VisEra Technologies Company Ltd.

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
VisEra Technologies Company Ltd.

Introduction

We have reviewed the accompanying balance sheets of VisEra Technologies Company Ltd. (the "Company") as of June 30, 2025 and 2024, and the related statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and the related notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). Management is responsible for the preparation and fair presentation of the 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 financial statements based on our reviews.

Scope of Review

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

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Shang-Chih Lin and Shih-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying 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' review report and financial statements shall prevail.

VISERA TECHNOLOGIES COMPANY LTD.

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 12,384,216	52	$ 13,422,209	54	$ 12,665,309	51
Financial assets at fair value through profit or loss - current (Notes 7 and 25)	34,412	-	-	-	-	-
Contract assets - current (Notes 18 and 26)	442,130	2	486,264	2	386,580	2
Accounts receivable, net (Note 9)	1,140,331	5	1,078,870	4	1,377,107	5
Accounts receivable from related parties (Notes 9 and 26)	44,731	-	104,879	-	142,022	1
Other receivables	170,626	1	124,648	1	94,873	-
Other receivables from related parties (Note 26)	34,277	-	-	-	84	-
Current tax assets (Note 20)	48,410	-	48,410	-	45,719	-
Inventories (Note 10)	197,713	1	181,572	1	140,591	1
Prepayments and other current assets (Note 26)	123,146	1	112,671	1	81,410	-
Total current assets	14,619,992	62	15,559,523	63	14,933,695	60
NON-CURRENT ASSETS						
Financial assets at amortized cost	100,000	-	-	-	-	-
Property, plant and equipment (Note 11)	8,646,967	37	8,771,902	36	9,545,902	39
Right-of-use assets (Notes 12 and 26)	257,500	1	305,845	1	184,490	1
Intangible assets (Note 13)	19,143	-	31,008	-	40,229	-
Deferred tax assets (Note 20)	42,267	-	44,998	-	74,118	-
Other non-current assets (Note 27)	25,676	-	26,260	-	24,961	-
Total non-current assets	9,091,553	38	9,180,013	37	9,869,700	40
TOTAL	$ 23,711,545	100	$ 24,739,536	100	$ 24,803,395	100

	June 30, 2025		December 31, 2024		June 30, 2024	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current (Notes 7 and 25)	$ 389	-	$ 19,150	-	$ 13,745	-
Contract liabilities - current (Note 18)	27,912	-	29,561	-	12,389	-
Accounts payable	287,090	1	279,496	1	361,981	1
Accounts payable to related party (Note 26)	-	-	-	-	465	-
Lease liabilities - current (Notes 12, 23 and 26)	88,702	1	88,104	-	42,648	-
Accrued profit-sharing bonus to employees and remuneration of directors (Note 19)	457,910	2	351,021	2	194,645	1
Payables to equipment suppliers	263,865	1	203,332	1	335,782	1
Current tax liabilities (Note 20)	167,187	1	316,014	1	132,660	1
Long-term liabilities - current portion (Notes 14 and 23)	1,923,055	8	2,710,000	11	2,678,333	11
Accrued expenses and other current liabilities (Notes 15, 18 and 26)	1,593,243	7	704,292	3	944,695	4
Total current liabilities	4,809,353	21	4,700,970	19	4,717,343	19
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 14 and 23)	1,048,946	4	1,699,586	7	2,954,765	12
Deferred tax liabilities (Notes 20)	11,766	-	43,844	-	33,058	-
Lease liabilities - non-current (Notes 12, 23 and 26)	177,648	1	225,562	1	149,582	1
Deferred revenue - non-current (Note 14)	499	-	1,247	-	17,735	-
Guarantee deposits (Notes 23 and 26)	4,493	-	4,581	-	4,574	-
Total non-current liabilities	1,243,352	5	1,974,820	8	3,159,714	13
Total liabilities	6,052,705	26	6,675,790	27	7,877,057	32
EQUITY (Note 17)						
Capital stock	3,176,571	13	3,173,081	13	3,170,201	13
Capital surplus	7,314,711	31	7,313,629	29	7,312,541	29
Retained earnings						
Appropriated as legal reserve	1,597,241	7	1,423,351	6	1,423,351	6
Unappropriated earnings	5,570,317	23	6,153,685	25	5,020,245	20
	7,167,558	30	7,577,036	31	6,443,596	26
Total equity	17,658,840	74	18,063,746	73	16,926,338	68
TOTAL	$ 23,711,545	100	$ 24,739,536	100	$ 24,803,395	100

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

VISERA TECHNOLOGIES COMPANY LTD.

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 18 and 26)	$2,218,838	100	$2,453,281	100	$4,393,485	100	$4,562,643	100
OPERATING COSTS (Notes 10, 19 and 26)	1,713,181	77	1,725,885	70	3,355,696	76	3,416,801	75
GROSS PROFIT	505,657	23	727,396	30	1,037,789	24	1,145,842	25
OPERATING EXPENSES (Notes 19 and 26)								
Sales and marketing	21,065	1	21,448	1	42,163	1	37,452	1
General and administrative	41,723	2	44,424	1	83,556	2	80,624	2
Research and development	237,494	11	217,119	9	459,740	10	418,157	9
Total operating expenses	300,282	14	282,991	11	585,459	13	536,233	12
OTHER OPERATING INCOME AND EXPENSES, NET (Notes 11, 19 and 26)	68,685	3	34,901	1	111,083	2	73,402	2
PROFIT FROM OPERATIONS	274,060	12	479,306	20	563,413	13	683,011	15
NON-OPERATING INCOME AND EXPENSES (Notes 19 and 26)								
Interest income	56,601	3	48,177	2	112,227	3	93,238	2
Other income	44	-	13	-	77	-	244	-
Other gains and losses	129,430	6	(34,840)	(2)	100,226	2	(86,050)	(2)
Foreign exchange gain and loss , net	(153,851)	(7)	21,681	1	(135,666)	(3)	64,360	1
Finance costs	(13,652)	(1)	(22,228)	(1)	(30,088)	(1)	(44,684)	(1)
Total non-operating income and expenses	18,572	1	12,803	-	46,776	1	27,108	-
PROFIT BEFORE INCOME TAX	292,632	13	492,109	20	610,189	14	710,119	15
INCOME TAX EXPENSE (Note 20)	19,437	1	68,529	3	67,644	2	104,655	2
NET PROFIT	273,195	12	423,580	17	542,545	12	605,464	13
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 273,195	12	$ 423,580	17	$ 542,545	12	$ 605,464	13
EARNINGS PER SHARE (Note 21)								
Basic earnings per share	$ 0.86		$ 1.34		$ 1.71		$ 1.91	
Diluted earnings per share	$ 0.86		$ 1.33		$ 1.70		$ 1.90	

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

VISERA TECHNOLOGIES COMPANY LTD.

STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Capital Stock - Common Stock			Retained Earnings			
	Stock (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Total	Total Equity
BALANCE, JANUARY 1, 2024	316,567	$ 3,165,671	$ 7,310,640	$ 1,387,743	$ 4,767,113	$ 6,154,856	$ 16,631,167
Appropriation of earnings							
Legal reserve	-	-	-	35,608	(35,608)	-	-
Cash dividends to shareholders	-	-	-	-	(316,724)	(316,724)	(316,724)
Employee share options exercised	453	4,530	1,857	-	-	-	6,387
Compensation cost of employee share options	-	-	44	-	-	-	44
Net profit and total comprehensive income for the six months ended June 30, 2024	-	-	-	-	605,464	605,464	605,464
BALANCE, JUNE 30, 2024	317,020	$ 3,170,201	$ 7,312,541	$ 1,423,351	$ 5,020,245	$ 6,443,596	$ 16,926,338
BALANCE, JANUARY 1, 2025	317,308	$ 3,173,081	$ 7,313,629	$ 1,423,351	$ 6,153,685	$ 7,577,036	$ 18,063,746
Appropriation of earnings							
Legal reserve	-	-	-	173,890	(173,890)	-	-
Cash dividends to shareholders	-	-	-	-	(952,023)	(952,023)	(952,023)
Employee share options exercised	349	3,490	1,082	-	-	-	4,572
Net profit and total comprehensive income for the six months ended June 30, 2025	-	-	-	-	542,545	542,545	542,545
BALANCE, JUNE 30, 2025	317,657	$ 3,176,571	$ 7,314,711	$ 1,597,241	$ 5,570,317	$ 7,167,558	$ 17,658,840

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

VISERA TECHNOLOGIES COMPANY LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 610,189	$ 710,119
Adjustments for:		
Depreciation expense	1,317,898	1,573,544
Amortization expense	12,900	13,894
Finance costs	30,088	44,684
Interest income	(112,227)	(93,238)
Compensation cost of employee share options	-	44
Loss on disposal of property, plant and equipment, net	1,418	-
Impairment loss recognized on property, plant and equipment	-	47,539
Foreign exchange (gain) loss, net	(4,410)	4,066
Gain on lease modification	-	(231)
Changes in operating assets and liabilities:		
Financial instruments at fair value through profit or loss	(53,173)	33,590
Contract assets	44,134	(19,849)
Accounts receivable, net	(61,461)	(584,016)
Receivables from related parties	60,148	(32,343)
Other receivables	(26,854)	(16,344)
Other receivables from related parties	(34,277)	-
Inventories	(16,141)	(33,992)
Prepayments and other current assets	(10,475)	8,100
Contract liabilities	(1,649)	(8,270)
Accounts payable	7,594	90,877
Accounts payable to related parties	-	25
Accrued profit-sharing bonus to employees and remuneration of directors	106,889	120,189
Accrued expenses and other current liabilities	(61,910)	(49,319)
Cash generated from operations	1,808,681	1,809,069
Income taxes paid	(245,818)	(9,591)
Net cash generated from operating activities	1,562,863	1,799,478
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for financial assets at amortized cost	(100,000)	-
Payments for property, plant and equipment	(1,085,231)	(561,744)
Decrease in refundable deposits	584	520
Payments for intangible assets	(1,035)	(1,817)
Decrease in other non-current assets	-	1,138
Interest received	93,103	95,945
Net cash used in investing activities	(1,092,579)	(465,958)

(Continued)

VISERA TECHNOLOGIES COMPANY LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	**2024**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	$ (1,438,333)	$ (1,055,556)
Repayment of the principal portion of lease liabilities	(43,421)	(41,329)
Employee share options exercised	4,572	6,387
Interest paid	(31,095)	(45,163)
Net cash used in financing activities	(1,508,277)	(1,135,661)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,037,993)	197,859
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,422,209	12,467,450
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 12,384,216	$ 12,665,309

The accompanying notes are an integral part of the financial statements. (Concluded)

VISERA TECHNOLOGIES COMPANY LTD.

NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL INFORMATION

VisEra Technologies Company Ltd. (the "Company"), a company limited by shares, was incorporated on December 1, 2003. The Company is primarily engaged in the research, development, design, manufacturing, and sale of color filters, microlenses, image sensors, and micro-optical components and modules. The Company's registered office and principal place of business are located at No. 12, Dusing 1st Road, East Dist, Hsinchu City, Taiwan.

The Company's stock has been listed on the Taiwan Stock Exchange (TWSE) since June 30, 2022.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on August 7, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED 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)

   1) Amendments to IAS 21 "Lack of Exchangeability"

      The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

   The initial application of the amendments to IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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
Amendments to IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027

IFRS 18 "Presentation and Disclosures in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

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 Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

These interim 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. This financial report does not contain all the disclosure information required by the entire annual financial report that is approved by the FSC and issued by the effective IFRS Accounting Standards.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, as explained in the accounting policies below.

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:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. 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

c. Level 3 inputs are unobservable inputs for an asset or liability.

Other Material Accounting Policies

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

a. 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 Company’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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

For other related information, refer to the statements of critical accounting judgments and key sources of estimation uncertainty to the financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Deposits in banks	$ 12,384,206	$ 13,422,199	$ 12,665,299
Petty cash	10	10	10
	$ 12,384,216	$ 13,422,209	$ 12,665,309

Deposits in banks consisted of highly liquid time deposits that were readily convertible to known amounts of cash and were subject to an insignificant risk of changes in value.

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Mandatorily measured at FVTPL			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts	$ 34,412	$ -	$ -
Financial liabilities			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Forward exchange contracts	$ 389	$ 19,150	$ 13,745

The Company entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates. These forward exchange contracts did not meet the criteria for hedge accounting; therefore, the Company did not apply hedge accounting for these forward exchange contracts.

Outstanding forward exchange contracts consisted of the following:

	Maturity Date	Contract Amount (In Thousands)
June 30, 2025		
Sell US$/Buy NT$	July 2025 to September 2025	US$ 48,500/ NT$ 1,444,656
December 31, 2024		
Sell US$/Buy NT$	January 2025 to March 2025	US$ 48,500/ NT$ 1,566,697
June 30, 2024		
Sell US$/Buy NT$	July 2024 to August 2024	US$ 52,000/ NT$ 1,671,086

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
Corporate bonds	$ 100,000	$ -	$ -
Current	$ -	$ -	$ -
Noncurrent	100,000	-	-
	$ 100,000	$ -	$ -

Refer to Note 25 for information relating to credit risk management for financial assets at amortized cost.

9. ACCOUNTS RECEIVABLE, NET

	June 30, 2025	December 31, 2024	June 30, 2024
At amortized cost			
Accounts receivable from unrelated parties	$ 1,140,726	$ 1,079,233	$ 1,377,627
Less: Allowance for impairment loss	(395)	(363)	(520)
	1,140,331	1,078,870	1,377,107
Accounts receivable from related parties	44,731	104,879	142,022
	$ 1,185,062	$ 1,183,749	$ 1,519,129

The average payment terms granted to customers are 30 days to 90 days from the end of the month when the invoice is issued. No interest is charged on accounts receivable. Aside from recognizing impairment loss for credit-impaired accounts receivable, the Company recognizes the loss allowance based on the expected credit loss ratio of customers of different risk levels. Such risk levels are determined with reference to the factors of historical loss ratios and the customers' current financial conditions and business outlook (such as economic outlook of the industries in which the customers operate and future changes in purchasing requirements during a certain period).

The Company writes off accounts 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 Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Aging analysis of accounts receivable, net

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	$ 1,182,667	$ 1,128,845	$ 1,513,496
1-180 days	2,395	54,904	5,633
Total	$ 1,185,062	$ 1,183,749	$ 1,519,129

The above aging analysis was based on the past due dates.

Aging analysis of accounts receivable that are past due but not impaired

	June 30, 2025	December 31, 2024	June 30, 2024
1-180 days	$ 2,395	$ 54,904	$ 5,633

The above aging analysis was based on the past due dates.

Movements of the loss allowance

	For the Six Months Ended June 30	
	2025	2024
Balance, beginning of period	$ 363	$ 346
Provision	32	174
Balance, end of period	$ 395	$ 520

For the six months ended June 30, 2025 and 2024, the changes in loss allowance were mainly due to the variations in the book values of accounts receivable of different risk levels.

10. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	$ 197,713	$ 181,572	$ 140,591

Write-down of inventories to net realizable value and the reversal of write-down of inventories resulting from the increase in net realizable value were included in the cost of revenue. The amounts are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net inventory (reversal gain) losses	$ 4,500	$ (1,524)	$ 4,870	$ 3,070

11. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2025	December 31, 2024	June 30, 2024
Assets used by the Company	$ 7,393,669	$ 8,570,233	$ 9,333,307
Assets leased under operating leases	1,253,298	201,669	212,595
	$ 8,646,967	$ 8,771,902	$ 9,545,902

a. Assets used by the Company

	Buildings	Machinery and Equipment	Office Equipment	Transportation Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Cost							
Balance at January 1, 2025	$ 8,174,628	$ 18,426,819	$ 329,041	$ 3,562	$ 185,251	$ 283,125	$ 27,402,426
Additions	90,312	94,241	996	-	14,617	949,920	1,150,086
Transfers to assets leased under operating leases	(1,197,245)	-	-	-	-	-	(1,197,245)
Disposals	(1,590)	(27,826)	-	-	-	-	(29,416)
Reclassification	23,181	195,832	4,130	-	6,008	(229,151)	-
Balance at June 30, 2025	$ 7,089,286	$ 18,689,066	$ 334,167	$ 3,562	$ 205,876	$ 1,003,894	$ 27,325,851
Accumulated depreciation and impairment							
Balance at January 1, 2025	$ 3,677,129	$ 14,753,470	$ 248,781	$ 1,729	$ 151,084	$ -	$ 18,832,193
Additions	319,031	898,676	27,947	280	11,755	-	1,257,689
Transfers to assets leased under operating leases	(129,702)	-	-	-	-	-	(129,702)
Disposals	(172)	(27,826)	-	-	-	-	(27,998)
Balance at June 30, 2025	$ 3,866,286	$ 15,624,320	$ 276,728	$ 2,009	$ 162,839	$ -	$ 19,932,182
Carrying amount at January 1, 2025	$ 4,497,499	$ 3,673,349	$ 80,260	$ 1,833	$ 34,167	$ 283,125	$ 8,570,233
Carrying amount at June 30, 2025	$ 3,223,000	$ 3,064,746	$ 57,439	$ 1,553	$ 43,037	$ 1,003,894	$ 7,393,669

(Continued)

	Buildings	Machinery and Equipment	Office Equipment	Transportation Equipment	Other Equipment	Equipment under Installation and Construction in Progress	Total
Cost							
Balance at January 1, 2024	$ 8,136,490	$ 17,916,811	$ 339,334	$ 3,562	$ 170,690	$ 205,787	$ 26,772,674
Additions	40,377	24,197	5,352	-	6,905	306,524	383,355
Transfers to assets leased under operating leases	(197,752)	-	-	-	-	-	(197,752)
Disposals	-	(120)	(20,461)	-	-	-	(20,581)
Reclassification	40,290	135,336	1,300	-	-	(176,926)	-
Balance at June 30, 2024	$ 8,019,405	$ 18,076,224	$ 325,525	$ 3,562	$ 177,595	$ 335,385	$ 26,937,696
Accumulated depreciation and impairment							
Balance at January 1, 2024	$ 3,017,914	$ 12,701,631	$ 224,621	$ 1,169	$ 125,374	$ -	$ 16,070,709
Additions	310,328	1,167,310	28,628	280	14,543	-	1,521,089
Impairment loss recognized	47,539	-	-	-	-	-	47,539
Transfers to assets leased under operating leases	(14,367)	-	-	-	-	-	(14,367)
Disposals	-	(120)	(20,461)	-	-	-	(20,581)
Reclassification	-	-	-	-	-	-	-
Balance at June 30, 2024	$ 3,361,414	$ 13,868,821	$ 232,788	$ 1,449	$ 139,917	$ -	$ 17,604,389
Carrying amount at January 1, 2024	$ 5,118,576	$ 5,215,180	$ 114,713	$ 2,393	$ 45,316	$ 205,787	$ 10,701,965
Carrying amount at June 30, 2024	$ 4,657,991	$ 4,207,403	$ 92,737	$ 2,113	$ 37,678	$ 335,385	$ 9,333,307

(Concluded)

No impairment assessment was performed for the six months ended June 30, 2023 as there was no indication of impairment.

Due to the earthquake, partial buildings were damaged for the six months ended June 30, 2024. Therefore, the Company recognized an impairment loss of $47,539 thousand and recorded it under non-operating income and expenses with related insurance claims.

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

Buildings	
Main buildings	10-20 years
Mechanical and electrical power equipment	2-5 years
Machinery and equipment	2-5 years
Transportation equipment	5 years
Office equipment	2-5 years
Other equipment	2-3 years

b. Assets leased under operating leases

	Buildings
Cost	
Balance at January 1, 2025	$ 251,633
Transfers from assets used by the Company	1,197,245
Balance at June 30, 2025	$ 1,448,878

(Continued)

	Buildings
Accumulated depreciation	
Balance at January 1, 2025	$ 49,964
Additions	15,914
Transfers from assets used by the Company	129,702
Balance at June 30, 2025	$ 195,580
Carrying amount at June 30, 2025	$ 1,253,298
Cost	
Balance at January 1, 2024	$ 53,881
Transfers from assets used by the Company	197,752
Balance at June 30, 2024	$ 251,633
Accumulated depreciation	
Balance at January 1, 2024	$ 13,747
Additions	10,924
Transfers from assets used by the Company	14,367
Balance at June 30, 2024	$ 39,038
Carrying amount at June 30, 2024	$ 212,595

(Concluded)

Operating leases relate to leases of buildings with lease terms between 1 and 5 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under the above operating leases is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Year 1	$ 337,477	$ 115,474	$ 115,754
Year 2	303,653	95,650	105,562
Year 3	231,916	23,912	71,737
Year 4	231,916	-	-
Year 5	212,589	-	-
	$ 1,317,551	$ 235,036	$ 293,053

To reduce the residual asset risk related to buildings at the end of the relevant lease, the Company follows its general risk management strategy.

No impairment assessment was performed for the six months ended June 30, 2025 as there was no indication of impairment.

Depreciation expense is provided on a straight-line basis over the following useful lives:

Buildings	20 years

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount			
Land	$ 136,604	$ 146,875	$ 153,302
Buildings	119,318	156,998	28,821
Transportation equipment	1,578	1,972	2,367
	$ 257,500	$ 305,845	$ 184,490

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets	$ -	$ 8,855	$ -	$ 8,942
Depreciation charge for right-of-use assets				
Land	$ 2,973	$ 3,213	$ 6,221	$ 6,590
Buildings	18,841	17,294	37,680	34,587
Transportation equipment	197	177	394	354
	$ 22,011	$ 20,684	$ 44,295	$ 41,531

Other than the abovementioned additions and depreciation expense recognized, the Company did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount			
Current	$ 88,702	$ 88,104	$ 42,648
Non-current	177,648	225,562	149,582
	$ 266,350	$ 313,666	$ 192,230

Ranges of discount rates for lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.36%-2.02%	1.36%-2.02%	1.36%-2.02%
Buildings	2.28%	2.28%	1.73%
Transportation equipment	2.20%	2.20%	2.20%

c. Material terms of right-of-use assets

The Company leases land and buildings mainly for the use of plants and offices with lease terms of 2 to 30 years. The Company has options to renew at the end of the lease terms. The lease contracts for land located in the R.O.C specify that lease payments will be adjusted every 2 years on the basis of changes in announced land value prices. The Company does not have purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Expenses relating to low-value asset leases	$ -	$ 1	$ 1	$ 2
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 1,400	$ 2,900	$ 2,513	$ 4,300
Total cash outflow for leases	$ 25,069	$ 24,018	$ 49,133	$ 47,131

13. INTANGIBLE ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Computer software	$ 19,143	$ 31,008	$ 40,229
Technology license fees	-	-	-
Technical expertise	-	-	-
	$ 19,143	$ 31,008	$ 40,229

	Technology License Fees	Technical Expertise	Computer Software	Total
Cost				
Balance at January 1, 2025	$ 82,470	$ -	$ 227,375	$ 309,845
Additions	-	-	1,035	1,035
Disposals	(82,470)	-	-	(82,470)
Balance at June 30, 2025	$ -	$ -	$ 228,410	$ 228,410
Accumulated amortization				
Balance at January 1, 2025	$ 82,470	$ -	$ 196,367	$ 278,837
Additions	-	-	12,900	12,900
Disposals	(82,470)	-	-	(82,470)
Balance at June 30, 2025	$ -	$ -	$ 209,267	$ 209,267
Carrying amount at June 30, 2025	$ -	$ -	$ 19,143	$ 19,143

(Continued)

	Technology License Fees	Technical Expertise	Computer Software	Total
Cost				
Balance at January 1, 2024	$ 114,930	$ 102,000	$ 240,223	$ 457,153
Additions	-	-	1,817	1,817
Disposals	(32,460)	(102,000)	-	(134,460)
Balance at June 30, 2024	$ 82,470	$ -	$ 242,040	$ 324,510
Accumulated amortization				
Balance at January 1, 2024	$ 114,930	$ 102,000	$ 187,917	$ 404,847
Additions	-	-	13,894	13,894
Disposals	(32,460)	(102,000)	-	(134,460)
Balance at June 30, 2024	$ 82,470	$ -	$ 201,811	$ 284,281
Carrying amount at June 30, 2024	$ -	$ -	$ 40,229	$ 40,229

(Concluded)

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

Technology license fees	5 years
Technical expertise	5 years
Computer software	3 years

14. LONG-TERM BORROWINGS

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings			
Bank loans	$ 2,972,500	$ 4,410,833	$ 5,650,833
Less: Discounts on government grants	(499)	(1,247)	(17,735)
Less: Current portion	(1,923,055)	(2,710,000)	(2,678,333)
	$ 1,048,946	$ 1,699,586	$ 2,954,765

In March 2020, the Company obtained a letter of approval from the Ministry of Economic Affairs (MOEA) under the "Action Plan for Accelerated Investment by Domestic Corporations", which stipulates that the Company should complete its investment within three years from the date of approval.

The Company entered into credit agreements with banks under the "Action Plan for Accelerated Investment by Domestic Corporations", and the interest rate for the first $2 billion of the allocation was reduced by 0.5% of the two-year fixed deposit interest rate of Chunghwa Post Co., Ltd. after the mark up, and 0.3% thereafter.

As of June 30, 2025, the Company acquired preferential interest rate loan subsidized by the government of $8,630,000 thousand, and the loan proceeds are used to fund qualifying capital expenditure. The loan is repayable over a period of five years from the date of the first drawdown to December 2027, where repayment of interest will be made in monthly installments for the first two years and the principal will be repaid in equal monthly installments starting from the third year. Using the prevailing market interest rate at an equivalent loan rate of 0.9%, 1.15%, 1.4% and 1.525%, respectively, the fair value of the loan was estimated at $8,545,722 thousand on initial recognition. The difference of $84,278 thousand between the proceeds and the fair value of the loan was the benefit derived from the preferential interest rate loan and had been recognized as deferred revenue. The revenue was offset against interest expense on a monthly basis over the loan period. The amount offset against interest expense was $748 thousand and $10,133 thousand for the three months ended June 30, 2025 and 2024, respectively.

Under the bank loan agreement, the Company has to meet certain financial covenants. As of June 30, 2025, such financial covenants were not breached.

15. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Accrued expenses			
Cash dividends payable	$ 952,023	$ -	$ 316,724
Payables for salaries and bonuses	176,142	298,917	153,099
Utilities payables	77,643	57,894	72,375
Insurance payables	56,060	54,214	46,864
Others	213,067	209,842	230,698
	1,474,935	620,867	819,760
Other current liabilities			
Refund liabilities	111,562	77,299	118,335
Others	6,746	6,126	6,600
	118,308	83,425	124,935
	$ 1,593,243	$ 704,292	$ 944,695

16. RETIREMENT BENEFIT PLANS

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

17. EQUITY

a. Capital stock

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized stock (in thousands)	400,000	400,000	400,000
Authorized capital	$ 4,000,000	$ 4,000,000	$ 4,000,000
Issued and paid stock (in thousands)	317,657	317,308	317,020
Issued capital	$ 3,176,571	$ 3,173,081	$ 3,170,201

A holder of issued common stock with a par value of NT$10 is entitled to vote and to receive dividends.

The change in the Company's capital stock is mainly due to the exercise of employee share options.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Issuance of ordinary shares	$ 7,247,078	$ 7,245,996	$ 7,245,103
Employee share options exercised	53,510	52,101	51,112
Donations	12,893	12,893	12,893
May only be used to offset a deficit			
Donations - unclaimed dividend	1,127	1,127	932
May not be used for any purpose			
Compensation cost of employee share options	103	1,512	2,501
	$ 7,314,711	$ 7,313,629	$ 7,312,541

Note 1: 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.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, and setting aside or reversing special reserve in accordance with the laws and regulations until the accumulated legal reserve equals the Company's paid-in capital. 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.

Any appropriations of the profits are subject to shareholders' approval in the following year.

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

The appropriations of earnings for 2024 and 2023, which were resolved in the shareholders' meeting on May 22, 2025 and May 22, 2024, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	2023
Legal reserve	$ 173,890	$ 35,608
Cash dividends to shareholders	$ 952,023	$ 316,724
Cash dividends per share (NT$)	$ 3.0	$ 1.0

The cash dividends per share for 2023 was adjusted to $0.99, mainly due to the exercise of employee share options on July 8, 2024. The cash dividends per share for 2024 was adjusted to $2.99, mainly due to the exercise of employee share options on July 5, 2025.

18. OPERATING REVENUE

a. Contract information

For revenue generated from the manufacturing of color filters according to customized specifications agreed in the contractual agreement, because the customers have obtained control over the products during the provision of services, the Company's revenue from service contracts is recognized over time.

b. Disaggregation of revenue from contracts with customers

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Product	**2025**	**2024**	**2025**	**2024**
Image Sensors	$ 1,678,645	$ 1,604,406	$ 3,304,350	$ 2,912,646
Micro-Optical Elements	501,207	780,961	992,150	1,520,211
Others	38,986	67,914	96,985	129,786
	$ 2,218,838	$ 2,453,281	$ 4,393,485	$ 4,562,643

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Region	**2025**	**2024**	**2025**	**2024**
Asia	$ 2,018,991	$ 2,165,654	$ 3,939,603	$ 4,053,870
Taiwan	185,861	258,583	410,638	461,911
Europe	5,198	6,755	13,840	11,427
United States	8,788	22,289	29,404	35,435
	$ 2,218,838	$ 2,453,281	$ 4,393,485	$ 4,562,643

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Application	**2025**	**2024**	**2025**	**2024**
Mobile	$ 1,629,332	$ 2,020,197	$ 3,222,632	$ 3,781,387
Automotive	358,234	294,654	696,430	571,834
Security	231,272	138,430	474,423	209,422
	$ 2,218,838	$ 2,453,281	$ 4,393,485	$ 4,562,643

c. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract assets	$ 442,130	$ 486,264	$ 386,580	$ 366,731
Contract liabilities	$ 27,912	$ 29,561	$ 12,389	$ 20,659

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

Revenue recognized for the three months ended June 30, 2025 and 2024 from the balance of contract liabilities at the beginning of the year amounted to $1,443 thousand and $413 thousand, respectively; and $16,417 thousand and $16,588 thousand for the six months ended June 30, 2025 and 2024, respectively.

d. Refund liabilities

Estimated sales returns and other allowances are made and adjusted based on historical experience and the consideration of varying contractual terms, which amounted to $2,526 thousand and $88,069 thousand for the three months ended June 30, 2025 and 2024, respectively; and $82,055 thousand and $105,227 thousand for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the aforementioned refund liabilities amounted to $111,562 thousand and $118,335 thousand, respectively, which were classified under accrued expenses and other current liabilities.

19. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Rental income	$ 76,241	$ 52,053	$ 129,344	$ 101,465
Compensation income	-	43,453	-	43,453
Impairment losses	-	(47,539)	-	(47,539)
Others	(7,556)	(13,066)	(18,261)	(23,977)
	$ 68,685	$ 34,901	$ 111,083	$ 73,402

b. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Bank deposits	$ 56,601	$ 48,177	$ 112,227	$ 93,238

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Gain (loss) on financial instruments at FVTPL, net	$ 129,700	$ (34,630)	$ 100,766	$ (85,630)
Others	(270)	(210)	(540)	(420)
	$ 129,430	$ (34,840)	$ 100,226	$ (86,050)

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating costs	$ 569,625	$ 669,775	$ 1,156,514	$ 1,435,138
Operating expenses	74,836	51,061	145,470	127,482
Other operating income and expenses	10,452	18,515	15,914	10,924
	$ 654,913	$ 739,351	$ 1,317,898	$ 1,573,544
An analysis of amortization by function				
Operating costs	$ 5,621	$ 5,888	$ 11,025	$ 11,950
General and administrative expenses	919	885	1,875	1,944
	$ 6,540	$ 6,773	$ 12,900	$ 13,894

e. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest expense				
Bank loans	$ 12,269	$ 21,320	$ 26,988	$ 42,702
Interest on lease liabilities	1,369	894	3,072	1,955
Others	14	14	28	27
	$ 13,652	$ 22,228	$ 30,088	$ 44,684

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits (Note 15)				
Defined contribution plan	$ 18,235	$ 17,010	$ 36,117	$ 33,040
Share-based payments				
Equity-settled	-	-	-	44
Other employee benefits	571,781	575,630	1,147,327	1,037,221
Total employee benefits expense	$ 590,016	$ 592,640	$ 1,183,444	$ 1,070,305

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of employee benefits expense by function				
Operating costs	$ 440,665	$ 444,998	$ 890,265	$ 806,208
Operating expenses	145,537	146,655	288,223	262,283
Other operating income and expenses	3,814	987	4,956	1,814
Total employee benefits expense	$ 590,016	$ 592,640	$ 1,183,444	$ 1,070,305

(Concluded)

g. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

According to the amendment to the Securities and Exchange Act in August 2024, the Company, upon resolution of the shareholders' meeting in 2025, has approved an amendment to its Articles of Incorporation to stipulate that no less than 1% of the distributable earnings for the period shall be allocated as employee remuneration, with not less than 30% of such remuneration allocated to grassroots employees.

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Compensation of employees	$ 54,639	$ 85,432	$ 108,509	$ 121,809
Remuneration of directors	$ 810	$ 810	$ 1,620	$ 1,620

The appropriations of employees' compensation and remuneration of directors for 2024 and 2023 that were resolved by the Board of Directors on February 20, 2025 and February 21, 2024, respectively, are $347,781 thousand and $71,216 thousand, and $3,240 thousand and $3,240 thousand, respectively.

There was no significant difference between the actual amounts of compensation of employees and remuneration of directors the aforementioned resolutions paid and the amounts recognized 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.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Foreign exchange gains	$ 15,614	$ 26,142	$ 45,337	$ 96,440
Foreign exchange losses	(169,465)	(4,461)	(181,003)	(32,080)
Foreign exchange gains, net	$ (153,851)	$ 21,681	$ (135,666)	$ 64,360

20. INCOME TAX

a. Income tax expense consisted of the following:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current income tax				
In respect of the current period	$ 53,914	$ 92,956	$ 120,042	$ 142,251
Income tax adjustments of prior periods	(23,051)	(1,481)	(23,051)	(1,481)
Deferred tax				
In respect of the current period	(11,426)	(2,341)	(29,347)	(15,510)
Investment tax credit	-	(20,605)	-	(20,605)
Income tax expense recognized in profit or loss	$ 19,437	$ 68,529	$ 67,644	$ 104,655

b. Income tax examination

The tax authorities have examined income tax returns of the Company through 2022.

21. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share	$ 0.86	$ 1.34	$ 1.71	$ 1.91
Diluted earnings per share	$ 0.86	$ 1.33	$ 1.70	$ 1.90

Earnings per share is computed as follows:

	Amount (Numerator)	Number of Stocks (Denominator) (In Thousands)	Earnings Per Share (NT$)
For the three months ended June 30, 2025			
Basic EPS			
Net income	$ 273,195	317,542	$ 0.86
Effect of potentially dilutive common stock	-	595	
Diluted EPS			
Net income available to common shareholders plus effect of potentially dilutive common stock	$ 273,195	318,137	$ 0.86
For the three months ended June 30, 2024			
Basic EPS			
Net income	$ 423,580	316,962	$ 1.34
Effect of potentially dilutive common stock	-	1,030	
Diluted EPS			
Net income available to common shareholders plus effect of potentially dilutive common stock	$ 423,580	317,992	$ 1.33
For the six months ended June 30, 2025			
Basic EPS			
Net income	$ 542,545	317,438	$ 1.71
Effect of potentially dilutive common stock	-	1,014	
Diluted EPS			
Net income available to common shareholders plus effect of potentially dilutive common stock	$ 542,545	318,452	$ 1.70
For the six months ended June 30, 2024			
Basic EPS			
Net income	$ 605,464	316,825	$ 1.91
Effect of potentially dilutive common stock	-	1,236	
Diluted EPS			
Net income available to common shareholders plus effect of potentially dilutive common stock	$ 605,464	318,061	$ 1.90

If the Company offered to settle the obligation by cash or by issuing stock, the profit-sharing bonus for employees will be settled in stock and the resulting potential stock will be included in the weighted average number of stock outstanding in the calculation of diluted EPS, as the stock have a dilutive effect. Such dilutive effect of the potential stock is included in the calculation of diluted EPS until the profit-sharing bonus for employees to be settled in the form of common stock is approved in the following year.

22. SHARE-BASED PAYMENT ARRANGEMENTS

a. Restricted Employee Share Plan:

On May 22, 2025, the shareholders' meeting approved the issuance of restricted employee stock for the year 2025, with a total issuance not exceeding 850,000 common shares, to be issued without consideration. Based on the aforementioned resolution, the Board of Directors approved the issuance of a total of 645 thousand restricted employee shares on August 7, 2025, with the grant date and issuance date scheduled for September 1, 2025.

Vesting conditions of the aforementioned arrangement are as follow:

Key management personnel must meet the following conditions to vest the restricted employee shares: (1) Still employed on the vesting date of each period; (2) No violations of any contracts signed with the Company or the Company's work rules during each vesting period; and (3) Achievement of the performance evaluation indicators set by the Company or the Company's operational performance indicators.

The maximum proportion of shares that can be vested each year is 40% after one year from issuance, 30% after two years, and 30% after three years. The actual proportion and number of shares vested each year will be calculated based on individual performance indicators and/or company operational performance indicators, including performance indicators (revenue, net operating profit) and ESG performance indicators. Detailed explanations are as follows:

	Threshold Value	Weight
A. Individual Performance Indicators	The most recent annual performance evaluation rating on the expiration date of the vesting period must reach S or above.	50%
B. Company Operational Performance Indicators 1) Performance Indicators: Revenue Operating income	The average value of the year before the vesting date higher than the total of the three years before the vesting date.	 22.5% 22.5%
2) ESG Performance Indicators: Overall waste recycling rate (including alternative energy) Process water recycling rate	Year before vesting date >90% >89.5%	 2.5% 2.5%

The threshold value and weight of each indicator are as described in the table above. For each indicator that meets the threshold value, the vested shares for that year are calculated based on their respective weight ratios. For each indicator that does not meet the threshold value, the corresponding weight ratio of the vested shares for that year is 0%. The "previous year" referred to in the threshold value refers to the fiscal year of the most recent annual financial report audited by the accountant before the vesting date. Whether the indicator is achieved is based on the financial report audited and certified by the accountant corresponding to the required period of the indicator.

1) After the restricted employee stock awards are issued, they shall be immediately be held in trust/custody, and before the vesting conditions 39 are met, employees shall not request the trustee to return the restricted stock awards for any reason or in any way.

2) Before the expiration of each vesting period, employees shall not sell, pledge, transfer, donate, set, or otherwise dispose of the restricted stock awards.

3) In addition to the aforementioned restrictions, other rights of the restricted stock awards granted to employees in accordance with the Measures, including but not limited to rights to receive dividends, bonuses, and capital surplus or rights to subscribe in cash capital increases, shall be the same as the common shares issued by the Company, and the relevant operational methods shall be implemented in accordance with the trust/custody agreement.

4) For shares still held in trust/custody before an employee meets the vesting conditions, the attendance, proposal, speech, voting rights, and other relevant shareholder rights of the Company's shareholders' meeting shall be exercised by the trust/custody institution on behalf of the employee.

5) If the Company implements a capital reduction not due to statutory capital reduction, such as cash capital reduction or capital reduction to offset losses, during the vesting period, the restricted stock awards shall be canceled in proportion to the capital reduction. In the case of cash capital reduction, the returned cash must be held in trust/custody and delivered to employees after the vesting conditions are met; however, if the vesting conditions are not met, the Company will recover the cash.

b. Employee Stock Option Plan:

Qualified employees were granted 460 options in April 2020, 5,424 options in July 2019 and 72 options in December 2019. Each option entitles the holder the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at certain percentages after the second year from the grant date. The options were granted at an exercise price equal to NT$20. For any subsequent changes in the Company's ordinary shares, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Six Months Ended June 30			
	2025		2024	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	361	$ 13.10	1,102	$ 14.10
Options exercised	(349)	13.10	(453)	14.10
Balance at June 30	12		649	
Options exercisable, end of period	12		649	

The weighted-average share price on the exercise date of the share options for the six months ended June 30, 2025 was $248.25.

Information on outstanding options was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Range of exercise price ($)	$ 13.1	$ 13.1	$ 14.1
Weighted-average remaining contractual life (in years)	0.75	0.59	1.06

Options are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	April 2020	December 2019	July 2019
Grant-date share price	$ 24.79	$ 17.42	$ 17.42
Exercise price	$ 20	$ 20	$ 20
Expected volatility	27.18%-28.74%	28.30%-28.48%	28.30%-28.48%
Expected life (in years)	4-5	4-5	4-5
Expected dividend yield	-	-	-
Risk-free interest rate	0.40%-0.42%	0.58%-0.61%	0.58%-0.61%

The stock price on the grant date is evaluated by the future cash flow method, and the expected volatility is based on the average annualized standard deviation of the daily rate of return of the industry. Compensation costs recognized were $0 thousand and $0 thousand for the three months ended June 30, 2025 and 2024, respectively; and $0 thousand and $44 thousand for the six months ended June 30, 2025 and 2024, respectively.

23. CASH FLOW INFORMATION

a. Non-cash transactions

	For the Six Months Ended June 30	
	2025	2024
Additions of property, plant and equipment	$ 1,150,086	$ 383,355
Changes in payables for purchases of equipment	(64,855)	178,389
Payments for acquisition of property, plant and equipment	$ 1,085,231	$ 561,744

b. Reconciliation of liabilities arising from financing activities

	Balance as of January 1, 2025	Financing Cash Flow	Non-cash changes: Foreign Exchange Movement	Non-cash changes: Leases Modifications	Non-cash changes: Other Changes (Note)	Balance as of June 30, 2025
Guarantee deposits	$ 4,581	$ -	$ (88)	$ -	$ -	$ 4,493
Lease liabilities	313,666	(46,338)	-	(4,050)	3,072	266,350
Long-term borrowings	4,409,586	(1,438,333)	-	-	748	2,972,001
Total	$ 4,727,833	$ (1,484,671)	$ (88)	$ (4,050)	$ 3,820	$ 3,242,844

	Balance as of January 1, 2024	Financing Cash Flow	Non-cash changes: Foreign Exchange Movement	Non-cash changes: Leases Modifications	Non-cash changes: Other Changes (Note)	Balance as of June 30, 2024
Guarantee deposits	$ 4,532	$ -	$ 42	$ -	$ -	$ 4,574
Lease liabilities	253,746	(43,284)	-	(22,554)	4,322	192,230
Long-term borrowings	6,678,521	(1,055,556)	-	-	10,133	5,633,098
Total	$ 6,936,799	$ (1,098,840)	$ 42	$ (22,554)	$ 14,455	$ 5,829,902

Note: Other changes include the financial cost of lease liabilities, right-of-use assets obtained and long-term bank loan interest subsidy recognized as deferred revenue.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity of the Company (comprising issued capital, reserves and retained earnings).

25. FINANCIAL INSTRUMENTS

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

Except as detailed in the table below, the management of the company believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

Fair value hierarchy

The table below sets out the fair value hierarchy for the Company's financial assets and liabilities which are not required to be measured at fair value:

	June 30, 2025			
	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Total
Financial assets				
Financial assets at amortized costs				
Corporate bonds	$ 100,000	$ -	$ 100,000	$ 100,000

Valuation techniques and assumptions used in Level 2 fair value measurement

The fair values of corporate bonds are determined by quoted market prices provided by third party pricing services.

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

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 34,412	$ -	$ 34,412
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 389	$ -	$ 389

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ -	$ -	$ -
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 19,150	$ -	$ 19,150

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ -	$ -	$ -
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 13,745	$ -	$ 13,745

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2025 and 2024.

The Company did not acquire or dispose of financial assets measured at fair value in Level 3 for the six months ended June 30, 2025 and 2024.

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

Derivative instruments - forward exchange contracts are discounted using the cash flow method. Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
FVTPL			
Held for trading	$ 34,412	$ -	$ -
Amortized cost (1)	13,856,404	14,713,413	14,260,903
Financial liabilities			
FVTPL			
Held for trading	389	19,150	13,745
Amortized cost (2)	4,832,988	5,225,071	7,009,161

1) Including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortized costs and other non-current assets.

2) Including accounts payable (including related parties), payables to contractors and equipment suppliers, accrued expenses and other current liabilities, long-term borrowings (including current portion of long-term borrowings) and guarantee deposits.

d. Financial risk management objectives and policies

The Company monitors and manages the financial risks associated with its operations, which include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of derivative financial instruments and significant financial rules and plans are regulated by the Company's Board of Directors and reviewed by the Company's internal control system. The Company does not engage in transactions of financial instruments (including derivative financial instruments) for speculative purposes.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

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

a) Foreign currency risk

A portion of the Company's cash inflows and outflows are denominated in foreign currencies and therefore have a natural hedging effect. The Company manages exchange rate risk for hedging purposes, not for profit-making.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 29.

<u>Sensitivity analysis</u>

The Company is mainly exposed to the U.S. dollar and the Japanese yen.

The sensitivity analysis of foreign currency exchange rate risk is based on the unfavorable impact of foreign currency monetary items, including cash, accounts receivable, other receivables, accounts payable and other payables, as of the end of the reporting period. If the unfavorable change in foreign currencies reaches 5%, the Company's net income for the six months ended June 30, 2025 and 2024 will decrease by $74,136 thousand and $85,539 thousand, respectively.

b) Interest rate risk

The Company's fixed and floating financial assets and floating interest rate financial liabilities are exposed to interest rate risk. The Company constantly observes and analyzes how a change in market interest rate may affect cash flows on interest-bearing debts. The Company also maintains good relationships with banks and performs timely assessments on possible interest rate risks for all interest-bearing debts, while taking actions to reduce the impact of interest rate changes on profitability.

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

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Fair value interest rate risk			
Financial assets	$ 11,968,562	$ 12,789,562	$ 12,263,012
Cash flow interest rate risk			
Financial assets	536,680	653,672	423,323
Financial liabilities	2,972,001	4,409,586	5,633,098

<u>Sensitivity analysis</u>

The Company's fixed-rate financial assets are not included in the analysis of interest rate risk with fair value because they are measured at amortized cost.

The sensitivity analyses below were determined based on the Company'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 the liabilities outstanding at the end of the reporting period was outstanding for the whole year.

If the market interest rate increase by 1% and all other variables were held constant, the Company's net profit before income tax for the six months ended June 30, 2025 and 2024 will decreased by $12,177 thousand and $26,049 thousand, respectively, which was mainly a result of the Company's variable rate bank borrowings and variable rate deposits.

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 Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Financial credit risk

The Company mitigates its financial credit risk by selecting counterparties with investment grade credit ratings. The Company regularly monitors and reviews the limit applied to counterparties and adjusts the limit according to market conditions and the credit standing of the counterparties.

The objective of the Company's investment policy is to achieve a return that will allow the Company to preserve principal and support liquidity requirements. The policy generally requires securities to be investment grade. The Company assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers.

Business-related credit risk

The Company's accounts receivable are from its five largest customers. The majority of the Company's outstanding accounts receivable are not covered by collateral or guarantees. While the Company has procedures to monitor and manage credit risk exposure on accounts receivable, there is no assurance such procedures will effectively eliminate losses resulting from its credit risk. This risk is heightened during periods when economic conditions worsen.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company's five largest customers accounted for 95%, 92% and 95% of accounts receivable, respectively.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk tables

The following table details the analysis of the remaining contractual maturities of the Company's non-derivative financial liabilities with contractual repayment periods, which are based on the earliest possible date on which the Company can be required to make repayment, and is prepared using the undiscounted cash flows of the financial liabilities, which include cash flows of interest and principal.

The maturity dates of the Company's other non-derivative financial liabilities were based on the agreed upon repayment dates.

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+Years
Non-derivative financial liabilities				
Non-interest bearing	$ 1,376,893	$ 190,992	$ 243,960	$ 4,493
Lease liabilities	7,723	15,446	69,507	190,724
Long-term borrowings	243,360	486,044	1,223,186	1,060,745
	$ 1,627,976	$ 692,482	$ 1,536,653	$ 1,255,962

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+Years
Non-derivative financial liabilities				
Non-interest bearing	$ 352,915	$ 200,755	$ 218,725	$ 4,581
Lease liabilities	7,761	15,522	69,848	241,069
Long-term borrowings	245,221	489,190	2,021,788	1,723,578
	$ 605,897	$ 705,467	$ 2,310,361	$ 1,969,228

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+Years
Non-derivative financial liabilities				
Non-interest bearing	$ 883,843	$ 161,264	$ 303,676	$ 4,574
Lease liabilities	7,187	14,375	23,603	165,226
Long-term borrowings	208,126	415,845	2,120,070	3,013,335
	$ 1,099,156	$ 591,484	$ 2,447,349	$ 3,183,135

Additional information about the maturity analysis for lease liabilities:

June 30, 2025

	Less than 5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	$ 1,816,338	$ -	$ -	$ -	$ -
Lease liabilities	$ 196,791	$ 65,243	$ 16,435	$ 4,931	$ -
Long-term borrowings	$ 3,013,335	$ -	$ -	$ -	$ -

December 31, 2024

	Less than 5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years

Non-interest bearing	$ 776,976	$ -	$ -	$ -	$ -
Lease liabilities	$ 238,124	$ 73,067	$ 16,435	$ 6,574	$ -
Long-term borrowings	$ 4,479,777	$ -	$ -	$ -	$ -

June 30, 2024

	Less than 5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	$ 1,353,357	$ -	$ -	$ -	$ -
Lease liabilities	$ 106,812	$ 75,020	$ 20,341	$ 8,218	$ -
Long-term borrowings	$ 5,757,376	$ -	$ -	$ -	$ -

The following table details the liquidity analysis of the Company's derivative financial instruments. For derivative instruments with gross settlement, the analysis is based on undiscounted contractual net cash inflows and outflows.

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 590,230	$ 854,426	$ -	$ -	$ -
Outflows	(568,503)	(845,466)	-	-	-
	$ 21,727	$ 8,960	$ -	$ -	$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 756,487	$ 810,210	$ -	$ -	$ -
Outflows	(770,048)	(819,200)	-	-	-
	$ (13,561)	$ (8,990)	$ -	$ -	$ -

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 754,167	$ 916,919	$ -	$ -	$ -
Outflows	(763,515)	(925,965)	-	-	-
	$ (9,348)	$ (9,046)	$ -	$ -	$ -

26. TRANSACTIONS WITH RELATED PARTIES

The Company's parent company is Taiwan Semiconductor Manufacturing Company (TSMC), which held 67.25% and 67.38% of the ordinary shares of the Company on June 30, 2025 and 2024, respectively.

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
TSMC	The Company's parent company
Xintec Inc. (Xintec)	Other related party
Global Unichip Corp. (GUC)	Other related party

b. Sales of goods

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	**2025**	**2024**	**2025**	**2024**
Xintec	$ 86,596	$ 174,335	$ 196,689	$ 297,226
Others	269	192	772	437
	$ 86,865	$ 174,527	$ 197,461	$ 297,663

c. Purchases of goods

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	**2025**	**2024**	**2025**	**2024**
For manufacturing				
TSMC	$ -	$ 463	$ 943	$ 463

d. Rental income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	**2025**	**2024**	**2025**	**2024**
GUC	$ 21,183	$ 16,200	$ 38,493	$ 29,760
TSMC	19,446	240	19,626	480
	$ 40,629	$ 16,440	$ 58,119	$ 30,240

e. Interest expense

Related Party Category/Name	For the Three Months Ended June 30 2025	For the Three Months Ended June 30 2024	For the Six Months Ended June 30 2025	For the Six Months Ended June 30 2024
Xintec	$ 735	$ 164	$ 1,734	$ 403
Others	14	14	28	27
	$ 749	$ 178	$ 1,762	$ 430

f. Contract assets

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Xintec	$ 661	$ 2,318	$ 5,809

g. Receivables from related parties

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Xintec	$ 44,731	$ 104,765	$ 142,022
Others	-	114	-
	$ 44,731	$ 104,879	$ 142,022

h. Other receivables

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
TSMC	$ 34,277	$ -	$ 84

i. Payables to related parties

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
TSMC	$ -	$ -	$ 465

j. Accrued expenses and other current liabilities

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
TSMC	$ 644,192	$ 763	$ 217,351
Others	-	-	80
	$ 644,192	$ 763	$ 217,431

k. Prepayments

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
TSMC	$ 187	$ 748	$ 1,309

l. Acquisition of property, plant and equipment

Related Party Category/Name	Line Items	Purchase Price For the Six Months Ended June 30, 2025
TSMC	Property, plant and equipment	$ 522,813

m. Lease arrangements

Acquisition of Right-of-Use Assets, Property, Plant and Equipment

The Company leases plant and offices from related parties. The lease terms are determined by agreement between the parties, rentals are paid monthly in accordance with the lease agreements, and the related rental expenses are recorded as right-of-use assets and manufacturing costs.

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Lease liabilities	Xintec	$ 120,224	$ 157,145	$ 29,239

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	2025	2024	2025	2024
Interest expense				
Xintec	$ 735	$ 164	$ 1,734	$ 403
Lease expense				
Xintec	$ 1,400	$ 2,900	$ 2,513	$ 4,300

n. Guarantee deposits

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
GUC	$ 3,304	$ 3,304	$ 3,304
Others	6	6	6
	$ 3,310	$ 3,310	$ 3,310

For the sales transactions between the Company and its related parties, the transaction prices and collection terms are not materially different from those of non-related parties. For other related party transactions, price and terms were determined in accordance with mutual agreements.

The Company rented/leased property, plant and equipment to/from related parties. The lease terms are determined in accordance with mutual agreements. The rentals were paid monthly; the related rentals were classified under other income and manufacturing expenses.

For the six months ended June 30, 2025 and 2024, no impairment loss was recognized for contract assets from related parties.

o. Others

Item	Related Party Categories	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Manufacturing expenses	Xintec	$ 1,400	$ 2,900	$ 2,513	$ 4,300
	TSMC	230	1,560	449	1,814
		$ 1,630	$ 4,460	$ 2,962	$ 6,114
Research and development	TSMC	$ 42	$ 674	$ 338	$ 1,613
General and administrative	TSMC	$ 8	$ 74	$ 28	$ 118

p. Compensation of key management personnel

The compensation of directors and other key management personnel were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	$ 17,530	$ 19,601	$ 33,075	$ 33,914
Post-employment benefits	162	162	324	351
	$ 17,692	$ 19,763	$ 33,399	$ 34,265

The compensation of directors and other key management personnel were determined by the Compensation Committee in accordance with the value of the individual’s participation in and contribution to the operations of the Company and is determined by reference to the usual industry standards.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company provided separately certificates of deposits amounting to $21,036 thousand, $21,036 thousand and $21,036 thousand, which were recorded in other non-current assets as collateral mainly for land lease agreements and tariff guarantees.

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company at June 30, 2025, December 31, 2024 and June 30, 2024 were as follows:

The Company entered into long-term energy purchase agreements with its supplier. The relative fulfillment period, quantity and price are specified in the agreement.

29. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY DENOMINATED FINANCIAL ASSETS AND LIABILITIES

The significant financial assets and financial liabilities denominated in foreign currencies were as follows:

June 30, 2025

	Foreign Currencies (In Thousands)	Exchange Rate
Financial assets		
Monetary items		
USD	$ 54,476	29.154
JPY	293,274	0.2017
EUR	540	34.215
CHF	2	36.490
Financial liabilities		
Monetary items		
USD	3,550	29.154
JPY	297,519	0.2017
EUR	575	34.215
CHF	-	36.490

December 31, 2024

	Foreign Currencies (In Thousands)	Exchange Rate
Financial assets		
Monetary items		
USD	$ 53,787	32.768
JPY	103,841	0.2092
EUR	12	34.102
CHF	2	36.310
Financial liabilities		
Monetary items		
USD	5,635	32.768
JPY	99,647	0.2092
EUR	4	34.102
CHF	-	-

June 30, 2024

	Foreign Currencies (In Thousands)	Exchange Rate
Financial assets		
Monetary items		
USD	$ 61,241	32.490
JPY	313,095	0.2025
EUR	131	34.855
CHF	2	36.100
Financial liabilities		
Monetary items		
USD	8,639	32.490
JPY	309,892	0.2025
EUR	102	34.855
CHF	-	36.100

Note: Please refer to Note 19 for the foreign exchange gains and losses for the six months ended June 30, 2025 and 2024. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

30. OPERATING SEGMENT INFORMATION

The Company's chief operating decision maker periodically reviews operating results, focusing on operating income generated by the color filter segment. Operating results are used for resource allocation and performance assessment. As a result, the Company has only one operating segment, the color filter segment. The color filter segment engages mainly in the researching, developing, designing, manufacturing, selling, packaging and testing of color filter products.

The basis for the measurement of income from operations is the same as those for the preparation of financial statements. Please refer to the statements of comprehensive income for the related segment revenue and operating results.

31. ADDITIONAL DISCLOSURES

a. Information on significant transactions:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (None)

3) Marketable securities held. (None)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 1)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

b. Information on investees. (None)

c. Information on investments in mainland China. (None)

VISERA TECHNOLOGIES COMPANY LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
VisEra	Xintec	Other related parties	Sales	$ 196,689	4	60 days after monthly closing	Note 25	Note 25	$ 44,731	4	-