parent reported in the latest financial statements.

(Continued)

## SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(iii) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Book value	Percentage of ownership (%)	Fair value	
The Company	Ordinary share Ying Cheng Investment Corp.	None	Financial assets at fair value through other comprehensive income — non-current	2,534	9,924	15.83%	9,924	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SHIAN YIH (DONGGUAN)	The Company's subsidiary	Purchase	165,555	50.41%	O/A 30 days	(Note 1)	(Note 3)	(54,678)	48.41%	
The Company	FAIR LUMI (DONGGUAN)	The Company's subsidiary	Purchase	139,879	42.59%	O/A 30 days	(Note 2)	(Note 3)	(50,132)	44.38%	
SHIAN YIH (DONGGUAN)	The Company	The Company's subsidiary	Sale	165,555	42.81%	O/A 30 days	(Note 1)	(Note 3)	54,678	29.17%	
FAIR LUMI (DONGGUAN)	The Company	The Company's subsidiary	Sale	139,879	63.62%	O/A 30 days	(Note 2)	(Note 3)	50,132	39.04%	
SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	Associates	Purchase	42,618	18.47%	O/A 30 days	General trading terms	(Note 3)	(56,085)	33.17%	
FAIR LUMI (DONGGUAN)	SHIAN YIH (DONGGUAN)	Associates	Sale	42,618	19.38%	O/A 30 days	General trading terms	(Note 3)	56,085	43.68%	

Note 1: Calculated as 70% to 85% of selling prices of the Company's products.

Note 2: Calculated as 85% to 93% of selling prices of the Company's products.

Note 3: Payment term is O/A 30 days. In addition to the established credit policies, the operating capital status of related parties is also considered.

Note 4 :The above transactions were eliminated when compiling the consolidated financial statements.

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	FAIR LUMI (DONGGUAN)	1	Sale	557	Note 4	0.08%
0	The Company	SHIAN YIH (DONGGUAN)	1	Sale	173	Note 3	0.02%
0	The Company	FAIR LUMI (DONGGUAN)	1	Purchase	139,879	Note 4	19.11%
0	The Company	SHIAN YIH (DONGGUAN)	1	Purchase	165,555	Note 3	22.62%
0	The Company	FAIR LUMI (DONGGUAN)	1	Trade payable	50,132	Note 5	2.25%
0	The Company	SHIAN YIH (DONGGUAN)	1	Trade payable	54,678	Note 5	2.46%
0	The Company	FAIR LUMI (DONGGUAN)	1	Endorsement guaranteed	29,300	In compliance with the Regulations Governing Endorsement/Guarantee	1.32%
0	The Company	SHIAN YIH (DONGGUAN)	1	Endorsement guaranteed	117,200	In compliance with the Regulations Governing Endorsement/Guarantee	5.26%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Purchase	42,618	Same as arm's length transaction	5.82%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Trade payable	56,085	Same as arm's length transaction	2.52%

(Continued)

## SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Note 1: “0” represents the parent; subsidiaries are sequentially numbered starting from “1” .

Note 2: Relationships with transaction counterparties are numbered as follows:

1. Parent and subsidiary.
2. Subsidiary and parent.
3. Associates.

Note 3: Calculated as 70% to 85% of the selling prices of products.

Note 4: Calculated as 85% to 93% of the selling prices of products.

Note 5: Payment term is O/A 30 days. In addition to the established credit policies, the operating capital status of related parties is also considered.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

(b) Information on investees:

The following are the information on investees for the six months ended June 30, 2025 (excluding information on investees in Mainland China):

(In Thousands of USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee
				June 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Book value		
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USD\$ 10,500)	348,724 (USD\$ 10,500)	10,500	100.00%	755,087	(9,345)	(7,842) (Note 1)
The Company	CHIAN YIH OPTOTECH CO., LTD.	Taiwan	Manufacture and sale of optical products	69,500	65,000	2,950	49.17%	24,508	(196)	(106)
Shian Yih (Samoa)	Fair Some (Samoa)	Samoa	Investment	348,724 (USD\$ 10,500)	348,724 (USD\$ 10,500)	10,500	100.00%	451,928 (USD\$ 15,424)	(348) (USD\$ (11))	(348) (USD\$ (11))
Shian Yih (Samoa)	Wise	Samoa	Investment	524,311 (USD\$ 16,650)	524,311 (USD\$ 16,650)	16,650	100.00%	308,160 (USD\$ 10,517)	(8,998) (USD\$ (283))	(8,998) (USD\$ (283))

Note 1: Equity-accounted investment loss of \$9,345 thousand; the unalized margins for the period amounted to \$1,503 thousand.

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow					
Dongguan Fair Lumi Optonics Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	515,676 (USD\$16,650)	((Note 1)	USD\$ 16,650 (Note 3)	-	-	USD\$ 16,650 (Note 3)	100%	(9,132) (USD\$ (287)) (Note 2)	301,388 (USD\$10,286) (Note 4)	-
Dongguan Shian Yih Electronic Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	148,136 (USD\$ 5,000)	((Note 1)	USD\$ 5,000 (Note 3)	-	-	USD\$ 5,000 (Note 3)	100%	(5782) (USD\$ (182)) (Note 2)	296,636 (USD\$10,124) (Note 4)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA (Not 5)	Upper Limit on Investment
663,812 (US\$21,650) (Note 3)	874,016 (US\$28,550)	1,030,618

Note 1: Indirect investment Mainland China through an existing company registered in the third region.

Note 2: Recognized according to investee’ s audited financial statements for the same period for the six months ended June 30, 2025 (USD/NTD:31.835, translated into NTD).

Note 3: The amount represents the investment using the capital increase out of offshore investees’ earnings, rather than the funds remitted by the Company.

(Continued)

**SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Note 4: Translated into New Taiwan dollars using the exchange rate (NT: 29.30) on the reporting date.

Note 5: Translated using the exchange rate on the date on which the investment was applied to the Investment Commission.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

Through Fair some (Samoa), a third-region investee, the Company purchased machinery equipment at a price of US\$700 thousand. In addition, the Company established processing plants—Shian Yih Electronic Plant and Weiyang Plastic Plant in Dongkeng Dongguan, Mainland China to engage in manufacture and processing of backlight modules, which has been reported to the Investment Commission, Ministry of Economic Affairs on December 15, 2005.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions” .

**14 Segment information:**

The reportable information of segment's profit and assets is in accordance with the consolidated financial statements. Please refer to Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.