EGIS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE SIX-MONTH PERIODS ENDED
JUNE 30, 2025 AND 2024

Notice to Readers

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese financial statements shall prevail.

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English Translation of Review Report Originally Issued in Chinese

Review Report of Independent Auditor

To Egis Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheet of Egis Technology Inc. and its subsidiaries (the "Group") as of June 30, 2025, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2025, changes in equity and cash flows for the six-month period ended June 30, 2025, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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" as endorsed and became effective by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

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Basis for Qualified Conclusion

As explained in Notes 4(3)B, the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries and liabilities amounted to NT$199,821 thousand and NT$85,862 thousand, constituting 1% and 1% of the consolidated total assets and liabilities as of June 30, 2025, respectively. The comprehensive losses of these subsidiaries for the three-month and six-month periods ended June 30, 2025 were NT$(43,525) thousands and NT$(62,084) thousands, respectively, constituting 6% and 4% of the consolidated comprehensive loss for the respective periods. As explained in Note 6(7), the financial statements of investments accounted for using the equity method were not reviewed by independent auditors. The balance of investment accounted for using the equity method amounted to NT$145,692 thousand, constituting 1% of the consolidated total assets as of June 30, 2025; and the share of profit of associates accounted for using equity method for the three-month and six-month periods ended June 30, 2025 were NT$(2,583) thousand and NT$(7,638) thousand, constituting 0% and 1% of the consolidated total comprehensive loss, respectively.

Qualified Conclusion

Based on our reviews and the review reports of the other independent auditors (please refer to the Other Matter paragraph of our report), except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and investments accounted for using equity method and the information been reviewed by independent auditors described in the preceding paragraph, 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 the Group as of June 30, 2025, and their consolidated financial performance for the three-month and six-months periods ended June 30, 2025 and consolidated cash flows for the six-month period ended June 30, 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

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Other Matter – Making Reference to the Reviews of Other Independent Auditors

We did not review the financial statements of certain investments accounted for using the equity method which were reviewed by other independent auditors. Therefore, the review report expressed herein, insofar as it relates to the amounts and the information disclosed in Note 13 included in respect of these investments, is based solely on the report of the other independent auditors. The investments accounted for using equity method amounted to NT$949,188 thousand, constituting 5% of the total consolidated assets as of June 30, 2025, and the share of comprehensive loss recognized from these investees accounted for using the equity method amounted to NT$(32,624) thousand and NT$(63,909) thousand, constituting 5% and 4% of the consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2025.

Other Matter – Prior Period Reviewed by Other Independent Auditors

The consolidated financial statements of the Group were reviewed by other independent auditors, and the qualified review report was issued on August 9, 2024.

Hsu, Hsin-Min

Chen, Chih-Chung

Ernst & Young, Taiwan
August 13, 2025

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountant are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. 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(Note) (Adjusted)		Jume 30, 2024	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,426,992	13	$ 2,205,166	12	$ 2,219,420	17
1110	Financial assets at fair value through profit or loss - current	6(2)	240,058	1	303,673	1	660,035	5
1120	Financial assets at fair value through other comprehensive income - current	6(3)	35,067	-	37,962	-	36,562	-
1136	Financial assets at amortised cost - current	6(4)	591,576	3	987,551	5	748,181	6
1170	Accounts receivable, net	6(5)	477,553	3	516,655	3	461,246	4
1180	Accounts receivable from related parties, net	7	-	-	734	-	6,133	-
1200	Other receivables		17,949	-	20,395	-	15,469	-
1210	Other receivables from related parties	7	2,543	-	2,807	-	2,782	-
1220	Current tax assets		28,962	-	47,526	-	17,280	-
130x	Inventories	6(6)	407,812	2	542,747	3	700,269	6
1410	Prepayments	7	698,869	5	125,765	1	215,837	2
1470	Other current assets	6(22)	62,022	-	45,416	-	20,904	-
11xx	Total current assets		4,989,403	27	4,836,397	25	5,104,118	40
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non current	6(2)	445,930	2	439,931	2	670,106	5
1517	Financial assets at fair value through other comprehensive income - non current	6(3)	1,571,378	9	2,159,568	12	2,425,826	19
1535	Financial assets at amortised cost - non current	6(4)	463,548	2	57,220	-	38,422	-
1550	Investments accounted for using equity method	6(7)	1,094,880	6	1,177,891	6	1,336,268	10
1600	Property, plant and equipment	6(8)	211,217	1	234,069	1	202,261	2
1755	Right-of-use assets	6(9)	186,238	1	163,619	1	212,195	2
1780	Intangible assets	6(10)	9,209,831	49	9,404,777	50	2,285,631	18
1840	Deferred tax assets		346,462	2	332,485	2	357,018	3
1990	Other non-current assets	7	159,931	1	135,390	1	104,157	1
15xx	Total non-current assets		13,689,415	73	14,104,950	75	7,631,884	60
1xxx	**Total assets**		$ 18,678,818	100	$ 18,941,347	100	$ 12,736,002	100

Note: The Group has completed the fair value assesment of Inpsytech, Inc. as of the acquisition date. Accordingly, the consolidated balance sheet as December 31, 2024 has been adjusted to reflect the results of the assesment.

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

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. 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(Note) (Adjusted)		June 30, 2024	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(11)	$ 2,234,250	12	$ 1,511,493	8	$ 1,234,000	10
2130	Contract liabilities - current	6(22)	1,067,337	6	242,391	1	137,934	1
2170	Accounts payable		199,860	1	282,492	2	325,786	3
2180	Accounts payable to related parties	7	-	-	3,098	-	-	-
2200	Other payables	6(12)	1,289,360	7	1,745,830	9	1,141,692	9
2220	Other payables to related parties	7	47,869	-	47,901	-	7,527	-
2230	Current tax liabilities		29,307	-	39,667	-	9,290	-
2280	Lease liabilities - current	6(9)	71,873	-	68,893	1	81,049	1
2320	Current portion of long-term liabilities	6(13)	2,309,829	12	2,751,429	15	437,200	3
2365	Refund liabilities - current		31,172	-	32,210	-	27,438	-
2399	Other current liabilities	6(17), 7	43,513	-	41,202	-	36,544	-
21xx	Total current liabilities		7,324,370	38	6,766,606	36	3,438,460	27
	Non-current liabilities							
2527	Contract liabilities - non current	6(22)	1,079	-	15,593	-	-	-
2530	Corporate bonds payable	6(14)	286,594	2	283,315	1	280,073	2
2540	Long-term borrowings - non current	6(13)	250,457	1	408,571	2	688,464	5
2570	Deferred tax liabilities		629,711	3	683,100	4	185,447	2
2580	Lease liabilities - non current	6(9)	121,383	1	98,947	1	140,113	1
2600	Other non-current liabilities		13,760	-	233,698	1	230,680	2
25xx	Total non-current liabilities		1,302,984	7	1,723,224	9	1,524,777	12
2xxx	Total liabilities		8,627,354	45	8,489,830	45	4,963,237	39
31xx	**Equity attributable to owners of parent**							
3100	Share capital							
3110	Common stock	6(18)	912,508	5	912,508	5	742,718	6
3200	Capital surplus	6(19)	5,326,148	29	4,936,992	26	1,239,302	10
3300	Retained earnings	6(20)						
3310	Legal reserve		725,338	4	725,338	4	725,338	5
3320	Special reserve		603,821	3	473,690	2	473,690	4
3350	Unappropriated retained earnings (Accumulated deficit)		(593,576)	(3)	128,848	1	887,713	7
	Total retained earnings		735,583	4	1,327,876	7	2,086,741	16
3400	Other equity interest	6(21)	(1,159,160)	(6)	(633,829)	(3)	(499,884)	(4)
31xx	Equity attributable to owners of parent		5,815,079	32	6,543,547	35	3,568,877	28
36xx	**Non-controlling interests**	6(29)	4,236,385	23	3,907,970	20	4,203,888	33
3xxx	Total equity		10,051,464	55	10,451,517	55	7,772,765	61
	Total liabilities and equity		$ 18,678,818	100	$ 18,941,347	100	$ 12,736,002	100

Note: The Group has completed the fair value assesment of InPsytech, Inc. as of the acquisition date. Accordingly, the consolidated balance sheet as of December 31, 2024 has been adjusted to reflect the results of the assesment.

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

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in Thousands of New Taiwan dollars, except for loss per share amount)

			Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22)	$ 1,203,233	100	$ 951,047	100	$ 2,275,577	100	$ 1,967,325	100
5000	Operating costs	6(6)	(733,260)	(61)	(618,811)	(65)	(1,376,370)	(60)	(1,232,377)	(62)
5900	Net operating margin		469,973	39	332,236	35	899,207	40	734,948	38
6000	Operating expenses									
6100	Selling expenses		(155,951)	(13)	(73,071)	(8)	(310,505)	(14)	(149,178)	(8)
6200	General and administrative expenses		(140,906)	(12)	(113,089)	(12)	(289,490)	(13)	(230,111)	(12)
6300	Research and development expenses		(509,201)	(42)	(405,480)	(42)	(1,031,200)	(45)	(834,289)	(42)
6450	Expected credit losses	6(5)	(7,205)	(1)	(191)	-	(12,208)	(1)	(223)	-
6000	Total operating expenses		(813,263)	(68)	(591,831)	(62)	(1,643,403)	(73)	(1,213,801)	(62)
6900	Operating loss		(343,290)	(29)	(259,595)	(27)	(744,196)	(33)	(478,853)	(24)
7000	Non-operating income and expenses									
7100	Interest income	6(23)	21,501	2	17,049	2	37,359	2	29,561	2
7010	Other income		54,715	5	3,570	-	64,195	3	5,905	-
7020	Other gains and losses, net	6(24)	(182,573)	(15)	87,782	9	(160,658)	(7)	153,334	8
7050	Finance costs	6(25)	(77,091)	(6)	(15,877)	(2)	(115,176)	(5)	(31,032)	(2)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(35,207)	(3)	(49,387)	(5)	(71,547)	(3)	(76,371)	(4)
7000	Total non-operating income and expenses		(218,655)	(17)	43,137	4	(245,827)	(10)	81,397	4
7900	Loss before income tax		(561,945)	(46)	(216,458)	(23)	(990,023)	(43)	(397,456)	(20)
7950	Income tax benefit	6(27)	52,840	4	9,630	1	50,458	2	13,627	1
8200	Loss for the period		(509,105)	(42)	(206,828)	(22)	(939,565)	(41)	(383,829)	(19)
8300	Other comprehensive income									
8310	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised (losses) gains from investments in equity instruments at fair value through other comprehensive income	6(3)	(193,241)	(16)	(55,789)	(6)	(583,817)	(26)	46,887	2
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(21)	-	-	-	-	-	-	770	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	22	-	-	-	(7,585)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation	6(21), 6(29)	(8,853)	(1)	1,067	-	(3,714)	-	4,709	-
8367	Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6(3)	344	-	(295)	-	528	-	(508)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		-	-	2,598	1	-	-	2,598	-
	Other comprehensive income for the period, net of tax		(201,750)	(17)	(52,397)	(5)	(587,003)	(26)	46,871	2
8500	Total comprehensive loss for the period		$ (710,855)	(59)	$ (259,225)	(27)	$ (1,526,568)	(67)	$ (336,958)	(17)
8600	Loss attributable to:									
8610	Owners of parent		$ (355,606)	(29)	$ (169,348)	(18)	$ (590,020)	(26)	$ (266,590)	(13)
8620	Non-controlling interests		(153,499)	(13)	(37,480)	(4)	(349,545)	(15)	(117,239)	(6)
			$ (509,105)	(42)	$ (206,828)	(22)	$ (939,565)	(41)	$ (383,829)	(19)
8700	Comprehensive loss attributable to:									
8710	Owners of parent		$ (481,805)	(40)	$ (232,186)	(24)	$ (1,119,722)	(49)	$ (237,163)	(12)
8720	Non-controlling interests		(229,050)	(19)	(27,039)	(3)	(406,846)	(18)	(99,795)	(5)
			$ (710,855)	(59)	$ (259,225)	(27)	$ (1,526,568)	(67)	$ (336,958)	(17)
	Loss per share (in dollars)									
9750	Basic loss per share	6(28)	$ (3.90)		$ (2.28)		$ (6.47)		$ (3.59)	
9850	Diluted loss per share	6(28)	$ (3.90)		$ (2.28)		$ (6.47)		$ (3.59)	

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

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in Thousands of New Taiwan dollars)

	Equity attributable to owners of the parent									
			Retained Earnings			Other Equity Interest				
Description	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	differences on translation of foreign financial statements	gains (losses) from financial assets measured at fair value through other	Total	Non-controlling interests	Total
Balance as of January 1, 2024	$ 742,718	$ 1,340,854	$ 725,338	$ 857,729	$ 778,378	$ 474	$ (474,164)	$ 3,971,327	$ 4,629,327	$ 8,600,654
Appropriations of earnings										
Special capital reserve	-	-	-	(384,039)	384,039	-	-	-	-	-
Loss for the period	-	-	-	-	(266,590)	-	-	(266,590)	(117,239)	(383,829)
Other comprehensive income	-	-	-	-	-	4,234	25,193	29,427	17,444	46,871
Total comprehensive income (loss)	-	-	-	-	(266,590)	4,234	25,193	(237,163)	(99,795)	(336,958)
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	55,621	-	(55,621)	-	-	-
Reorganisation adjustment	-	(32,759)	-	-	-	-	-	(32,759)	-	(32,759)
Changes in ownership interests in subsidiaries	-	(18,806)	-	-	(38,426)	-	-	(57,232)	-	(57,232)
Changes in equity of associates accounted for using equity method	-	(49,987)	-	-	(25,309)	-	-	(75,296)	-	(75,296)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	(325,644)	(325,644)
Balance as of June 30, 2024	$ 742,718	$ 1,239,302	$ 725,338	$ 473,690	$ 887,713	$ 4,708	$ (504,592)	$ 3,568,877	$ 4,203,888	$ 7,772,765
Balance as of January 1, 2025(Note)	$ 912,508	$ 4,936,992	$ 725,338	$ 473,690	$ 128,848	$ 3,800	$ (637,629)	$ 6,543,547	$ 3,907,970	$ 10,451,517
Appropriations of earnings										
Special capital reserve	-	-	-	130,131	(130,131)	-	-	-	-	-
Loss for the period	-	-	-	-	(590,020)	-	-	(590,020)	(349,545)	(939,565)
Other comprehensive income	-	-	-	-	-	758	(530,460)	(529,702)	(57,301)	(587,003)
Total comprehensive income (loss)	-	-	-	-	(590,020)	758	(530,460)	(1,119,722)	(406,846)	(1,526,568)
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	(4,371)	-	4,371	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	297,764	-	-	-	-	-	297,764	-	297,764
Changes in ownership interests in subsidiaries	-	91,392	-	-	-	-	-	91,392	(87,215)	4,177
Changes in equity of associates accounted for using equity method	-	-	-	-	2,098	-	-	2,098	-	2,098
Increase in non-controlling interests	-	-	-	-	-	-	-	-	822,476	822,476
Balance as of June 30, 2025	$ 912,508	$ 5,326,148	$ 725,338	$ 603,821	$ (593,576)	$ 4,558	$ (1,163,718)	$ 5,815,079	$ 4,236,385	$ 10,051,464

Note: The Group has completed the fair value assesment of InPsytech, Inc. as of the acquisition date. Accordingly, the consolidated balance sheet as of December 31, 2024 has been adjusted to reflect the results of the assesment.

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

English translation of consolidated financial statements originally issued in Chinese

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in Thousands of New Taiwan dollars)

Items	Six months ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	$ (990,023)	$ (397,456)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	99,054	94,452
Amortisation	489,547	202,171
Expected credit losses	12,208	223
Impairment losses of property, plant and equipment	457	-
Impairment losses of intangible assets	-	1,835
Interest income	(37,359)	(29,561)
Interest expense	115,176	31,032
Dividend income	(40,633)	(945)
Gain on disposal of property, plant and equipment	-	(200)
Gains from lease modification	(75)	(10)
Gains on financial assets at fair value through profit or loss	42,594	(62,007)
Share of loss of associates accounted for using equity method	71,547	76,371
Share-based payments	24,053	10,840
Gain on reversal of refundable deposits	-	(18,836)
Losses on disposal of investment	(4,818)	-
Others	20	29
Changes in operating assets and liabilities		
Changes in operating assets		
Accounts receivable (including related parties)	61,503	58,523
Other receivables (including related parties)	3,729	11,163
Inventories	149,868	150,133
Prepayments	(538,168)	17,837
Other current assets	(7,610)	53,767
Changes in operating liabilities		
Contract liabilities	810,432	91,700
Accounts payable	(94,936)	(52,448)
Other payables (including related parties)	(82,124)	(117,828)
Refund liabilities - current	(1,038)	(30,598)
Other current liabilities	638	2,741
Cash inflow generated from operations	84,042	92,928
Income taxes paid	(8,703)	(19,459)
Interest received	37,297	29,250
Interest paid	(114,256)	(31,262)
Net cash flows (used in) generated form operating activities	(1,620)	71,457

Items	Six months ended June 30	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	(42,015)	(75,472)
Proceeds from disposal of financial assets at fair value through profit or loss	97,759	454,807
Acquisition of financial assets at fair value through other comprehensive income	-	(55,543)
Proceeds from disposal of financial assets at fair value through other comprehensive income	23,462	81,547
Increase in financial assets at amortised cost	(10,353)	-
Proceeds from disposal of financial assets at armortised cost	-	114,259
Proceeds from disposal of investments under the equity method.	7,058	-
Acquisition of property, plant and equipment	(37,788)	(54,468)
Proceeds from disposal of property, plant and equipment	305	749
Acquisition of intangible assets	(528,915)	(187,799)
Investment payable (included in other payables)	(228,818)	-
Cash flows generated from acquisition of subsidiaries (net of cash required)	26,698	(43,294)
Increase in non-current assets	(18,481)	(1,324)
Cash dividends received	40,633	945
Net cash flows (used in) generated from investing activities	(670,455)	234,407
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,160,000	1,234,000
Decrease in short-term loans	(429,578)	(1,354,000)
Increase in other payables-related parties	65	7,000
Repayments of long-term debt	(599,714)	(148,036)
Payments of lease liabilities	(40,454)	(41,889)
Increase (Decrease) in other non-current liabilities	1,778	(2,126)
Dividends from subsidiaries	(44,722)	(67,757)
Proceeds from issuance of shares by subsidiaries to non-controlling interest	779,707	111,248
Issuance of corporate bonds	-	300,350
Transaction from share-based payments	75,000	-
Net cash flows generated from financing activities	902,082	38,790
Effect of exchange rate changes on cash and cash equivalents	(8,181)	(4,162)
Net increase in cash and cash equivalents	221,826	340,492
Cash and cash equivalents at beginning of period	2,205,166	1,878,928
Cash and cash equivalents at end of period	$ 2,426,992	$ 2,219,420

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

1. History and Organisation

Egis Technology Inc. (the "Company") was incorporated on December 26, 2007 as a company limited by shares under the laws of the Republic of China ("R.O.C.") and registered under the Ministry of Economic Affairs, R.O.C. The address of its registered office is 2F.-1, No.360, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan. The Company and its subsidiaries (collectively the "Group") are primarily engaged in the research, development, and sales of data security software, biometric identification software and hardware, wholesale of electronic materials, development and design of IC, intellectual property licensing of silicon and international trading.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Company's board of directors on August 13, 2025.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have been endorsed by FSC, but not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, the end of the reporting period are listed below

Items	New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
1	IFRS 17, 'Insurance Contracts'	January 1, 2023
2	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
3	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
4	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, but not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue, the end of the reporting period are listed below

Items	New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
1	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 18, 'Presentation and Disclosure in Financial Statements'	January 1, 2027
3	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027

A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 18, 'Presentation and Disclosure in Financial Statements'

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(a) Improved comparability in the statement of profit or loss
IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analysing entities' performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The effective dated of the above standards and interpretations shall be subject to the FSC's announcements. Except for IFRS 18 'Presentation and Disclosure in Financial Statements', which is pending assessment, the above standards and interpretations have no significant impact on the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.
(b) Defined benefit assets recognised based on the net amount of pension fund assets less the present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for the preparation of these consolidated financial statements is the same as the consolidated financial statements for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2025	Ownership (%) December 31, 2024	Ownership (%) June 30, 2024	Description
Egis	Egis Technology (Japan) Inc. (Japan)	Customer service, business promotion and technical service	100.00	100.00	100.00	
〃	Egis Technology Korea Inc. (Korea)	Customer service, business promotion and technical service	100.00	100.00	100.00	
〃	OceanX Inc.	Holding activity	100.00	100.00	100.00	
〃	Luxsentek Microelectronics Corp.	Technology development	86.93	86.93	86.93	
〃	Egis Intelligent (Shanghai) Co., Ltd.	Customer service, business promotion and technical service	100.00	100.00	100.00	
〃	Egis (Hong Kong) Limited	Holding activity	100.00	100.00	100.00	Note 1
〃	VASUBI Technology Inc.	Technology development	100.00	100.00	100.00	
〃	NUI Technology Inc.	Technology development	100.00	100.00	100.00	
〃	Taurus Wireless Inc.	Technology development	100.00	100.00	100.00	
〃	Alcor Micro, Corp. (Alcor)	Wholesale of electronic materials, development and design of integrated circuit and international trading, etc.	20.16	20.47	20.47	Notes 3 and 8
〃	Egisee Inc.	Technology development	33.33	100.00	100.00	Note 16
〃	InPsytech, Inc.	Semiconductor intellectual property core	100.00	100.00	-	Note 13
Egis, Alcor and AlgolTek	Kiwi Technology Inc. (Kiwi)	Design of integrated circuit and solution of product	23.98	-	-	Note 14
Egis and Alcor	StarRiver Semiconductor Corp. (StarRiver)	Design of integrated circuit and solution of product	-	-	98.18	Note 2

Investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2025	Ownership (%) December 31, 2024	Ownership (%) June 30, 2024	Description
Egis and Syncomm	Transducer Star Technology INC. (Transducer Star)	Technology development	90.53	93.72	91.62	Note 6
Egis, Alcor, Alcorlink, AlgolTek and Kiwi	Egis Vision Inc.(Egis Vision)	Development, design and sales of integrated circuit	100.00	76.32	78.14	Notes 7 and 14
Kiwi	Kiwi Technology Inc.	Product technical support services	100.00	-	-	Note 14
Alcor	Alcor Micro Technology, Inc. (AMTI)	Investment holdings	100.00	100.00	100.00	
〃	Chun-Feng Investment Limited (Chun-Feng)	General investment business	100.00	100.00	100.00	
〃	ENE Technology Inc. (ENE)	Development, design and sales of integrated circuit	17.67	17.67	17.67	Note 4
Alcor and Chun-Feng	Syncomm Technology Corp. (Syncomm)	Development, design and sales of integrated circuit	29.30	29.29	29.29	Notes 4 and 9
〃	AlgolTek, Inc. (AlgolTek) Development, design	Development, design and sales of integrated circuit	31.51	31.48	31.86	Notes 4 and 5
AlgolTek	Alcorlink Corp. (Alcorlink)	Development, design and sales of integrated circuit	-	-	100.00	Note 10
AMTI	Alcor Micro Technology (ShenZhen) Ltd.	After sales service and collection of business intelligence	-	-	100.00	Note 12
〃	Alcor Micro Technology (H.K.) Limited	Management and sales of electronic products	100.00	100.00	100.00	
AlgolTek	Joint Power Exponent, Ltd. (Joint Power exponent)	Development, design and sales of integrated circuit	50.25	45.24	45.24	Note 15
Joint Power exponent	Joint Power Exponent (ShenZhen), Ltd. (ShenZhen Joint Power Exponent)	Development, design and sales of integrated circuit	-	100.00	100.00	Note 11

Note 1: Egis (Hong Kong) Limited was incorporated on August 17, 2015 and the capital injection has not yet been completed by the Group.

Note 2: On May 3 and November 5, 2024, Alcor resolved at its board meetings to acquire 1,995 thousand shares and 505 thousand shares of StarRiver Semiconductor Corp. (StarRiver) at a price of NT$234 per share. Following the transaction, Alcor's equity stake in StarRiver increased to 100%, leading to a simplified merger, where StarRiver was dissolved, and Alcor remained as the surviving entity. The merger date was set as December 31, 2024.

Note 3: Although the Group's shareholding ratio in Alcor was less than 50%, the Group obtained the majority voting rights in the Board of Directors through effective agreements with other shareholders. Thus, Alcor was included in the consolidated financial statements.

Note 4: The Group's subsidiary, Alcor, was the single major shareholder of Syncomm, ENE and AlgolTek. Although the direct shareholding ratio did not reach 50%, Alcor had substantial decision-making power on each companies' finance, operations and personnel administration, and in the conduct of their main business activities. Further, during the shareholders' meeting of each company, Alcor has obtained the majority voting right, and has substantial control power. Thus, they were included in the consolidated financial statements.

Note 5: Following the adjustments of AlgoTek's treasury shares, the exercise of employee's stock options, the retirement of restricted stocks and sale of shares, the Group's shareholding ratios in Alcor as of June 30, 2025, December 31, 2024, and June 30, 2024, were changed to 31.51%, 31.48%, and 31.86% respectively.

Note 6: On July 5, 2024, Transducer Star issued 1,200 thousand new shares through a capital increase, all of which were subscribed by Egis, resulting in a change in the Group's shareholding ratio to 93.72%. On January 3, 2025, Transducer Star issued 1,000 thousand new shares through a capital increase, which were subscribed by Syncomm, raising the Group's shareholding ratio to 94.81%. Additionally, in May, 2025, Transducer Star implemented an employee stock option plan and granted 273 thousand shares, resulting in a change in the Group's shareholding ratio to 90.53%.

Note 7: The board of directors of Egis Vision during its meeting on January 17, 2024 resolved to conduct a cash capital increase by issuing 4,000 thousand new shares. As Alcorlink did not subscribe to the capital increase proportionately to its ownership and the Company subscribed 2,986 thousand shares, the Group's total ownership decreased to 76.32%. In August 2024, Alcorlink sold all its shares in Egis Vision to Egis and AlgolTek.

Note 8: In June 2024, Alcor conducted an employee subscription of restricted employee shares, resulting in a change to the Group's shareholding ratio to 20.47%. Additionally, on December 20, 2024, the board of directors of Alcor resolved to issue 8,000 thousand shares through capital increase and the Company subscribed to 1,310 thousand shares, resulting in a change to the Group's shareholding ratio to 20.16%.

Note 9: Since Syncomm handled cash capital increase, issuance, retirement of restricted stocks and over-allotment, the Group's total shareholding ratio changed to 29.30%, 29.29%, and 29.29% as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

Note 10: The board of directors of Alcorlink had resolved the dissolution and liquidation of the company on August 6, 2024. The liquidation was completed on November 15, 2024.

Note 11: The board of directors of ShenZhen Joint Power Exponent had resolved the dissolution of the company on September 19, 2024. The liquidation was completed on June 6, 2025.

Note 12: Alcor Micro Technology (ShenZhen) Ltd. had resolved the dissolution and liquidation of the company in January 2024. The dissolution and liquidation were completed in October 2024.

Note 13: The Group acquired InPsytech, Inc. on July 31, 2024. Please refer to Note 6(32) for details.

Note 14: Considering the Kiwi's and Egis Vision's necessity of future long-term development, conducted a share exchange under the Mergers and Acquisitions Act, with Kiwi issuing new shares as consideration to Egis Vision's shareholders to acquire 100% equity in Egis Vision. The transaction date was set on January 15, 2025, and following the exchange, the Group's shareholding ratio in Kiwi became 25.55%. Since the Group is Kiwi's largest shareholder and has obtained substantive control through effective agreements with other shareholders, securing majority voting rights in the shareholders' meeting, Kiwi is included in the consolidated financial statements. Additionally, on February 19, 2025, Kiwi issued 3,000 thousand new shares through a capital increase. As the Group did not subscribe in proportion to its existing holdings, its shareholding ratio changed to 23.98%.

Note 15: In January 2024, AlgolTek acquired 40.43% equity interest in Joint Power Exponent in cash, became the single largest shareholder of Joint Power Exponent and has control over Joint Power Exponent as it obtained two seats and the effective agreements between other shareholders out of five seats in the board of directors. On January 23, 2024, Joint Power Exponent's board of directors approved to increase capital by issuing 3,750 thousand new shares. The Group did not acquire shares proportionally to its interest. As a result, the shareholding ratio increased to 45.24%. Additionally, on January 14, 2025, Joint Power exponent's board approved another capital increase, issuing 4,617 thousand new shares. With AlgolTek again not subscribing proportionally, its shareholding ratio rose to 50.25%.

Note 16: On June 27, 2025, Egisee Inc. conducted a capital increase and issued 6,000 thousand new shares. As the Group did not subscribe to the new issues in proportion to its original shareholding, the Group's ownership interest decreased to 33.33%. Although the Group's direct shareholding is below 50%, it retains substantive control over Egisee Inc., including decision-making authority over its financial, operational, and personnel matters, and directing its key relevant activities.

For certain insignificant subsidiaries included in the consolidated financial statements, their financial statements for the same periods were not reviewed by independent auditors. As of June 30, 2025, and June 30, 2024, total assets amounted to $199,821 thousand and $38,379 thousand, and total liabilities amounted to $85,862 thousand and $11,614 thousand, respectively. Comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024 were $(43,525), $(10,633), $(62,084) and $(22,806) thousand, respectively.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of June 30, 2025, December 31, 2024 and June 30, 2024, the non-controlling interest amounted to $4,236,385, $3,907,970 and $4,203,888, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest June 30, 2025 Amount	Ownership (%)
Alcor and its subsidiaries	Taiwan	$ 4,075,537	79.84%

Name of subsidiary	Principal place of business	Non-controlling interest December 31, 2024 Amount	Ownership (%)
Alcor and its subsidiaries	Taiwan	$ 3,907,263	79.53%

Name of subsidiary	Principal place of business	Non-controlling interest June 30, 2024 Amount	Ownership (%)
Alcor and its subsidiaries	Taiwan	$ 4,192,579	79.53%

Balance sheets

	June 30, 2025	December 31, 2024	June 30, 2024
	Alcor and its subsidiaries	Alcor and its subsidiaries	Alcor and its subsidiaries
Current assets	$ 3,399,079	$ 3,296,618	$ 3,937,431
Non-current assets	4,152,367	3,772,870	2,905,779
Current liabilities	(2,234,968)	(1,979,588)	(1,215,343)
Non-current liabilities	(457,830)	(711,873)	(790,814)
Total net assets	$ 4,858,648	$ 4,378,027	$ 4,837,053

Statement of comprehensive income

	Three months ended June 30, 2025	Three months ended June 30, 2024
	Alcor and its Subsidiaries	Alcor and its subsidiaries
Revenue	$ 629,434	$ 585,320
Loss before income tax	(161,002)	(46,655)
Income tax benefit	21,992	7,393
Loss, net of tax	(139,010)	(39,262)
Other comprehensive income	(118,287)	13,130
Total comprehensive income (loss)	$ (257,297)	$ (26,132)
Comprehensive loss attributable to non-controlling interest	$ (211,506)	$ (21,445)
Dividends paid to non-controlling interest	$ 44,722	$ 44,722

	Six months ended June 30, 2025		Six months ended June 30, 2024	
	Alcor and its Subsidiaries		Alcor and its subsidiaries	
Revenue	$	1,005,982	$	981,957
Loss before income tax	$	(95,354)	$	(136,543)
Income tax benefit		7,817		12,166
Loss, net of tax		(87,537)		(124,377)
Other comprehensive income		(97,676)		21,937
Total comprehensive income (loss)	$	(185,213)	$	(102,440)
Comprehensive loss attributable to non-controlling interest	$	(366,358)	$	(90,677)
Dividends paid to non-controlling interest	$	76,095	$	106,569

Statement of cash flows

	Six months ended June 30, 2025		Six months ended June 30, 2024	
	Alcor and its subsidiaries		Alcor and its subsidiaries	
Net cash from operating activities	$	423,405	$	6,266
Net cash used in investing activities		(751,714)		(9,552)
Net cash from financing activities		476,365		267,028
Effect of exchange rate changes on cash and cash equivalents		(10,285)		(5,519)
Increase in cash and cash equivalents		137,771		258,223
Cash and cash equivalents, beginning of period		1,268,876		1,339,470
Cash and cash equivalents, end of period	$	1,406,647	$	1,597,693

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The additional explanations for this period are as follows. For the remaining details, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

Reasons and Impact of Changes in Accounting Estimates

The Group reviews the estimated useful life of intangible assets at each balance sheet date. To accurately reflect the actual usage of key assets and to provide a fair representation of the company's financial position, operating performance, and financial condition changes, the Group has decided to extend the remaining useful life of specialized technology from 32 months to 68 months, effective on January 1, 2025.

This change in accounting estimates is expected to impact amortization expenses for the year 2025 and future periods as follows:

	2025	2026	2027	2028	2029	2030
Increase (Decrease) in Amortization expense	$ (220,205)	$ (220,205)	$ (81,557)	$ 195,738	$ 195,738	$ 130,491

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and revolving funds	$ 1,062	$ 823	$ 1,099
Checking accounts and demand deposits	1,775,927	1,518,428	1,838,394
Time deposits	650,003	685,915	379,927
	$ 2,426,992	$ 2,205,166	$ 2,219,420

A. The above time deposits pertain to high liquidity investments with a maturity of less than 3 months.

B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 233,621	$ 291,452	$ 580,461
Principal protected note	-	-	60,069
Hybrid instrument - convertible bonds	6,407	8,016	14,290
Domestic listed stocks	-	4,115	4,795
Non-hedging derivative – callable convertible bonds	30	90	420
	$ 240,058	$ 303,673	$ 660,035
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Hybrid instrument - convertible bonds	$ -	$ -	$ $162,379
Beneficiary certificates	171,771	189,371	216,438
Domestic listed stocks	83,323	67,646	112,935
Domestic unlisted stocks	86,193	36,599	69,400
Foreign listed stocks	57,884	-	-
Foreign unlisted stocks	46,759	146,315	108,954
	$ 445,930	$ 439,931	$ 670,106

A. For the three-month and six-month periods ended June 30, 2025 and 2024, the Group recognised gain on financial assets at fair value through profit or loss in the amount of $(49,683), $46,933, $(42,594) and $62,007, respectively.

B. Details of the Group’s financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

C. Information relating to fair value of financial assets at fair value through profit or loss is provided in Note 12(3).

(3) Financial assets at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Debt instrument			
Bonds	$ 30,185	$ 33,354	$ 32,636
Equity instrument			
Domestic listed stocks	4,882	4,608	3,926
	$ 35,067	$ 37,962	$ 36,562
Non-current items:			
Debt instrument			
Bonds	$ -	$ -	$ 6,031
Equity instrument			
Domestic listed stocks	750,253	1,129,423	1,307,283
Domestic unlisted stocks	560,886	672,567	720,003
Foreign listed stocks	41,191	77,433	62,790
Foreign unlisted stocks	219,048	280,145	329,719
	$ 1,571,378	$ 2,159,568	$ 2,425,826

A. The Group designated the investments shown above as debt instruments as financial assets at fair value through other comprehensive income, because these debt instruments represent those investments that the Group holds within a business model whose objective is achieved by both collecting the contractual cash flows and by selling financial assets.

B. The Group has elected to classify equity investments that are considered to be strategic investments and with steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $1,576,260, $2,164,176 and $2,423,721 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

C. Aiming to satisfy the Group’s operating plan, the Group sold the share investment at fair value of $23,462 and $81,547 which resulted in cumulative (loss) gain on disposal of $(4,371) and $55,621 (deducted the amount from tax effect) respectively for the six months ended June 30, 2025 and 2024.

D. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended June 30,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ (193,241)	$ (55,789)
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ (189)
Dividend income recognized in profit or loss from investments held at period-end	$ 40,633	$ 945

	Three months ended June 30,	
	2025	2024
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (loss)	$ 344	$ (295)
Interest income recognised in profit or loss	$ 377	$ 459

	Six months ended June 30,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ (583,817)	$ 46,887
Cumulative gains reclassified to retained earnings due to derecognition	$ (4,371)	$ 63,206
Dividend income recognized in profit or loss from investments held at period-end	$ 40,633	$ 945

	Six months ended June 30,	
	2025	2024
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income (loss)	$ 528	$ (508)
Interest income recognised in profit or loss	$ 780	$ 834

E. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the recognised carrying amount of financial assets.

F. Details of the Group’s financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

G. Information relating to the fair value of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(4) Financial assets at amortised cost

	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits with maturity over three months	$ 584,180	$ 633,502	$ 616,904
Pledged demand deposits	-	3,249	-
Pledged time deposits	7,396	344,243	124,810
Bonds	-	6,557	6,467
	$ 591,576	$ 987,551	$ 748,181
Non-current items:			
Time deposits with maturity over one year	$ 372	$ 382	$ -
Pledged demand deposits	18,093	18,477	-
Pledged time deposits	445,083	38,361	38,422
	$ 463,548	$ 57,220	$ 38,422

A. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the recognised carrying amount of financial assets.

B. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended June 30,	
	2025	2024
Interest income	$ 7,191	$ 5,865

	Six months ended June 30,	
	2025	2024
Interest income	$ 14,076	$ 11,781

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

E. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) <u>Accounts receivable</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	$ 489,928	$ 516,709	$ 461,676
Less: Allowance for accounts receivable	(12,375)	(54)	(430)
	$ 477,553	$ 516,655	$ 461,246

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	$ 469,522	$ 512,404	$ 443,158
Up to 30 days	3,429	4,305	1,157
31 to 90 days	-	-	17,281
Over 91 days	16,977	-	80
	$ 489,928	$ 516,709	$ 461,676

The above ageing analysis was based on past due date.

B. As of June 30, 2025, December 31, 2024 and June 30, 2024, accounts receivable were all from contracts with customers. As of December 31, 2023, the balance of receivables from contracts with customers amounted to $524,008.

C. The Group had no accounts receivable pledged to others as collateral.

D. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Group was the recognised carrying amount of the financial assets.

E. The Group comprehensively considered the geographic area, product types and credit rating of each customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss. The Group used the consideration of forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's expected credit loss rates were not significant.

F. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
	Accounts receivable	Accounts receivable
At January 1	$ 54	$ 101
Expected credit loss	12,329	223
Reversal of expected credit loss	(121)	-
Others	113	106
At June 30	$ 12,375	$ 430

G. Information relating to credit risk of accounts receivable is provided in Note 12(2).

H. The Group has not pledged accounts receivable as collateral.

I. The Group has obtained collaterals, including time deposits, promissory notes, and fixed assets, from some customers based on credit terms as guarantees for credit enhancement of accounts receivable.

(6) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	$ 82,782	$ 130,565	$ 318,838
Work in progress	245,416	324,617	286,030
Finished goods	79,614	87,565	95,401
	$ 407,812	$ 542,747	$ 700,269

A. For the three-month and six-month periods ended June 30, 2025 and 2024, the inventory costs which were recognised as cost of goods sold were $733,260, $597,851, $1,376,370 and $1,157,937, respectively. These amounts included a reversal of loss on inventory write-down in the amount of $14,045 and $22,555 for the three-month and six-month periods ended June 30, 2025, respectively, following the clearance of slow-moving inventories; and an inventory valuation loss from reducing inventory to the net realizable value in the amount of $12,065 and $17,457 were recognized for the three-month and six-month periods ended June 30, 2024 respectively.

B. The Group has no inventories pledged to others.

C. The long-term contract that the Group's subsidiary entered into with certain suppliers matured on December 31, 2025, and the commissioned minimum production amount was stipulated in the contract. Details of the loss arising from the insufficient amount that the production amount did not meet the production requirement are provided in Note 6(17).

(7) Investments accounted for using equity method

A. Details of investments accounted for using equity method are as follows:

	June 30, 2025		December 31, 2024	
Company name	Shareholding ratio	Amount	Shareholding ratio	Amount
iCatch Technology, Inc. (iCatchtek)	18.65%	$ 949,188	18.66%	$ 1,011,000
SCT Holdings Ltd. (SCT)	24.45%	145,692	24.45%	1,51,033
Terawins, Inc. (Terawins) (Note 1)	-	-	17.65%	15,858
Egis Innovation Fund G.P., Ltd. (Note 2)	-	-	-	-
		$ 1,094,880		$ 1,177,891

Company name	June 30, 2024	
	Shareholding ratio	Amount
iCatch Technology, Inc. (iCatchtek)	18.69%	$ 1,042,134
SCT Holdings Ltd. (SCT)	24.45%	273,372
Terawins, Inc. (Terawins)	17.65%	20,762
Egis Innovation Fund G.P., Ltd. (Note 2)	-	-
		$ 1,336,268

Note 1: The Group initially held 5,360 thousand common shares of Terawins, accounting for a 17.65% ownership interest. As the Group served as a corporate director of the associate and held two out of seven board seats, it was deemed to have significant influence over Terawins, and the investment was therefore accounted for using the equity method. In March 2025, the Group disposed 2,360 thousand shares of Terawins, reducing its ownership interest to 9.88%. After the election of its board members in the 2025 annual general meeting, the Group didn't retain any board representation. Therefore, it was assessed that the Group no longer has significant influence over Terawins. Accordingly, the remaining investment previously accounted for under the equity method was reclassified as financial assets measured at fair value through other comprehensive income – non-current.

Note 2: The liquidation of the company was completed in June 2024.

B. Shares of profit (loss) of associates accounted for using equity method are as follows:

	Three months ended June 30,	
	2025	2024
iCatch Technology, Inc. (iCatchtek) (Note 1)	$ (32,624)	$ (25,711)
SCT Holdings Ltd. (SCT) (Note 2)	(2,583)	(22,497)
Terawins, Inc. (Terawins) (Note 2)	-	(1,179)
	$ (35,207)	$ (49,387)

	Six months ended June 30,	
	2025	2024
iCatch Technology, Inc. (iCatchtek) (Note 1)	$ (63,909)	$ (48,499)
SCT Holdings Ltd. (SCT) (Note 2)	(5,341)	(25,133)
Terawins, Inc. (Terawins) (Note 2)	(2,297)	(2,739)
	$ (71,547)	$ (76,371)

Note 1: The financial information of iCatchtek for the three-month and six-month periods ended June 30, 2025 and 2024 is recognised based on the financial statements reviewed by the auditors appointed by the investee.

Note 2: The financial information for the three-month and six-month periods ended June 30, 2025 and 2024 of SCT and Terawins was recognised based on the financial statements that were not reviewed by independent auditors.

C. The Group is the single largest shareholder of iCatchTek, and hold more than half of board seats in iCatchTek. As of June 30, 2025, according to the active degree of participation in the past shareholders' meeting, the Group has no absolute dominance in the voting right during the shareholders' meeting. Therefore, the Group has no control, but only has significant influence, over the investee, which was recognised as an associate.

Since iCatchTek issued employee restricted stock, the Group's shareholding ratio was changed to 18.65%, 18.66%, and 18.69%, as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

D. On April 8, 2024, the group converted its receivables from SCT into equity investment, subscribing to 2,143 thousand shares at a price of US$ 1.4 (in dollars) per share, with a total price of approximately US$ 3,000 thousand (approximately $96,300). After the acquisition, the ownership percentage in the company increased to 24.45%.

Since the Group has recognized losses from SCT in excess of the investment cost, an assessment of the recoverable amount of SCT was conducted in 2024, with value-in-use as the basis for determining the recoverable amount.

E. The summarised financial information of the associates that are material to the Group is as follows:

Balance sheets

	iCatchtek		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 1,501,554	$ 1,616,900	$ 1,680,778
Non-current assets	335,880	338,377	162,401
Current liabilities	(220,433)	(212,242)	(143,196)
Non-current liabilities	(30,222)	(25,646)	(18,244)
Total net assets	$ 1,586,779	$ 1,717,389	$ 1,681,739

	iCatchtek		
	June 30, 2025	December 31, 2024	June 30, 2024
Share in associate's net assets	$ 295,934	$ 320,465	$ 314,317
Goodwill	166,580	166,580	166,580
Excess of investments accounted for using equity method	486,674	523,955	561,237
Carrying amount of the associate	$ 949,188	$ 1,011,000	$ 1,042,134

	SCT		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 82,319	$ 82,319	$ 317,756
Non-current assets	37,894	37,894	53,200
Current liabilities	(411,640)	(411,640)	(422,732)
Non-current liabilities	(5,890)	(5,890)	(8,455)
Total net assets	$ (297,317)	$ (297,317)	$ (60,231)

	SCT		
	June 30, 2025	December 31, 2024	June 30, 2024
Share in associate's net assets	$ -	$ -	$ -
Goodwill	83,862	83,862	200,779
Excess of investments accounted for using equity method	61,830	67,171	72,593
Carrying amount of the associate	$ 145,692	$ 151,033	$ 273,372

Statement of comprehensive income (loss)

	iCatchtek	
	Three months ended June 30,	
	2025	2024
Revenue	$ 328,029	$ 217,460
Loss for the period	$ (74,969)	$ (37,783)
Other comprehensive income	-	-
Total comprehensive loss	(74,969)	(37,783)
Share of loss for the period	$ (32,624)	$ (25,711)

	iCatchtek	
	Six months ended June 30,	
	2025	2024
Revenue	$ 570,000	$ 432,590
Loss for the period	$ (142,734)	$ (59,797)
Other comprehensive income	-	4,091
Total comprehensive loss	(142,734)	(55,706)
Share of loss for the period	$ (63,909)	$ (48,499)

	SCT	
	Three months ended June 30,	
	2025	2024
Revenue	$ -	$ 136,258
Loss for the period	$ -	$ (37,701)
Other comprehensive loss	-	-
Total comprehensive loss	-	(37,701)
Share of loss for the period	$ (2,583)	$ (22,497)

	SCT	
	Six months ended June 30,	
	2025	2024
Revenue	$ -	$ 265,756
Loss for the period	$ -	$ (26,457)
Other comprehensive loss	-	-
Total comprehensive loss	-	(26,457)
Share of loss for the period	$ (5,341)	$ (25,133)

F. The Group’s material associate, iCatchtek, has quoted market price. As of June 30, 2025, December 31, 2024 and June 30, 2024, the fair value was $769,500, $1,189,800 and $1,357,200, respectively.

(8) Property, plant and equipment

	2025					
	Information equipment	Development equipment	Leasehold improvements	Others	Equipment under acceptance	Total
At January 1						
Cost	$ 112,900	$ 311,326	$ 53,130	$ 175,066	$ -	$ 652,422
Accumulated depreciation	(90,461)	(200,879)	(26,419)	(100,594)	-	(418,353)
	$ 22,439	$ 110,447	$ 26,711	$ 74,472	$ -	$ 234,069
At January 1	$ 22,439	$ 110,447	$ 26,711	$ 74,472	$ -	$ 234,069
Additions	3,674	7,389	4,894	16,896	-	32,853
Acquired from business combinations	184	-	280	1,145	-	1,609
Disposals	(138)	-	-	(167)	-	(305)
Reclassification	-	(24,526)	1,064	23,462	1,896	1,896
Depreciation charge	(5,989)	(21,736)	(4,364)	(26,337)	-	(58,426)
Impairment Loss	-	(457)	-	-	-	(457)
Net exchange differences	(10)	(12)	-	-	-	(22)
At June 30	$ 20,160	$ 71,105	$ 28,585	$ 89,471	$ 1,896	$ 211,217
At June 30						
Cost	$ 122,165	$ 254,647	$ 53,545	$ 252,623	$ 1,896	$ 684,876
Accumulated depreciation	(102,005)	(183,542)	(24,960)	(163,152)	-	(473,659)
	$ 20,160	$ 71,105	$ 28,585	$ 89,471	$ 1,896	$ 211,217

	2024											
	Information equipment		Development equipment		Leasehold improvements		Others		Equipment under acceptance		Total	
At January 1												
Cost	$	98,431	$	252,811	$	53,125	$	156,476	$	-	$	560,843
Accumulated depreciation		(81,081)		(170,478)		(30,788)		(82,291)		-		(364,638)
	$	17,350	$	82,333	$	22,337	$	74,185	$	-	$	196,205
At January 1	$	17,350	$	82,333	$	22,337	$	74,185	$	-	$	196,205
Additions		3,448		15,745		250		39,405		-		28,718
Acquired from business combinations		-		(81)		267		676		-		862
Disposals		-		(212)		-		(337)		-		(549)
Reclassification		-		76		(76)		-		-		-
Depreciation charge		(5,727)		(19,636)		(3,082)		(24,665)		-		(53,110)
Net exchange differences		(1)		-		1		5		-		5
At June 30	$	15,070	$	78,225	$	19,697	$	89,269	$	-	$	202,261
At June 30												
Cost	$	101,218	$	265,489	$	48,710	$	174,920	$	-	$	590,337
Accumulated depreciation		(86,148)		(187,264)		(29,013)		(85,651)		-		(388,076)
	$	15,070	$	78,225	$	19,697	$	89,269	$	-	$	202,261

The Group has no property, plant and equipment pledged to other

(9) Lease transactions－lessee

	June 30, 2025	December 31, 2024	June 30, 2024
Right-of-use assets:			
Buildings and structures	$ 182,735	$ 158,176	$ 205,303
Transportation equipment		2,579	3,316
(Business vehicles)	1,267		
Machinery and equipment	-	167	417
Other equipment	2,236	2,697	3,159
	$ 186,238	$ 163,619	$ 212,195

	June 30, 2025	December 31, 2024	June 30, 2024
Lease liability:			
Current	$ 71,873	$ 68,893	$ 81,049
Non-current	121,383	98,947	140,113
	$ 193,256	$ 167,840	$ 221,162

A. The Group leases various assets including building, business vehicles, machinery and equipment and parking spaces. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as collateral for borrowing purposes.

B. The depreciation charges of right-of-use assets are as follows:

	Three months ended June 30,	
	2025	2024
Buildings and structures	$ 19,752	$ 19,687
Transportation equipment (Business vehicles)	202	377
Machinery and equipment	42	125
Other equipment	230	231
	$ 20,226	$ 20,420

	Six months ended June 30,	
	2025	2024
Buildings and structures	$ 39,497	$ 39,875
Transportation equipment (Business vehicles)	503	754
Machinery and equipment	167	250
Other equipment	461	463
	$ 40,628	$ 41,342

C. For the six months ended June 30, 2025 and 2024, the additions to right-of-use assets were $456 and $2,735, respectively.

D. Short-term leases with a lease term of 12 months or less comprise parking spaces and warehouse. Low-value assets comprise multifunction printers and drinking fountain.

E. The information on profit or loss accounts relating to lease contracts is as follows:

	Three months ended June 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,531	$ 1,179
Expense on short-term lease contracts	12,981	636
Expense on leases of low-value assets	120	133
Expense on variable lease payments	36	58
Revenue from sub-lease of right-of-use assets	2,473	-
Gain arising from lease modifications	-	1

	Six months ended June 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,985	$ 2,442
Expense on short-term lease contracts	22,122	3,414
Expense on leases of low-value assets	203	251
Expense on variable lease payments	36	58
Revenue from sub-lease of right-of-use assets	3,010	-
Gain arising from lease modifications	75	10

F. For the six months ended June 30, 2025 and 2024, the Group's total cash outflows for leases were $65,800 and $48,054, respectively.

G. For the six months ended June 30, 2025 and 2024, due to the earlier termination of the lease contract and adjustment of the rent-free period, the Group's right-of-use assets decreased by $1,266 and $999, lease liabilities decreased by $1,341 and $1,009 as of June 30, 2025 and 2024, respectively.

H. Variable lease payments:

Some of the Group's lease contracts contain variable lease payment terms, whereby the payments were calculated and expenses were recognised based on the quantity actually used during the period.

(10) Intangible assets

	2025					
	Goodwill	Patents	Acquired special technology	Customer relationship	Software cost	Total
At January 1						
Cost	$ 4,145,330	$ 227,223	$ 3,209,558	$ 2,367,821	$ 712,260	$ 10,662,192
Accumulated amortisation	-	(160,739)	(390,612)	(295,951)	(410,113)	(1,257,415)
	$ 4,145,330	$ 66,484	$ 2,818,946	$ 2,071,870	$ 302,147	$ 9,404,777
At January 1	$ 4,145,330	$ 66,484	$ 2,818,946	$ 2,071,870	$ 302,147	$ 9,404,777
Additions - acquired separately		-	6,503	-	18,007	24,510
Additions - acquired through business combinations (Note 1)	278,803	-	-	-	212	279,015
Reclassification (Note 2)	-	-	-	-	(8,924)	(8,924)
Amortisation charge	-	(20,867)	(196,780)	(173,352)	(98,548)	(489,547)
At June 30	$ 4,424,133	$ 45,617	$ 2,628,669	$ 1,898,518	$ 212,894	$ 9,209,831
At June 30						
Cost	$ 4,424,133	$ 227,223	$ 3,216,061	$ 2,367,821	$ 721,555	$ 10,956,793
Accumulated amortisation	-	(181,606)	(587,392)	(469,303)	(508,661)	(1,746,962)
	$ 4,424,133	$ 45,617	$ 2,628,669	$ 1,898,518	$ 212,894	$ 9,209,831

	2024					
	Goodwill	Patents	Acquired special technology	Customer relationship	Software cost	Total
At January 1						
Cost	$ 892,827	$ 243,119	$ 680,967	$ 402,071	$ 603,429	$ 2,822,413
Accumulated amortisation	-	(125,133)	(109,734)	(110,119)	(218,299)	(563,285)
	$ 892,827	$ 117,986	$ 571,233	$ 291,952	$ 385,130	$ 2,259,128
At January 1	$ 892,827	$ 117,986	$ 571,233	$ 291,952	$ 385,130	$ 2,259,128
Additions - acquired separately	-	470	115,440	-	84,717	200,627
Additions - acquired through business combinations (Note 1)	43,088	726	-	52	223	44,089
Reclassification (Note 2)	-	-	-	-	(14,207)	(14,207)
Amortisation charge	-	(26,852)	(52,011)	(35,347)	(87,961)	(202,171)
Impairment Loss	-	(1,835)	-	-	-	(1,835)
At June 30	$ 935,915	$ 90,495	$ 634,662	$ 256,657	$ 367,902	$ 2,285,631
At June 30						
Cost	$ 935,915	$ 227,192	$ 794,445	$ 402,123	$ 681,420	$ 3,041,095
Accumulated amortisation	-	(136,697)	(159,783)	(145,466)	(313,518)	(755,464)
	$ 935,915	$ 90,495	$ 634,662	$ 256,657	$ 367,902	$ 2,285,631

Note 1: For details regarding the business combination, please refer to Note 6(32).

Note 2: Pertains to a transfer to other non-current assets for the six months ended June 30, 2025 and 2024, respectively.

A. Details of amortisation on intangible assets are as follows:

	Three months ended June 30,	
	2025	2024
Operating costs	$ 2	$ 32
Selling expenses	80,711	11,756
General and administrative expenses	5,055	1,559
Research and development expenses	161,937	90,735
	$ 247,705	$ 104,082

	Six months ended June 30,	
	2025	2024
Operating costs	$ 3	$ 54
Selling expenses	161,422	23,469
General and administrative expenses	9,656	3,135
Research and development expenses	318,466	175,513
	$ 489,547	$ 202,171

B. The Group has no intangible assets pledged to others.

C. Goodwill is allocated as follows to the Group's cash-generating units:

	June 30, 2025	December 31, 2024	June 30, 2024
Egis and subsidiaries:			
Biometric sensor chip and its application	$ 106,827	$ 106,827	$ 106,827
Wearable electroacoustic products and its application	5,159	5,159	5,159
IoT sensing products (Note)	278,803	-	-
Development on the intellectual property of silicon	3,209,689	3,209,689	-
Alcor and subsidiaries:			
USB control chip and automotive sensor chip	594,847	594,847	594,847
Multimedia video converter control chip and its application	185,994	185,994	185,994
Smart power control IC	42,814	42,814	43,088
	$ 4,424,133	$ 4,145,330	$ 935,915

Note: The amount of goodwill arising from IoT sensing products is tentative and is pending the completion of allocation of the final acquisition price. The Group performs impairment testing on the cash-generating units to which goodwill is allocated at the end of each annual reporting period, using value in use as the basis for determining recoverable amounts.

D. The Group entered into the agreement of the intellectual property licensing of software and silicon with Arm Limited in July 2024. The fixed licensing fees under the agreement are US$35 million and the payment is to be paid in instalments within one year. Furthermore, as stipulated in the agreement, the Group shall pay royalties based on a certain percentage of the sales when the Group sells the licensed product in the future. As of June 30, 2025, details of the amounts that are not yet paid are provided in Note 6(12). The Group obtained the bank guarantee issued by the Far Eastern International Bank in October 2024 because of performing the guarantee for the contracts for the licensing of intangible assets. The guaranteed amounts were US$24.5 million.

E. The Group assessed that certain patents no longer possess economic value. Accordingly, impairment losses of $0 and $1,835 were recognized for the six months ended June 30, 2025 and 2024, respectively, and were presented under research and development expenses.

(11) Short-term borrowings

Type of borrowings	June 30, 2025	December 31, 2024	June 30, 2024
Bank borrowings			
Unsecured borrowings	$ 954,417	$ 1,071,000	$ 1,174,000
Secured borrowings	189,833	440,493	60,000
	1,144,250	1,511,493	1,234,000
Other borrowings	1,090,000	-	-
Short-tern borrowings	$ 2,234,250	$ 1,511,493	$ 1,234,000
Undrawn facilities	$ 1,638,050	$ 854,600	$ 740,500
Interest rate range	1.976%～8%	1.97%～6.25%	1.98%～2.95%

Information about the collateral that was pledged for short-term borrowings is provided in Note 8.

(12) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Payable on acquisition of intangible assets (Note 1)	$ 519,508	$ 995,132	$ 226,783
Payable on investment funds (Note 2)	224,423	223,914	457,055
Payable on wages, salaries and bonuses	207,001	334,489	214,132
Payable on share-based payment	75,000	-	-
Dividends payable	31,373	-	38,812
Payable on royalties	23,022	4,597	8,180
Payable on employees’ compensation and directors’ remuneration	20,985	23,933	13,376
Payable on raw materials on behalf of subsidiary companies	18,712	-	-
Payable on professional service fees	12,304	19,195	11,879
Payable on research, development and testing expenses	9,371	8,085	17,461
Payable on technical service expenditures	1,665	861	2,296
Payable on machinery and equipment	1,574	6,358	12,562
Payable on software licensing fees	-	31,794	37,831
Others	144,422	97,472	101,325
	$ 1,289,360	$ 1,745,830	$ 1,141,692

Note 1: The Group obtained software and silicon intellectual property licenses from ARM Limited in September 2024. The unpaid amount was $455,778 as of June 30, 2025.

Note 2: In October 2023, the Group acquired the subsidiary, StarRiver, and increased its shareholding in the subsidiary in May 2024. Certain agreed investment considerations amounted to $228,237, $228,818 and $228,817 (before discounting) due on September 30, 2024, June 2, 2025 and June 1, 2026, respectively.

(13) Long-term borrowings

Type of borrowings	June 30, 2025	December 31, 2024	June 30, 2024
Long-term bank borrowings			
Unsecured borrowings	$ 128,572	$ 218,286	$ 324,417
Secured borrowings			
Syndicated borrowings	2,000,000	2,400,000	-
Bank borrowings	431,714	541,714	801,247
	2,560,286	3,160,000	1,125,664
Less: Current portion	(2,309,829)	(2,751,429)	(437,200)
	$ 250,457	$ 408,571	$ 688,464
Undrawn facilities	$ -	$ 370,000	$ 404,336
Maturity year	2025-2027	2025-2027	2024-2027
Interest rate range	2.25%~2.96%	2.03%~2.95%	2.03%～2.90%

A. Compliance with borrowing contracts

(A) Secured borrowings – syndicated borrowings

On July 2, 2024, the Group entered into a contract for the 2-year syndicated borrowings with Cathay United Bank and other banks. According to the contract, the Group shall maintain current ratio (as defined in the contract) not less than 100%, net financial debt ratio (as defined in the contract) not less than 150%, interest coverage ratio (as defined in the contract) not less than 1.5 times, and total amount of the equity attributable to owners of the parent (as defined in the contract) not less than $4,000,000. The aforementioned financial ratios will be reviewed every half year, and the financial ratios are based on the consolidated financial statements provided by the Group that have been reviewed or audited by independent accountants.

If an event of default occurs during the contract period, the credit line will be suspended to drawdown immediately. The management bank can take related actions, such as:

i. Upon the termination of the trust contract and the return of the trust assets to the Company, the Company is required to immediately sign a share pledge agreement for the relevant shares;

ii. Deposits in the syndicated banking group and all claims against the syndicated banking group shall be settled before the maturity date, and the amounts which are settled before the maturity date will be directly offset;

iii. Exercise various rights on the collateral;

iv. Exercise all promissory notes obtained under the contract;

v. Compensation of various expenses or settlement of default fine, etc.

However, all the credit line of the syndicated borrowings had been used as of June 30, 2025. If an event of default occurs, the Group’s syndicated borrowings will not be subject to suspension of the drawdown of the credit line. The management bank takes the aforementioned related actions.

According to the Group’s reviewed consolidated financial statements for the six-months period ended June 30, 2025 and audited consolidated financial statements for the year ended December 31, 2024, the financial ratios did not meet the agreed standards stipulated in the syndicated loan contract. According to the contract, the managing bank may take relevant measures to enforce its rights. Therefore, the Group classified the syndicated loans as current portion of long term liabilities. The Group received a notification from the lead and management bank on July 18, 2025, stating that the participation banks with a debt ratio of 100.00% had agreed to exempt the Group from the obligation to prepay the syndicated loan in advance due to a violation of the financial ratio commitments in the consolidated financial statements for the six-months period ended June 30, 2025.

In accordance with the regulations of the borrowing contracts between the Group and certain creditor banks, the Group shall prepare consolidated financial statements bi-annually during the term of the borrowings and maintain the financial ratios agreed by both parties. If the agreed ratios are not met, the borrowing interest rate shall be raised as specified in the contracts.

For the six-month period ended June 30, 2025 and the year ended December 31, 2024, the Company’s interest coverage ratio did not meet the required financial ratios and accordingly, the creditor banks had to increase the borrowings interest rate in accordance with the contracts. However, the above adjustments had no significant impact on the Group.

B. Information regarding the collateral that was pledged for long-term borrowings is provided in Note 8.

(14) Convertible Bonds

	June 30, 2025	December 31, 2024	June 30, 2024
Convertible Bonds Payable	$ 300,000	$ 300,000	$ 300,000
Less: Discount on Bonds Payable.	(13,406)	(16,685)	(19,927)
	$ 286,594	$ 283,315	$ 280,073

A. The issuance of domestic convertible bonds by the Group's subsidiary- ENE

(A) The terms of the third domestic secured convertible bonds issued by ENE are as follows:

i. The Company issued the third domestic unsecured convertible bonds in the amount of $300,000, at 0% coupon rate, as approved by the competent authority. The bonds mature in 3 years from the issue date (from June 25, 2024 to June 25, 2027) and will be redeemed in a lump sum in cash at face value on the maturity date. The bonds were listed on the Taipei Exchange on June 25, 2024.

ii. The bondholders have the right to request for conversion of the bonds into common shares of ENE Technology Inc. during the period from the day after 3 month of the bonds issue (September 26,2024) to 40 days before the maturity date (May 16, 2027), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. However, the conversion price of the convertible bonds was NT$65.8 per share.

iv. ENE Technology Inc. may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of ENE Technology Inc. common shares is above the then conversion price by 50% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

v. Under the terms of the bonds conversion, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(B) As of June 30, 2025, no convertible bonds were converted into common shares and repurchased.

B. Regarding the issuance of convertible bonds of ENE, the equity conversion options in the amount of $20,876 were separated from the liability component and were recognised in 'capital surplus - others' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in accordance with IFRS 9 because the economic characteristics and risks of the debt instruments of the host contracts were not closely related. The effective interest rate of the bonds payable after such separation was 2.03%.

(15) Pensions

A. Defined benefit plan

(a) The domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labour pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the domestic subsidiaries will make contributions for the deficit by next March.

(b) For the aforementioned pension plan, no pension cost was recognised by the Group for the three-month and six-month periods ended June 30, 2025 and 2024.

(c) As of June 30, 2025, the Group did not make contributions to the retirement fund as the balance of the retirement fund had exceeded the present value of defined benefit obligation.

B. Defined contribution plan

(a) The Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Other overseas entities have established a defined contribution plan under the local regulations and contribute a certain percentage of the salaries and wages of the local employees to the endowment insurance or pension fund. Other than the annual contributions, the entities have no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2025 and 2024 were $16,417, $11,980, $30,636 and $23,361, respectively.

(16) Share-based payment

A. As of June 30, 2025, the Group's share-based payment arrangements were as follows:

Issuing entity	Type of arrangement	Grant date	Quantity granted (unit in thousands)	Contract period	Vesting conditions
Alcor	Employee subscription reserved for cash capital increase	2025.02.25	800	N/A	Vested immediately
"	Restricted stocks to employees	2023.03.20	723	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 1)
"	"	2022.01.03	477	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 2)
ENE	"	2022.05.10	20	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note3)
"	"	2022.03.16	980	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 3)
Syncomn	"	2023.02.01	300	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 4)

Issuing entity	Type of arrangement	Grant date	Quantity granted (unit in thousands)	Contract period	Vesting conditions
Syncomn	Restricted stocks to employees	2022.03.17	700	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Note 4)
Alcorlink	"	2021.11.05	1,000	3 years	Graded vesting at a certain percentage upon one year of service and achieving the required KPI (Notes 5 and 6)
Syncomn	Employee subscription reserved for cash capital increase	2024.6.18	80	N/A	Vested immediately (Note 7)
JOINT POWER	"	2025.01.14	235	N/A	Vested immediately
"	"	2024.01.23	3,750	N/A	Vested immediately
Transducer Star	Employee stock options	2024.10.01	1,500	1 years	(Note 8)
InPsytech, Inc.	"	2025.06.20	350	3 years	(Note 9)

(a) The restricted stocks issued by Alcor and Alcorlink cannot be sold, pledged, transferred, gifted, collateralised or disposed in any other method and have no rights to participate in the allocation (subscription) of dividends to original shareholders before meeting the vesting conditions.

(b) The restricted stocks issued by Syncomm and ENE cannot be sold, pledged, transferred, gifted, collateralised or disposed in any other method before meeting the vesting conditions.

The share-based payment arrangements above are settled by equity.

Note 1: Whether the vesting conditions have been met will be determined on March 31 each year and the restrictions on rights will be lifted from April 22 each year (postponed when the day falls on a public holiday).

Note 2: Whether the vesting conditions have been met will be determined on December 31 each year and the restrictions on rights will be lifted from January 31 each year (postponed when the day falls on a public holiday).

Note 3: Restricted stocks granted will be available to employees who meet certain performance requirements and are still employed after one year, two years and three years after the grant date at the rate of 20%, 30% and 50%, respectively.

Note 4: Restricted stocks granted will be available to employees who meet certain performance requirements and are still employed after one year, two years and three years after the grant date at the rate of 30%, 35% and 35%, respectively.

Note 5: Restricted stocks granted will be available to employees who meet certain performance requirements and are still employed after one year, two years and three years after the grant date at the rate of 30%, 30% and 40%, respectively.

Note 6: As a result of the share swap, AlgolTek assumed the performance obligation of employee restricted stocks initially issued by Alcorlink starting from the effective date of the share swap. Therefore, the underlying shares were changed from Alcorlink to AlgolTek, and the conversion price and quantity granted were adjusted based on the share swap ratio. The number of shares subscribable per unit was adjusted based on the share swap ratio of 1:0.6, and the quantity granted was changed from 1,000 thousand shares to 600 thousand shares.

Note 7: After the benchmark date for self-capital increase, certain employees are eligible to acquire 50% of the shares upon completing six months of service, and 100% upon completing one year of service.

Note 8: After the benchmark date for self-capital increase, certain employees are eligible to acquire 33% of the shares upon completing six months of service, 67% after completing nine months of service, and 100% after completing twelve months of service.

Note 9: Employees may exercise their stock options starting from the second day after the grant date. The vesting period spans three years, with 40% of the options can be vested after one year, 30% after two years, and the remaining 30% after three years.

If an employee resigns during the vesting period after exercising the options, the shares must be returned to the Company, and the payment will be refunded.

Prior to meeting the vesting conditions, employees are entitled to the same rights as holders of issued common shares with respect to cash and stock dividends, but are not entitled to rights of subscription in capital increases.

Unvested options may not be transferred, pledged, or otherwise disposed of to any third party.

B. Details of the restricted stocks to employees are as follows:

(a) Alcor:

	Six months ended June 30,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of restricted stocks	86	298
Stocks vested	(43)	(57)
Stocks expired	-	(150)
Ending balance of restricted stocks	43	91

(b) Alcorlink (had been converted to AlgolTek's restricted stocks):

	Six months ended June 30,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of restricted stocks	156	336
Stocks vested	(117)	(122)
Stocks expired	(39)	(27)
Stocks retrieved (Note)	-	(5)
Ending balance of restricted stocks	-	182

The above stock options had been converted from Alcorlink's shares into AlgolTek's shares at a ratio of 1:0.6.

Note: For the year ended December 31, 2024, Alcorlink recovered 5,000 restricted employee shares. As of June 30, 2024, the cancellation process had not yet been completed.

(c) Syncomm:

	Six months ended June 30,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of restricted stocks	455	790
Stocks vested	(340)	(335)
Stocks retired	(21)	-
Ending balance of restricted stocks	94	455

(d) ENE:

	Six months ended June 30,	
	2025	2024
	Number (in thousands)	Number (in thousands)
Beginning balance of restricted stocks	467	748
Stocks vested	(467)	(281)
Ending balance of restricted stocks	-	467

C. The fair value of restricted stocks to employees, treasury shares transferred to employees and employee stock options is measured using the Black-Scholes model. Relevant input information is as follows:

Issuing entity	Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note 1)	Expected option life	Expected dividend rate	Risk-free interest rate	Fair value
Alcor	Employee subscription reserved for cash capital increase	2025.02.25	116.5	90.00	61.35%	0.041year	-	1.22%	26.63
"	Restricted stocks to employees	2023.03.20	34.85	0.00			Note 2		34.85
"	"	2022.01.03	60.50	0.00			Note 2		60.50
ENE	"	2022.05.10	40.25	0.00			Note 3		40.25
"	"	2022.03.16	41.50	0.00			Note 3		41.50
Syncomm	"	2023.02.01	22.62	0.00			Note 2		22.62
"	"	2022.03.17	25.49	0.00			Note 3		25.49

Issuing entity	Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note 1)	Expected option life	Expected dividend rate	Risk-free interest rate	Fair value
Alcorlink	Restricted stocks to employees	2021.11.05	34.70	0.00			Note 3		31.41~ 33.60
Syncomm	Employee subscription reserved for cash capital increase	2024.06.18	42.43	33.5	32.64%	0.02 year	-	1.32%	8.94
JOINT POWER	"	2025.01.14	8.32	9.00	32.67%	0.01 year	0	0.74%	0.00
"	"	2024.01.23	3.23	8.00	38.93%	0.02 year	0	0.71%	0.00
Transducer Star.	Employee stock options	2024.10.01	10.00	10.00	31.14%	Note 4	0	0.41%	Note 4
InPsytech, Inc.	"	2025.06.20	886.4	500.00			Note 5		386.4

Note 1: Expected price volatility rate was estimated by using the average price volatility of similar listed entities within the appropriate period and the historical common stock price volatility within a year from the date of the Company’s assessment.

Note 2: The restricted stocks were issued at a price of NT$0 (in dollars) (i.e. without consideration) with a par value of $10 (in dollars) per share and measured at fair value based on the closing price on the grant date and taking into account restrictions on dividend collection.

Note 3: The restricted stocks were issued at a price of NT$0 (in dollars) (i.e. without consideration) with a par value of $10 (in dollars) per share and measured at fair value based on the closing price on the grant date.

Note 4: The employee stock options were issued at par value of NT$10 per share, the issuance price was NT$10 per share, and the fair value was measured at the latest price of cash capital increase of Transducer Star.

Note 5: The employee stock options were issued at par value of NT$10 per share, the issuance price was NT$500 per share, and the fair value was measured based on the book value per share on the grant date.

C. Compensation cost that the Group recognised for the abovementioned share-based payment transactions for the three-month and six-month periods ended June 30, 2025 and 2024 amounted to $3,897, $4,502, $24,053 and $10,840, respectively.

(17) Other Current Liabilities – Others

	June 30, 2025	December 31, 2024	June 30, 2024
Provisions	$ 34,225	$ 30,725	$ 27,656
Others	9,288	10,477	8,888
	$ 43,513	$ 41,202	$ 36,544

	Six months ended June 30,	
	2025	2024
Beginning balance of Provisions	$ 30,725	$ 27,656
Changes in Provisions	3,500	-
Ending balance of Provisions	$ 34,225	$ 27,656

The Group's subsidiary, ENE, entered into a long-term contract with certain suppliers, where the minimum production amount or quantity to be commissioned was provided in the contract. Management assessed that compensation may be paid for the related losses if the minimum production amount was not met, and thus a provision was recognised. The provision is recognised in profit or loss in the current period.

(18) Share capital

A. As of June 30, 2025, the Company's authorised capital was $2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was $912,508 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. To meet the operational development needs, the stockholders at their annual stockholders' meeting on June 25, 2024 adopted a resolution to raise additional cash through private placement with the effective date set on November 8, 2024. The maximum number of shares to be issued through the private placement is 10,000 thousand shares at a subscription price of $168 (in dollars) per share. The amount of capital raised through the private placement was $481,824 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

D. On July 31, 2024, the Company exchanged shares with Inpsytech, completing the acquisition with cash as well as with the issuance of new shares as consideration. After completing the share exchange, the Company's share capital will increase by $141,111 and the registration was completed. Please refer to Note 6(32) for details regarding business combination.

(19) Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Share premium	$ 4,936,992	$ 4,936,992	$ 1,235,900
Difference between consideration and carrying amount of subsidiaries acquired or disposed	297,764	-	-
Changes in ownership interests in subsidiaries	91,392	-	3,402
	$ 5,326,148	$ 4,936,992	$ 1,239,302

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid- in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Retained earnings

A. The current year’s earnings, if any, shall first be used to pay all taxes and offset accumulated operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After that, a special reserve shall be set aside or reverse in accordance with the related laws or regulations made by the regulatory authority. The remainder along with the opening balance of unappropriated earnings shall be proposed by the board of directors and submitted to the shareholders during their meeting for resolution when they are distributed in the form of new shares; and resolved by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors then reported to the shareholders during their meeting according to Paragraph 5 of Article 240 of the Company Act when they are distributed in the form of cash.

B. The Company’s dividend policy is adopted by taking into consideration current and future development plans, investment environment, capital needs, domestic and foreign competitors, shareholders’ interests and the general standards of dividend distribution in the industry and capital market. The dividends to shareholders can be distributed in the form of cash or shares and cash dividends shall account for at least 20% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriations of 2023 earnings as resolved by the shareholders at their meeting on June 27, 2024 are as follows:

	2023	
	Amount	Dividends per share (in dollars)
Reversal of Special Reserve	$ (384,039)	

E. The appropriations of 2024 earnings as resolved by the shareholders at their meeting on June 25, 2025 are as follows:

	2024	
	Amount	Dividends per share (in dollars)
Special reserve	$ 130,131	

(21) <u>Other equity interest</u>

	Currency translation	Unrealised (losses) gains on valuation	Total
At January 1, 2025	$ 3,800	$ (637,629)	$ (633,829)
Currency translation differences			
- Group	758	-	758
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income			
- Group	-	(530,568)	(530,568)
- Reclassifications of disposal of investments accounted for other comprehensive income to retained earning	-	4,371	4,371
Unrealised gains from investments in debt instruments measured at fair value through other comprehensive income			
- Group	-	108	108
At June 30, 2025	$ 4,558	$ (1,163,718)	$ (1,159,160)

	Currency translation	Unrealised (losses) gains on valuation	Total
At January 1, 2024	$ 474	$ (474,164)	$ (473,690)
Currency translation differences			
- Group	1,636	-	1,636
- Associates	2,598	-	2,598
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income			
- Group	-	24,183	24,183
- Associates	-	770	770
- Reclassifications of disposal of investments accounted for other comprehensive loss to retained earning	-	(63,206)	(63,206)
- Revaluation transferred to retained earnings – tax	-	7,585	7,585
Unrealised gains from investments in debt instruments measured at fair value through other comprehensive income			
- Group	-	240	240
At June 30, 2024	$ 4,708	$ (504,592)	$ (499,884)

(22) Operating revenue

A. The Group revenue derives from the transfer of goods and services at a point in time and over time in the following major geographical regions:

	Three months ended June 30, 2025		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major geographical regions:			
Taiwan	$ 21,795	$ 381,790	$ 403,585
Asia	558,209	241,005	799,214
America	-	306	306
Others	-	128	128
	$ 580,004	$ 623,229	$ 1,203,233

	Three months ended June 30, 2024		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major geographical regions:			
Taiwan	$ 10,797	$ 186,763	$ 197,560
Asia	362,918	390,120	753,038
America	-	449	449
	$ 373,715	$ 577,332	$ 951,047

	Six months ended June 30, 2025		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major geographical regions:			
Taiwan	$ 73,103	$ 541,639	$ 614,742
Asia	1,202,729	457,453	1,660,182
America	-	459	459
Others	-	194	194
	$ 1,275,832	$ 999,745	$ 2,275,577

	Six months ended June 30, 2024		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major geographical regions:			
Taiwan	$ 48,761	$ 338,453	$ 387,214
Asia	951,033	628,463	1,579,496
America	-	609	609
Others	-	6	6
	$ 999,794	$ 967,531	$ 1,967,325

	Three months ended June 30, 2025		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major product/service lines:			
Sales revenue	$ 480,264	$ 623,184	$ 1,103,448
Service revenue	5,945	15	5,960
Licensing revenue	93,795	30	93,825
	$ 580,004	$ 623,229	$ 1,203,233

	Three months ended June 30, 2024		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major product/service lines:			
Sales revenue	$ 371,997	$ 556,666	$ 928,663
Service revenue	1,718	20,308	22,026
Licensing revenue	-	358	358
	$ 373,715	$ 577,332	$ 951,047

	Six months ended June 30, 2025		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major product/service lines:			
Sales revenue	$ 1,107,553	$ 999,634	$ 2,107,187
Service revenue	8,026	26	8,052
Licensing revenue	160,253	85	160,338
	$ 1,275,832	$ 999,745	$ 2,275,577

	Six months ended June 30, 2024		
	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Major product/service lines:			
Sales revenue	$ 961,517	$ 927,581	$ 1,889,098
Service revenue	38,277	33,033	71,310
Licensing revenue	-	6,917	6,917
	$ 999,794	$ 967,531	$ 1,967,325

B. The Group has recognised the revenue-related contract liabilities - advance receipts shown as other current liabilities amounting to $1,068,416, $257,984, $137,934 and $46,234 on June 30, 2025, December 31, 2024, June 30, 2024 and January 1, 2024, respectively.

C. The revenue recognised that was included in the contract liability balance as of June 30, 2025 and 2024 were $162,139 and $41,980, respectively.

D. Assets recognised from costs to fulfil a contract

The Group entered into entrusted design service contracts with customers. Costs incurred should be recognised in assets and accounted as other current assets in the balance sheet under IFRS 15 if they generate resources used in satisfying the contract and are expected to be recovered. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balance was $58,605, $40,993 and $19,584, respectively.

(23) Interest income

	Three months ended June 30,	
	2025	2024
Interest income from bank deposits	$ 12,910	$ 10,458
Other interest income	8,591	6,591
	$ 21,501	$ 17,049

	Six months ended June 30,	
	2025	2024
Interest income from bank deposits	$ 21,249	$ 16,431
Other interest income	16,110	13,130
	$ 37,359	$ 29,561

(24) Other gains and losses

	Three months ended June 30,	
	2025	2024
Gains or losses on financial assets at fair value through profit or loss	$ (49,683)	$ 46,933
Gains on disposal of property, plant and equipment	-	200
Foreign exchange gains or losses	(132,182)	23,623
Gains from lease modifications	-	1
Gains or losses on disposal of investments	-	(1,835)
Other gains or losses	(708)	18,860
	$ (182,573)	$ 87,782

	Six months ended June 30,	
	2025	2024
Gains or losses on financial assets at fair value through profit or loss	$ (42,594)	$ 62,007
Gains on disposal of property, plant and equipment	-	200
Foreign exchange gains or losses	(121,747)	74,931
Gains from lease modifications	75	10
Gains or losses on disposal of investments	4,818	(1,835)
Other gains or losses	(1,210)	18,021
	$ (160,658)	$ 153,334

(25) Finance costs

	Three months ended June 30,	
	2025	2024
Interest expense on bank borrowings	$ 25,074	$ 14,698
Lease liability	1,531	1,179
Other interest expense	50,486	-
	$ 77,091	$ 15,877

	Six months ended June 30,	
	2025	2024
Interest expense on bank borrowings	$ 61,495	$ 28,590
Lease liability	2,985	2,442
Other interest expense	50,696	-
	$ 115,176	$ 31,032

(26) Expenses by nature

	Three months ended June 30, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 1,951	$ 294,525	$ 296,476
Share-based payments	-	3,897	3,897
Directors' remuneration	-	3,211	3,211
Labour and health insurance fee	158	22,079	22,237
Pension costs	101	16,316	16,417
Other personnel expenses	132	10,982	11,114
	$ 2,342	$ 351,010	$ 353,352
Depreciation charges	$ 4,366	$ 44,550	$ 48,916
Amortisation charges	$ 2	$ 247,703	$ 247,705

	Three months ended June 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 3,174	$ 289,001	$ 292,175
Share-based payments	19	4,483	4,502
Labour and health insurance fee	159	18,797	18,956
Pension costs	92	11,888	11,980
Other personnel expenses	66	8,688	8,754
	$ 3,510	$ 332,857	$ 336,367
Depreciation charges	$ 6,717	$ 40,610	$ 47,327
Amortisation charges	$ 32	$ 104,050	$ 104,082

	Six months ended June 30, 2025		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 4,155	$ 598,940	$ 603,095
Share-based payments	136	23,917	24,053
Directors' remuneration	-	10,715	10,715
Labour and health insurance fee	334	44,023	44,357
Pension costs	208	30,428	30,636
Other personnel expenses	198	20,274	20,472
	$ 5,031	$ 728,297	$ 733,328
Depreciation charges	$ 9,892	$ 89,162	$ 99,054
Amortisation charges	$ 3	$ 489,544	$ 489,547

	Six months ended June 30, 2024		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 4,512	$ 580,379	$ 584,891
Share-based payments	142	10,698	10,840
Labour and health insurance fee	305	37,613	37,918
Pension costs	186	23,175	23,361
Other personnel expenses	132	16,971	17,103
	$ 5,277	$ 668,836	$ 674,113
Depreciation charges	$ 12,578	$ 81,874	$ 94,452
Amortisation charges	$ 54	$ 202,117	$ 202,171

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as employees’ compensation and directors’ remuneration. The ratio shall not be lower than 5% for employees’ compensation and shall not be higher than 1% for directors’ remuneration. However, if the Company has accumulated losses, earnings should be reserved to cover losses first. The aforementioned employees’ compensation can be distributed in the form of shares or cash. The employees that the Company shall distribute employees’ compensation include the employees of subsidiaries who meet the requirements prescribed by the Board of Directors. The directors’ remuneration can only be distributed in the form of cash.

B. For the six months ended June 30, 2025 and 2024, the Company incurred loss before tax and thus did not accrue and distribute employees’ compensation and directors’ remuneration.

C. In accordance with the Articles of Incorporation, on March 20, 2025 and March 12, 2024, the Board of Directors resolved not to distribute directors' remuneration and employees' compensation due to the loss for the years ended December 31, 2024 and December 31, 2023 respectively.

D. Information about directors' remuneration and employees' compensation of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30,	
	2025	2024
Current tax:		
Current tax on profit for the period	$ 4,119	$ 2,192
Additional tax on unappropriated earnings	523	-
Current withholding tax on foreign profits for the period	1,111	-
Prior year income tax (over) under estimation	(23,505)	6,203
Total current tax	(17,752)	8,395
Deferred tax:		
Origination and reversal of temporary differences	(35,088)	(18,025)
Total deferred tax	(35,088)	(18,025)
Income tax benefit	$ (52,840)	$ (9,630)

	Six months ended June 30,	
	2025	2024
Current tax:		
Current tax on profit for the period	$ 31,112	$ 3,017
Additional tax on unappropriated earnings	523	-
Current withholding tax on foreign profits for the period	1,111	-
Prior year income tax (over) under estimation	(24,193)	6,217
Total current tax	8,553	9,234
Deferred tax:		
Origination and reversal of temporary differences	(59,011)	(22,861)
Total deferred tax	(59,011)	(22,861)
Income tax benefit	$ (50,458)	$ (13,627)

(b) The income tax relating to components of other comprehensive income is as follows:

	Three months ended June 30,	
	2025	2024
Disposal of financial assets at fair value through other comprehensive income	$ -	$ (22)

	Six months ended June 30,	
	2025	2024
Disposal of financial assets at fair value through other comprehensive income	$ -	$ 7,585

B. The assessed and approved status of the Company's income tax returns is as follows:

	Assessed and approved status
EGIS TECHNOLOGY INC.	Assessed and approved through 2023

(28) Loss per share

	Three months ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (355,606)	91,251	$ (3.90)

	Three months ended June 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (169,348)	74,272	$ (2.28)

	Six months ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (590,020)	91,251	$ (6.47)

	Six months ended June 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	$ (266,590)	74,272	$ (3.59)

Note: Since the Company incurred net losses for the six months ended June 30, 2025 and 2024, the potential ordinary shares would have an anti-dilutive effect. Therefore, the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(29) Non-controlling interest

	2025	2024
At January 1		
Share attributable to non-controlling interest:	$ 3,907,970	$ 4,629,327
Loss for the period	(349,545)	(117,239)
Currency translation differences	(4,472)	3,073
Unrealised gains (losses) on valuation of financial assets measured at fair value through other comprehensive income		
-Equity instrument	(53,249)	15,119
-Debt instrument	420	(748)
Cash capital increase	779,707	-
Changes in ownership interests in subsidiaries	(87,215)	-
Increase (decrease) in non-controlling interests (Note)	118,864	(219,075)
Distribution of earnings for non-controlling interests	(76,095)	(106,569)
At June 30	$ 4,236,385	$ 4,203,888

Note: The increase in non-controlling interest mainly resulted from Egis Vision's acquisition of Kiwi. Also by not participating in the capital increase of Kiwi and Alcor proportionally to the interest attributable to non-controlling interest.

(30) Supplemental cash flow information

A. Investing activities with partial cash payments

	Six months ended June 30,	
	2025	2024
Purchase of property, plant and equipment	$ 32,853	$ 58,848
Add: Opening balance of payable on equipment	6,358	9,141
Ending balance of prepayments	14,102	-
Less: Opening balance of prepayments	(13,951)	(959)
Ending balance of payable on equipment	(1,574)	(12,562)
Cash paid during the period	$ 37,788	$ 54,468

	Six months ended June 30,	
	2025	2024
Purchase of Intangible assets	$ 24,510	$ 200,627
Add: Opening balance of payable on acquisition of intangible assets	995,132	223,920
Ending balance of prepayments	61,530	31,133
Less: Opening balance of prepayments	(32,749)	(39,518)
Ending balance of payable on Acquisition of intangible assets	(519,508)	(228,363)
Cash paid during the period	$ 528,915	$ 187,799

B. Financing activities with no cash flow effects

	Six months ended June 30,	
	2025	2024
Cash dividends declared but yet to be paid	$ -	$ 38,812

(31) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Share-based payment	Other non-current liabilities
At January 1, 2025	$ 1,511,493	$ 3,160,000	$ 167,840	$ -	$ 233,698
Changes in cash flow from financing activities	730,422	(599,714)	(40,454)	75,000	1,778
Changes in acquisition of subsidiaries	-	-	67,666	-	2,707
Changes in other non-cash items	(7,665)	-	(1,796)	-	(224,423)
At June 30, 2025	$ 2,234,250	$ 2,560,286	$ 193,256	$ 75,000	$ 13,760

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Share-based payment	Other non-current liabilities
At January 1, 2024	$ 1,354,000	$ 1,273,700	$ 255,320	$ -	$ 2,408
Changes in cash flow from financing activities	(120,000)	(148,036)	(41,889)	-	(2,126)
Changes in acquisition of subsidiaries	-	-	6,134	-	-
Changes in other non-cash items	-	-	1,597	-	230,398
At June 30, 2024	$ 1,234,000	$ 1,125,664	$ 221,162	$ -	$ 230,680

(32) Business combinations

A. On January 15, 2025, the Group acquired a 25.55% equity interest of Kiwi Technology Inc. through a share exchange. This acquisition positions Egis Vision Inc. as the largest single shareholder of Kiwi Technology Inc., allowing it to secure majority votes in the shareholders' meetings of companies and has substantial control over Kiwi Technology Inc., Therefore the subsidiary is included in the consolidated financial statements.

(a) The following table summarises the fair values of the assets acquired and liabilities assumed from the combination of Kiwi Technology Inc. at the acquisition date, as well as the non- controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

		January 15, 2025
Purchase consideration		
Equity Instruments	$	294,664
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets		96,648
		391,312
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		26,698
Accounts receivable, net		33,875
Other receivable		957
Inventory		14,933
Current income tax assets		72
Other current assets		7,900
Financial assets measured at fair value through profit or loss - non-current		42,817
Property, plant and equipment		1,609
Right-of-use assets		64,870
Intangible assets		212
Other non-current assets		6,060
Accounts payable		(9,207)
Other payables		(6,241)
Other current liabilities		(1,673)
Lease liability		(67,666)
Other non-current liabilities		(2,707)
Total identifiable net assets		112,509
Goodwill	$	278,803

(b) The fair value of the identifiable assets acquired is provisionally set at $112,509, and these assets are pending final valuation. Subsequent adjustments to the allocation of the acquisition price will be made by adjusting goodwill.

(c) The operating revenue included in the consolidated statement of comprehensive income contributed by Kiwi Technology Inc. was $23,057 since January 15, 2025. Kiwi Technology Inc. also contributed a pre-tax net profit of $(29) during the same period. Had Kiwi Technology Inc. been included in the consolidation from January 1, 2025, the consolidated statement of comprehensive income would have shown operating revenue of $2,275,978 and loss before income tax of $(982,692).

B. In order to expand the business of technology development on the intellectual property of silicon, the Group acquired 100% equity interest in InPsytech, Inc. (Inpsytech) in cash and equity securities amounting to $2,639,981 and $3,393,696 on July 31, 2024, respectively, and obtained control over Inpsytech.

(a) The following table summarises the fair values of the assets acquired and liabilities assumed from the combination of InPsytech, Inc. at the acquisition date, as well as the non- controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

		July 31, 2024
Purchase consideration		
Cash	$	2,639,981
Equity instruments		3,393,696
		6,033,677
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		637,326
Accounts receivable, net		7,917
Current Income Tax Assets		27,655
Prepayments		4,544
Property, plant and equipment		8,376
Right-of-use assets		4,814
Deferred tax assets		4,517
Refundable deposit		1,097
Intangible assets		3,119,231
Other payable		(19,402)
Other current liabilities		(301)
Contract liabilities		(335,548)
Lease liability		(4,873)
Deferred tax liabilities		(631,365)
Total identifiable net assets		2,823,988
Goodwill	$	3,209,689

During the current period, the Group engaged in independent valuation of net assets held in InPsytech, Inc. The assessment of the aforementioned assets has been completed. Accordingly, the comparative information as December 31, 2024 has been retrospectively adjusted to reflect the differences identified. The adjustment to the affected assets and the differences are as follows:

Affected items in the balance sheet	(Pre adjustment) December 31, 2024	Adjusted amount	(Post adjustment) December 31, 2024
Intangible assets	$ 9,452,257	$ (47,480)	$ 9,404,777
Current income tax assets	29,563	17,963	47,526
Total affected assets	$ 9,481,820	$ (29,517)	$ 9,452,303
Deferred tax liabilities	$ 711,335	$ (28,235)	$ 683,100
Undistributed earnings	130,130	(1,282)	128,848
Total affected liabilities and equity	$ 841,465	$ 29,517	$ 870,982

(b) The Group acquired Inpsytech on July 31, 2024. The operating revenue and income before tax contributed by Inpsytech amounted to $400,304 and $331,157 over the same period. Had Inpsytech been consolidated on January 1, 2024, the operating revenue and loss before income tax would have amounted to $1,025,604 and $(213,357) for the six-month period ended June 30, 2024.

(c) The fair value totalling $3,393,696 of the 14,111 thousand ordinary shares issued as part of the consideration paid to acquire Inpsytech was based on the ordinary share price on July 31, 2024.

C. On January 2, 2024, the subsidiary of the Group, AlgolTek, acquired 40.43% equity interest in Joint Power Exponent, Ltd. (Joint Power Exponent) at $51,000 in cash, obtained two seats and the effective agreements between other shareholders out of five seats in the board of directors and obtained control over Joint Power Exponent to diversify its business and maximize operational performance.

(a) The following table summarises the fair values of the assets acquired and liabilities assumed from the combination of Joint Power Exponent at the acquisition date, as well as the non- controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	January 2, 2024
Purchase consideration	
Cash	$ 51,000
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	11,659
	62,659
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	7,706
Accounts receivable, net	2,117
Inventory	7,688
Prepayments	3,054
Right-of-use assets	6,134
Property, plant and equipment	862
Intangible assets	1,001
Other non-current assets	200
Accounts payable	(646)
Other payables	(2,267)
Other current liabilities	(144)
Lease liability	(6,134)
Total identifiable net assets	19,571
Goodwill	$ 43,088

Note: The allocation of the acquisition price was completed in the fourth quarter of 2024.

(b) The operating revenue included in the consolidated statement of comprehensive income since January 2, 2024 contributed by Joint Power Exponent was $724. Joint Power Exponent also contributed loss before income tax of ($12,173) over the same period. Had Joint Power Exponent been consolidated from January 1, 2024, the consolidated statement of comprehensive income would show operating revenue of $1,967,325, and loss before income tax of ($397,456) for the six months ended June 30, 2024.

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Mr. SEN-CHOU LO	The president of the Company
Mr. CHUN-KAI CHAN	General Manager of Transducer Star, a subsidiary of the Group
iCatch Technology Inc. (iCatchTek)	Associate - investee company accounted for using the equity method
Terawins, Inc. (Terawins)	Associate - investee company accounted for using the equity method (Note 2)
SCT Holdings Ltd. and its subsidiaries (SCT Ltd.)	Associate - investee company accounted for using the equity method
May Sun Technology Co., Ltd. (May Sun)	Other related party (Note 1)
Gear Radio Electronics Corp. (Gear)	Other related party

Note 1: The representative of May Sun was formerly the chief technology officer of the Company but resigned from the Company on March 12, 2024.

Note 2: In March, 2025, the Group sold several shares of common stock in Terawins, reducing its ownership percentage to 9.88%. After assessment, it was determined that the Group no longer has significant influence over Terawins. On May 21, 2025, Terawins re-elected its board of directors and since the Group did not secure any board seats, Terawins is no longer considered a related party of the Group.

(2) Significant related party transactions

A. Operating revenue

	Three months ended June 30,	
	2025	2024
Sales of services:		
Terawins	$ -	$ -
iCatchTek	-	5,855
	$ -	$ 5,855

	Six months ended June 30,	
	2025	2024
Sales of services:		
Terawins	$ 833	$ -
iCatchTek	10,771	8,155
	$ 11,604	$ 8,155

The sales of services by the Group to related parties mainly pertain to technical service revenue and licensing revenue. The transaction prices were negotiated by both parties and the collection terms were the same as those of non-related parties.

B. Technical service expenditures

	Three months ended June 30,	
	2025	2024
Technology licensing:		
May Sun	$ -	$ -
Purchases of services:		
Terawins	-	-
	$ -	$ -

	Six months ended June 30,	
	2025	2024
Technology licensing:		
May Sun	$ -	$ 1,600
Purchases of services:		
Terawins	482	-
	$ 482	$ 1,600

For the purchases of services and technology licensing from related parties, the transaction prices were negotiated by both parties and the payment term was 30 days.

C. Accounts receivable due from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable:			
iCatchTek	$ -	$ -	$ 6,133
Terawins (Note)	-	734	-
	-	734	6,133
Other receivables:			
SCT Ltd.	2,543	2,807	2,782
	$ 2,543	$ 3,541	$ 8,915

Note: The receivables from the related party have been secured by a time deposit certificate of $3,000 provided by Terawins.

The receivables from related parties arise mainly from provision of services and purchasing inventories on behalf of associates. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Gear			
Other non-current assets (prepayments on intangible assets)	$ 35,036	$ 16,159	$ 6,465
Prepayments	2,374	-	967
	$ 37,410	$ 16,159	$ 7,432

E. Account Payables to Related Parties

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable			
iCatchTek	$ -	$ 3,098	$ -

F. Other payables

Other Payables - Related Parties:

	June 30, 2025	December 31, 2024	June 30, 2024
SEN-CHOU LO	$ 11,464	$ 11,341	$ -
Terawins	-	365	-
Gear	-	-	527
	$ 11,464	$ 11,706	$ 527

Other non-current liabilities:

	June 30, 2025	December 31, 2024	June 30, 2024
SEN-CHOU LO	$ 11,225	$ 11,102	$ -

The other payables to related parties arise mainly from the transaction for acquisition of subsidiaries’ equity interest.

G. Receipt in advance (shown as 'other current liabilities')

	June 30, 2025	December 31, 2024	June 30, 2024
iCatchTek	$ -	$ 10,771	$ -

H. Property Transaction - acquisition of subsidiaries' equity interest

On December 31, 2024, the Group purchased 101,000 shares of StarRiver Semiconductor Corp. from Mr. SEN-CHOU LO with a price of NT$234 (in dollars) per share, with a total transaction price of $23,644.

I. Loans from related party

Ending balance:

	June 30, 2025	December 31, 2024	June 30, 2024
SEN-CHOU LO	$ 36,405	$ 34,693	$ 7,000
CHUN-KAI CHAN	-	1,502	-
	$ 36,405	$ 36,195	$ 7,000

Interest expense:

	Three months ended June 30,	
	2025	2024
SEN-CHOU LO	$ 117	$ -

	Six months ended June 30,	
	2025	2024
SEN-CHOU LO	$ 196	$ -

The primary purpose is to borrow funds for use as working capital.

J. Unrecognised contract commitments

The Group entered into contracts for the licensing of intangible assets with Gear. As of June 30, 2025, the licensing costs contracted but not yet paid was US$1,100 thousand.

(3) Key management compensation

	Three months ended June 30,	
	2025	2024
Short-term employee benefits	$ 32,102	$ 24,406
Post-employment benefits	696	311
Termination benefits	1,045	-
Share-based payments	171	508
	$ 34,014	$ 25,225

	Six months ended June 30,	
	2025	2024
Short-term employee benefits	$ 65,136	$ 45,605
Post-employment benefits	1,405	630
Termination benefits	1,045	363
Share-based payments	9,079	1,186
	$ 76,665	$ 47,784

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

	Book value			
Pledged asset	June 30, 2025	December 31, 2024	June 30, 2024	Purpose
Pledged demand deposits (recorded as financial assets measured at amortized cost - current)	$ -	$ 3,249	$ -	Note 1
Pledged time deposits (recorded as financial assets measured at amortized cost - current)	-	344,243	124,810	Note 1
Pledged time deposits (recorded as financial assets measured at amortized cost - current)	7,396	-	-	Note 6
Pledged demand deposits (recorded as Financial assets measured at amortized cost - non-current)	18,093	18,477	-	Note 4
Pledged time deposits (recorded as Financial assets measured at amortized cost - non-current)	34,883	38,361	38,422	Note 2
Pledged time deposits (recorded as Financial assets measured at amortized cost - non-current)	410,200	-	-	Note 1
Financial assets at fair value through profit or loss – non-current	81,952	66,533	-	Note 4
Financial assets at fair value through other comprehensive	724,614	1,088,705	1,293,586	Note 1 Note 3

Pledged asset	Book value June 30, 2025	December 31, 2024	June 30, 2024	Purpose
income – non-current				
Investments accounted for using equity method	949,188	1,011,000	-	Note 4
Stock of subsidiary	6,629,703	7,004,120	-	Note 5
	$ 8,856,029	$ 9,574,688	$ 1,456,818	

Note 1: Guarantees for bank performance and short-term bank borrowings.

Note 2: Guarantees for custom duties on imported raw materials and purchases of raw materials and supplies.

Note 3: Guarantee for long-term bank borrowings.

Note 4: Guarantee for syndicated borrowings.

Note 5: Guarantee for syndicated borrowings and short-term bank borrowings.

Note 6: Performance guarantee for government R&D subsidies.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. Shenzhen Goodix Technology Co., Ltd. has filed a complaint for patent infringement with the Beijing Intellectual Property Court against the Company in July 2020, wherein it requested the Company to pay compensation in the amount of RMB 50.5 million. The Company received the decision in favour of the Company from the Beijing Intellectual Property Court on July 1, 2023 and the Beijing Intellectual Property Court refuted all of Goodix's claims. The Company subsequently received a notice of appeal from Goodix on July 25, 2023 and a notice of response to action from the Supreme People's Court on November 20, 2023. Thereafter, on March 17, 2025, the Company received an examination decision from the China National Intellectual Property Administration, declaring that all patents asserted by Goodix in its claims of alleged infringement against the Company were invalidated, and on March 28, 2025, the Company received a ruling from the Supreme People's Court, which dismissed the lawsuit filed by Goodix. As a result, Goodix no longer has a legal basis to pursue its patent infringement claims against the Company.

B. Goodix has filed a complaint for patent infringement with the Fuzhou Intermediate People's Court against the Company in March 2021, wherein it requested the Company to pay compensation in the amount of RMB 50.5 million. The Company received the decision from Fuzhou Intermediate People's Court on December 30, 2022 stating that the Company has committed patent infringement. The Company filed an appeal on January 16, 2023 with the Supreme People's Court. Subsequently, on June 30, 2025, the Company received a ruling from the Supreme People's Court approving Goodix application to withdraw the lawsuit.

C. In May 2024, the Company received a letter from Lenovo Group Ltd., requesting the Company to share Lenovo Group Ltd.'s litigation costs and settlements in the U.S. patent lawsuit based on the warranty clause in the fingerprint reader supply contract. However, there might be only one lawsuit of Lenovo Group Ltd. related to fingerprint readers, and whether the patent is associated with the fingerprint readers provided by the Company remains to be clarified. On April 1, 2025, the Company formally engaged legal counsel to initiate contact with Lenovo Group Ltd.'s external attorneys. It was agreed that Lenovo Group Ltd. would provide complete information to the Company upon execution of a confidentiality agreement by both parties. On April 22, 2025, the Company submitted its proposed revisions to the confidentiality agreement provided by Lenovo Group Ltd. As of June 30, 2025, Lenovo Group Ltd. had not responded to the proposed revisions.

(2) Commitments

A. A subsidiary of the Group, ENE Technology Inc., entered into contracts for the licensing of software. As of June 30, 2025, the purchases contracted but not yet paid amounted to $62,585.

B. The Group's subsidiary, AlgolTek, signed contracts for the purchase of intangible assets and for commissioning chip and IC component designs. As of June 30, 2025, the contracted but unpaid amount was $13,162.

C. The Group has acquired software and silicon intellectual property licenses from ARM Limited. In accordance with the agreement, royalties must be paid based on future sales. Please refer to Note 6 (10) for details.

D. The Group has obtained exclusive patent licenses and the transfer of technology and related assets from Fingerprint Cards AB for the mobile device sector. The contracted amount that has not yet been paid is US$2,333 thousand.

E. Refer to Note 7 for unrecognised contracts with related parties.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. To strengthen its working capital, the Group's subsidiary, AlgolTek, obtained board approval on August 7, 2025, to conduct a private placement of common shares. The total number of shares to be privately placed shall not exceed 10,000 thousand shares. The reference price per share is primarily determined in accordance with the "Directions for Public Companies Conducting Private Placements of Securities" regarding reference pricing. The private placement price of the common shares shall not be lower than 80% of the reference price.

12. Others

(1) Capital management

The Group plans the fund requirements for future operating capital, research and development expenses, repayment of debt and dividends distribution based on the Group's characteristics of current operating industry and the Group's future development, taking into account changes in the external environment so as to safeguard the Group's ability to continue as a going concern, provide returns for shareholders as well as the benefit of other related parties and maintain an optimal capital structure to enhance shareholders' value in the long-term.

(2) Financial instruments

A. Financial instruments by category

Refer to the consolidated balance sheets and Note 6 for the amount and information in relation to the Group's financial assets (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, cash and cash equivalents, financial assets at amortised cost, accounts receivable (including related parties), other receivables (including related parties) and guarantee deposits paid) and financial liabilities (short-term borrowings, accounts payable, long-term borrowings (including current portion), other payables (including related parties), refund liabilities, guarantee deposits received and lease liabilities).

B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiaries' functional currency: NTD, RMB, KRW and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2025				
				Sensitivity analysis	
	Foreign currency (in thousands)	Exchange rate	Book value (NT$)	Degree of variation	Effect on profit or loss
Financial assets					
Monetary items					
USD:NTD	$ 68,929	29.30	2,019,633	1%	$ 20,196
RMB:NTD	610	4.09	2,495	1%	$ 25
JPY:NTD	111,915	0.20	22,383	1%	224
Non-monetary items					
USD:NTD	17,740	29.30	519,777		
SEK:NTD	13,093	3.15	41,191		
Effect from net assets of consolidated entities measured at foreign currency					
USD:NTD	2	29.30	52		
RMB:NTD	4,845	4.09	19,816		
JPY:NTD	6,135	0.20	1,227		
KRW:NTD	357,800	0.02	7,156		
Financial liabilities					
Monetary items					
USD:NTD	27,298	29.30	799,831	1%	7,998
RMB:NTD	3,286	4.09	13,440	1%	134
JPY:NTD	9,664	0.20	1,933	1%	19

	December 31, 2024				
				Sensitivity analysis	
	Foreign currency (in thousands)	Exchange rate	Book value (NT$)	Degree of variation	Effect on profit or loss
Financial assets					
Monetary items					
USD:NTD	$ 69,550	32.79	$ 2,280,545	1%	$ 22,805
RMB:NTD	3,167	4.48	14,188	1%	142
Non-monetary items					
USD:NTD	21,913	32.79	718,527		
SEK:NTD	25,897	2.99	77,433		
Effect from net assets of consolidated entities measured at foreign currency					
USD:NTD	1,766	32.79	57,898		
RMB:NTD	4,110	4.48	18,413		
KRW:NTD	1,323,600	0.02	26,472		
Financial liabilities					
Monetary items					
USD:NTD	12,907	32.79	423,221	1%	4,232
RMB:NTD	12,446	4.48	55,758	1%	558

	June 30, 2024				
				Sensitivity analysis	
	Foreign currency (in thousands)	Exchange rate	Book value (NT$)	Degree of variation	Effect on profit or loss
Financial assets					
Monetary items					
USD:NTD	$ 54,440	32.45	$ 1,766,578	1%	$ 17,666
Non-monetary items					
USD:NTD	29,913	32.45	970,674		
SEK:NTD	20,587	3.05	62,790		
Effect from net assets of consolidated entities measured at foreign currency					
USD:NTD	2,235	32.45	72,525		
RMB:NTD	8,652	4.45	38,503		
KRW:NTD	1,351,550	0.02	27,031		
RMB:USD	429	7.30	3,130		
Financial liabilities					
Monetary items					
USD:NTD	19,217	32.45	623,592	1%	6,236

The total exchange gains (losses), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2025 and 2024, amounted to $(132,182), $23,623, $(121,747) and $74,931, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise open-end funds. The prices of equity securities would change due to the change of the future value of investee companies. Additionally, the unlisted equity securities and convertible bonds were held for strategic investment, thus the Company did not actively transact such investments. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the six months ended June 30, 2025 and 2024 would have increased/decreased by $27,440 and $53,206, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $63,050 and $96,949 respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. On June 30, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan Dollars and US Dollars.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, loss, net of tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by $14,818 and $9,439, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.

ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a certain grade are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
(ii) If any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

iv. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The default occurs when the contract payments are past due over 90 days.

vi. The Group classifies customer's accounts receivable in consideration of credit risk on trade. The Group applies the simplified approach using a provision matrix to estimate the expected credit loss.

vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
(ii) The disappearance of an active market for that financial asset because of financial difficulties;
(iii) Default or delinquency in interest or principal repayments;
(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

ix. The Group used the forward-looking information to adjust historical and timely information to assess the default possibility of accounts receivable, which was insignificant as of June 30, 2025 and 2024.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's covenant compliance and compliance with internal balance sheet ratio targets.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non- derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	June 30, 2025	
	Less than a year	Over a year
Non-derivative financial liabilities:		
Short-term borrowings	$ 2,312,502	$ -
Accounts payable	199,862	-
Other payables (including related parties)	1,337,229	-
Lease liabilities	78,248	131,238
Long-term borrowings (including current portion)	2,383,181	269,322
Bonds payable	-	300,000

	December 31, 2024	
	Less than a year	Over a year
Non-derivative financial liabilities:		
Short-term borrowings	$ 1,515,030	$ -
Accounts payable	285,590	-
Other payables (including related parties)	1,793,731	-
Lease liabilities	74,767	108,965
Long-term borrowings (including current portion)	2,834,648	430,121
Other non-current liabilities	-	228,817
Bonds payable	-	300,000

	June 30, 2024	
	Less than a year	Over a year
Non-derivative financial liabilities:		
Short-term borrowings	$ 1,236,545	$ -
Accounts payable	353,442	-
Other payables (including related parties)	1,149,219	-
Lease liabilities	87,287	153,081
Long-term borrowings (including current portion)	462,604	728,001
Other non-current liabilities	-	230,680

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in certain beneficiary certificates, hybrid instrument and certain financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group’s investment in convertible bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in certain beneficiary certificates, hybrid instrument, certain financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is included in Level 3.

B. Financial instruments not measured at fair value:

The carrying amounts of the Group’s financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, accounts payable, short-term borrowings, other payables (including related parties), lease liabilities, long- term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 202,672	$ -	$ 202,720	$ 405,392
Equity instruments	141,207	-	132,952	274,159
Principal guaranteed notes	-	-	-	-
Convertible bonds	6,407	30	-	6,437
Financial assets at fair value through other comprehensive income				
Equity instruments	796,326	-	779,934	1,576,260
Debt instruments	30,185	-	-	30,185
	$ 1,176,797	$ 30	$ 1,115,606	$ 2,292,433

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 261,118	$ -	$ 219,705	$ 480,823
Equity instruments	71,761	-	182,914	254,675
Principal guaranteed notes	8,016	-		8,016
Convertible bonds	-	90	-	90
Financial assets at fair value through other comprehensive income				
Equity instruments	1,211,464	-	952,712	2,164,176
Debt instruments	33,354	-	-	33,354
	$ 1,585,713	$ 90	$ 1,355,331	$ 2,941,134

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 499,584	$ -	$ 297,315	$ 796,899
Equity instruments	117,730	-	178,354	296,084
Principal guaranteed notes	-	60,069	-	60,069
Convertible bonds	14,290	-	162,379	176,669
Convertible bonds redemption rights	-	420	-	420
Financial assets at fair value through other comprehensive income				
Equity instruments	1,373,999	-	1,049,722	2,423,721
Debt instruments	38,667	-	-	38,667
	$ 2,044,270	$ 60,489	$ 1,687,770	$ 3,792,529

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Stocks	Closed-end fund	Open-end fund	Corporate bond
Market quoted price	Closing price	Closing price	Net asset value	Ex-dividend quoted price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by reference to counterparty quotes.

(c) If one or more of the significant inputs are not obtained based on observable market data, the financial instruments are included in level 3.

E. The fair value of the Group's principal guaranteed notes and bank debentures is included in Level 2.

F. For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the six months ended June 30, 2025 and 2024:

	2025	2024
	Non-derivative instrument	Non-derivative instrument
At January 1	$ 1,355,331	$ 1,645,761
Loss recognised in profit or loss	(74,981)	(21,080)
Loss recognised in other comprehensive income	(183,758)	(3,994)
Acquired during the period	8,034	66,275
Transferred to level 3	10,980	-
Effect of exchange rate changes	-	808
At June 30	$ 1,115,606	$ 1,687,770

H. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the quantitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$375,437	Market comparable companies	Price to book ratio multiple	1.82~ 15.9%	The higher the multiple and control premium, the higher the fair value.
〃	9,360	Market comparable companies	Enterprise value to revenue ratio multiple	0.79	The higher the multiple, the higher the fair value.
		Discounted cash flow	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value.
〃	170,420	Most recent non-active market price	Not applicable	Not applicable	Not applicable

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
	80,590	Discounted cash flow	Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value.
			Discount for lack of control	34.60%	The higher the discount for lack of control, the lower the fair value.
Venture capital shares	277,079	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.
Beneficiary Certificate	202,720	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 556,403	Market comparable companies	Price to book ratio multiple	2.11~44.16%	The higher the multiple and control premium, the higher the fair value.
		Discounted cash flow	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
〃	171,287	Most recent non-active market price	Not applicable	Not applicable	Not applicable
	90,175	Discounted cash flow	Discount for lack of marketability	29.86%~30.00%	The higher the discount for lack of marketability, the lower the fair value.
			Discount for lack of control	34.60%	The higher the discount for lack of control, the lower the fair value.
Venture capital shares	317,761	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.
Beneficiary Certificate	219,705	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.

	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 398,746	Market comparable companies	Price to book ratio multiple	2.25~ 22.03%	The higher the multiple and control premium, the higher the fair value.
		Discounted cash flow/Option pricing model	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value.
〃	346,624	Most recent non-active market price	Not applicable	Not applicable	Not applicable
	90,966	Discounted cash flow	Discount for lack of marketability	15%~ 29.82%	The higher the discount for lack of marketability, the lower the fair value.
			Discount for lack of control	32.11%	The higher the discount for lack of control, the lower the fair value.
Venture capital shares	391,740	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.
Beneficiary Certificate	297,315	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.
Convertible bonds	162,379	Discounted cash flow	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value.

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			June 30, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ 1,330	$ (1,330)	$ 2,425	$ (2,425)
Equity instrument	Discount for lack of	±1%	-	-	292	(399)

			June 30, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
	marketability					
Equity instrument	Discount for lack of control	±1%	-	-	372	(480)

			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ 1,829	$ (1,829)	$ 3,407	$ (3,407)
Equity instrument	Discount for lack of marketability	±1%	-	-	326	(446)
Equity instrument	Discount for lack of control	±1%	-	-	417	(537)

			June 30, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income (loss)	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ 1,784	$ (1,784)	$ 4,595	$ (4,595)
Equity instrument	Discount for lack of marketability	±1%	-	-	351	(352)
Equity instrument	Discount for lack of control	±1%	-	-	430	(431)
Debt instrument	Discount for lack of marketability	±1%	1,624	(1,624)	-	-

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Refer to Table 1.
B. Provision of endorsements and guarantees to others: None.
C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to Table 2.
D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.
E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.
F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to Table 3.

(3) Information on investments in Mainland China

A. Basic information: Refer to Table 4.
B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Segment Information

(1) General information

The Group has two reportable operating segments: Egis and its subsidiaries are primarily engaged in the research, development, design and sales of biometric application software and hardware; and Alcor and its subsidiaries are primarily engaged in the research, development, design and sales of USB control chip and automotive sensor chip, wearable electroacoustic products, multimedia video converter control chip and intelligent power control chip. The chief operating decision-maker of the Group uses overall operating results as the basis of performance assessment and identified that the Group has two reportable operating segments.

Three months ended June 30, 2025	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Total segment revenue	$ 580,004	$ 623,229	$ 1,203,233
Segment loss	$ (418,592)	$ (143,353)	$ (561,945)

Three months ended June 30, 2024	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Total segment revenue	$ 373,715	$ 577,332	$ 951,047
Segment loss	$ (187,451)	$ (29,007)	$ (216,458)

Six months ended June 30, 2025	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Total segment revenue	$ 1,275,832	$ 999,745	$ 2,275,577
Segment loss	$ (929,967)	$ (60,056)	$ (990,023)

Six months ended June 30, 2024	Egis and its subsidiaries	Alcor and its subsidiaries	Total
Total segment revenue	$ 999,794	$ 967,531	$ 1,967,325
Segment loss	$ (296,210)	$ (101,246)	$ (397,456)

(2) Measurement of segment information

A. Segment income (loss) of the Group is measured using the pre-tax operating margin and is used as a basis for performance assessment. The accounting policies and accounting estimates of operating segment are in agreement with the summary of significant accounting policies and the critical accounting estimates and assumptions described in Notes 4 and 5.

B. The external revenue (excluding revenue from transactions of other operating segments in the entities), profit or loss, and financial information reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

C. The amounts provided to the chief operating decision maker with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Loans to Others
For the six-month period ended June 30, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum Amount (Note 2)	Ending Balance	Actual Disbursement	Interest Rate Range	Nature of loan (Note 4)	Amount of transactions with the borrower	Reason for short-term financing	Allowance of doubtful accounts	Collateral		Limits on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
													Name	Value			
1	InPsytech, Inc.	The Company	Other Receivables - Related Parties	Yes	$ 150,000	$ -	$ 150,000	2.02%	2	$ -	Operating capital	$ -	None	$ -	$ 182,846	$ 182,846	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the maximum outstanding balance of loans to others during the six months ended June 30, 2025

Note 3: Limit on loans granted to a single party is 40% of the Company's net asset based on the latest financial statements, and limit on total loans is 40% of the Company's net asset based on the latest financial statements.

Note 4: The nature of loans:

(1) Business transaction: 1

(2) Short-term financing: 2

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Name of securities	Relationship with the securities issuer	General ledger account	As of June 30, 2025				Footnote
					No. of shares	Book value	Ownership (%)	Fair value	
EGIS TECHNOLOGY INC.	Stock	Gingy Technology Inc.	None	Note 4	33	$ -	0.27%	$ -	
〃	〃	Integrated Digital Technologies, Inc.	〃	〃	4,000	-	13.96%	-	
〃	〃	AIStorm, Inc.	〃	〃	5,211	81,481	19.45%	81,481	
〃	〃	MEMS DRIVE INC.	〃	〃	188	-	2.87%	-	
〃	〃	Astrogate Inc.	〃	〃	1,000	3,363	12.24%	3,363	
〃	〃	Calumino Pty Ltd.	〃	〃	1,011	2,678	0.32%	2,678	
〃	〃	Gallopwave Inc.	〃	〃	3,125	9,247	4.06%	9,247	
〃	〃	xMEMS Labs, Inc.,	〃	〃	1,003	5,762	0.75%	5,762	
〃	〃	Attopsemi Technology Co., Ltd.	〃	〃	675	80,291	4.39%	80,291	
〃	〃	CyteSi, Inc.,	〃	〃	163	5,183	1.16%	5,183	
〃	〃	Silicon Optronics, Inc.	〃	〃	12,319	750,253	15.90%	750,253	
〃	〃	Augentix Inc.	〃	〃	1,470	132,300	3.61%	132,300	
〃	〃	BE Epitaxy Semiconductor Technology Co., Ltd.	〃	Note 2	821	31,455	6.15%	31,455	
〃	Beneficiary certificates	Dian-Te Gas Investment LP	〃	〃	-	47,265	67.32%	47,265	
〃	Stock	JET OPTOELECTRONICS CO., LTD.	〃	〃	2,871	83,323	4.71%	83,323	
〃	〃	Precise Biometrics AB	〃	Note 4	3,921	41,191	5.00%	41,191	
〃	Funds	Vertex Growth (SG) LP	〃	Note 2	-	35,840	-	35,840	
〃	〃	Vertex Growth II (SG) LP	〃	〃	-	32,479	-	32,479	
〃	〃	Vertex Venture (SG) SEA IV LP	〃	〃	-	8,546	-	8,546	
〃	Beneficiary certificates	JAFCO Taiwan II Venture Capital Limited Partnership	〃	〃	-	6,745	-	6,745	
〃	Stock	Sirius Wireless Inc.	〃	〃	2,528	46,759	10.11%	46,759	
〃	Stock	Gear Radio Limited	〃	Note 4	1,733	11,249	4.02%	11,249	
〃	〃	Metanoia Communications Inc.	〃	〃	1,875	7,525	1.55%	7,525	
〃	Beneficiary certificates	Megawood Capital	〃	Note 2	-	11,986	7.46%	11,986	
〃	Stock	Linkou Golf Club	〃	〃	-	15,000	0.10%	15,000	
〃	Stock	PIMIC INC.	〃	Note 4	821	2,805	4.65%	2,805	
〃	Stock	Best Epitaxy Manufacturing Co., Ltd.	〃	Note 2	3,219	39,738	3.63%	39,738	
〃	〃	CREATIVE5 INC.	〃	Note 4	323	3,601	4.72%	3,601	
Alcor Micro, Corp.	Convertible bonds	Topco Scientific Co., Ltd.	〃	Note 1	43	6,407	-	6,407	
〃	Funds	PGIM Money Market Fund	〃	〃	301	5,002	0.01%	5,002	
〃	Stock	Shin Kong Financial Holding Co.,Ltd. Preferred Shares A	〃	Note 3	130	4,882	0.17%	4,882	
〃	〃	HUA VI VENTURE CAPITAL	〃	Note 4	11	1,411	0.17%	1,411	
〃	〃	WK Venture Capital XI	〃	〃	9,597	206,620	15.38%	206,620	

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Name of securities	Relationship with the securities issuer	General ledger account	As of June 30, 2025				Footnote
					No. of shares	Book value	Ownership (%)	Fair value	
Alcor Micro, Corp.	Stock	WK Technology Fund IX II Ltd.	None	Note 4	5,000	$ 48,760	4.45%	$ 48,760	
〃	〃	Sirius Wireless PTE. LTD	〃	〃	4,167	29,300	2.97%	29,300	
〃	〃	Foxfortune Technology II Ventures Limited	〃	〃	624	20,288	5.80%	20,288	
〃	〃	Koodata Inc. Common Stock	〃	〃	2,375	10,786	15.71%	10,786	
〃	〃	Koodata Inc. Preferred Stock	〃	〃	10,088	69,804	-	69,804	
〃	〃	Helios Bioelectronics Inc.	〃	〃	14,300	-	10.49%	-	
〃	〃	Xinpal Pte Ltd.	〃	〃	4,000	11,720	3.20%	11,720	
〃	Bonds	AT&T Inc.	〃	Note 3	-	2,078	-	2,078	
〃	Beneficiary certificates	Fuyou Venture Capital Co., Ltd	〃	Note 2	-	28,910	-	28,910	
Syncomm Technology Corp.	Funds	Jih Sun Money Market Fund	〃	Note 1	2,675	41,695	-	41,695	
〃	〃	Taishin Ta Chong Money Market Fund	〃	〃	690	10,298	-	10,298	
〃	〃	Mega Diamond Money Market Fund	〃	〃	2,403	31,664	-	31,664	
〃	〃	Allianz Global Investors Taiwan Money Market Fund	〃	〃	787	10,362	-	10,362	
〃	〃	PGIM Money Market Fund	〃	〃	2,294	38,105	-	38,105	
AlgolTek Corp.	Funds	Fuh Hwa Fund	〃	Note 1	2,487	30,949	-	30,949	
〃	Stock	Terawins, Inc.	〃	Note 4	3,000	9,360	9.88%	9,360	
〃	〃	Skymizer Taiwan Inc.	〃	〃	66	26,400	1.47%	26,400	
Chun-Feng Investment Limited	Funds	PGIM Money Market Fund	〃	Note 1	150	2,484	-	2,484	
〃	〃	PGIM US Investment Grade Corporate Bond Fund	〃	〃	1,515	14,432	-	14,432	
〃	〃	PGIM USD High Yield Bond Fund	〃	〃	2,382	25,122	-	25,122	
〃	〃	Eastspring Investments Optimal Income Fund of Funds	〃	〃	893	11,934	-	11,934	
〃	〃	PGIM Aggressive Growth ETF Fund of Funds	〃	〃	732	11,574	-	11,574	
Alcor Micro Technology, Inc.	Stock	NGD Systems Inc.	〃	Note 4	8,705	-	-	-	
Alcor Micro Technology,(H.K.) Limited	Bonds	HP Inc.	〃	Note 3	-	2,282	-	2,282	
	〃	Power Finance Corp. Ltd.	〃	〃	-	5,716	-	5,716	
〃	〃	TSMC Arizona Corp.	〃	〃	-	5,771	-	5,771	
〃	〃	AT&T Inc.	〃	〃	4	2,602	-	2,602	
〃	〃	Macquarie Bank Ltd.	〃	〃	-	5,448	-	5,448	
〃	〃	HSBC Holdings PLC	〃	〃	-	6,288	-	6,288	
Kiwi Technology Inc.	Stock	GreenBee.	〃	Note 2	306	57,884	13.03%	57,884	

Note 1: Current financial assets at fair value through profit or loss.

Note 2: Non-current financial assets at fair value through profit or loss.

Note 3: Current financial assets at fair value through other comprehensive income.

Note 4: Non-current financial assets at fair value through other comprehensive income.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investees

For the six-month period ended June 30, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net income (loss) of investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	No. of shares	Ownership (%)	Book value			
The Company	Egis Technology (Japan) Inc.	Japan	Customer service, business promotion and technical service	$ 109,279	$ 109,279	7,680,000	100.00%	$ 1,228	$ 200	$ 200	
〃	Egis Technology Korea Inc.	Korea	Customer service, business promotion and technical service	4,330	18,233	4,750	100.00%	7,156	459	459	
〃	OceanX Inc.	Taiwan	Holding company	1,880	1,880	167,000	100.00%	2,146	6	6	
〃	Luxsentek Microelectronics Corp.	Taiwan	Technology development	140,000	140,000	14,000,000	86.93%	3,856	(1,270)	(1,104)	
〃	Alcor Micro, Corp.	Taiwan	Electronic materials wholesale, design and development of IC and international trade	824,928	707,000	21,310,310	20.16%	622,568	(59,299)	(55,311)	
〃	VASUBI Technology Inc.	Taiwan	Technology development	40,000	40,000	4,000,000	100.00%	(5,890)	(2,501)	(2,501)	
〃	NUI Technology Inc.	Taiwan	Technology development	90,000	90,000	9,000,000	100.00%	21,965	(425)	(425)	
〃	Taurus Wireless Inc.	Taiwan	Technology development	76,000	76,000	7,600,000	100.00%	(6,661)	(5,952)	(5,952)	
〃	Transducer Star Technology Inc.	Taiwan	Technology development	48,900	48,900	4,480,000	74.01%	19,669	(15,250)	(12,731)	
〃	iCatch Technology Inc.	Taiwan	Technology development	1,189,600	1,189,600	18,000,000	18.65%	949,188	(142,734)	(63,909)	
〃	SCT Holdings Ltd.	Cayman Islands	Design, development and sales of IC	467,680	467,680	8,546,402	24.45%	145,692	-	(5,341)	Note 3
〃	Egis Vision Inc.	Taiwan	Design, development and sales of IC	-	67,691	-	0.00%	-	(3,545)	(1,385)	Note 5
〃	Egisee Inc.	Taiwan	Technology development	25,000	15,000	2,500,000	33.33%	8,091	(23,690)	(23,690)	
〃	InPsytech, Inc.	Taiwan	IP Devlopment	5,931,231	5,931,231	4,464,469	100.00%	5,882,032	59,279	(87,094)	
〃	Kiwi Technolgy Inc.	Taiwan	Design, development and sales of IC and product development solutions	67,691	-	5,997,217	12.28%	280,501	(60,992)	(7,249)	Note 5
Kiwi Technolgy Inc.	Egis Vision Inc.	Taiwan	Design, development and sales of IC	1,475,399	-	20,000,000	100.00%	30,718	(50,619)		Note 6
〃	Kiwi Technolgy Inc.	Japan	Product Technical Support Services	22,671	22,671	1,599	100.00%	(7,008)	(1,560)		Note 6
Alcor Micro, Corp.	Alcor Micro Technology, Inc. (AMTI)	Cayman Islands	Investment holding company	932,166	932,166	30,613,000	100.00%	51,833	(340)		Note 6
〃	AlgolTek, Inc.	Taiwan	Development, design and sales of IC	332,996	332,996	14,040,710	31.51%	541,990	152,842		Note 6
〃	Syncomm Technology Corp.	Taiwan	Development, design and sales of IC	197,097	197,097	10,887,288	24.53%	181,104	4,680		Note 6
〃	Chun-Feng Investment Limited	Taiwan	General investment business	90,000	90,000	9,000,000	100.00%	105,393	593		Note 6
〃	ENE Technology Inc.	Taiwan	Development, design and sales of IC	252,800	252,800	8,000,000	17.67%	250,207	(16,390)		Note 6
〃	Egis Vision Inc.	Taiwan	Development, design and sales of IC	-	7,500	-	0.00%	-	(3,545)		Note 5、6
〃	Kiwi Technolgy Inc.	Taiwan	Development, design and sales of IC	7,500	-	667,000	1.37%	7,000	(60,992)		Note 5、6
Syncomm Technology Corp.	Transducer Star Technology Inc.	Taiwan	Technology development	25,000	-	1,000,000	16.52%	2,462	(15,250)		Note 6
Chun-Feng Investment Limited	AlgolTek, Inc.	Taiwan	Development, design and sales of IC	5,814	5,814	353	0.00%	1,432	152,842		Note 6
〃	Syncomm Technology Corp.	Taiwan	Development, design and sales of IC	30,878	30,878	2,117,159	4.77%	2,144	4,680		Note 6
Alcor Micro Technology, Inc.(AMTI)	Alcor Micro Technology, (H.K.) Limited (AMTHK)	Hong Kong	Management and sales of electronic products	633,056	633,056	20,790,000	100.00%	44,914	(482)		Note 6
AlgolTek, Inc.	Terawins, Inc.	Taiwan	Development, design and sales of IC	-	48,239	-	0.00%	-	(13,012)		Note 3、6、7
〃	Joint Power Exponent, LTD.	Taiwan	Design, development and sales of IC	113,230	76,584	19,883,759	50.25%	58,574	(17,655)		Note 3、4、6
〃	Egis Vision Inc.	Taiwan	Design, development and sales of IC	-	37,810	-	0.00%	-	(3,545)		Note 5、6
〃	Kiwi Technolgy Inc.	Taiwan	Design, development and sales of IC and product development solutions	37,810	-	5,043,854	10.33%	20,654	(60,992)		Note 5、6

Note 1: The accounts of the Company are expressed in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates prevailing at the transaction dates and balance sheet accounts at spot exchange rates prevailing at the transaction dates.

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

Note 3: The financial statements of SCT, Terawins and Joint Power Exponent were not reviewed by independent auditors.

Note 4: AlgolTek's initial investment in Joint Power Exponent was $76,584. On January 14, 2025, Joint Power Exponent's board of directors approved a cash capital increase, with AlgolTek subscribing to 4,072 thousand shares at an issue price of NT$9 per share, for a transaction price of $36,646.

Note 5: The equity conversion between Kiwi and Egis Vision was executed with January 15, 2025 as the record date. Each issued ordinary share of Egis Vision was exchanged at a ratio of 1.334 newly issued ordinary shares of Kiwi.
The transaction price was NT$45.62 per share, resulting in a total transaction amount of NT$294,644. As this transaction was an equity conversion, the Company, Alcor Micro, and AlgolTek's initial investment amounts in Kiwi were equivalent to their original investment amounts in Egis Vision.
From January 1 to January 14, 2025, the Company recognized investment loss in the amount of NT$1,385 in Egis vision. From January 15 to March 31, 2025, the Company recognized investment loss in the amount of NT$3,140 in Kiwi.

Note 6: The invested company is a subsidiary within the consolidated entity.

Note 7: AlgolTek's original investment in Terawins was $48,239. On March 18, 2025, AlgolTek sold 2,360 thousand shares of Terawins's common stock, reducing its ownership percentage to 9.88%.
After evaluation, AlgolTek was determined to no longer have significant influence over Terawins. The remaining equity was reclassified at fair value as a financial asset measured at fair value through other comprehensive income (OCI) – non-current.

EGIS TECHNOLOGY INC. AND SUBSIDIARIES
Information on investments in Mainland China
For the six-month period ended June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee for the six months ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Egis Intelligent (Shanghai) Co., Ltd.	Customer service, business promotion and technical service	$ 55,521	Note 1	$ 58,600	$ -	$ -	$ 58,600	$ 3,229	100%	$ 3,229	$ 19,816	$ -	Note 3
JOINT POWER EXPONENT (ShenZhen), LTD.	Development, design and sales of IC	-	Note 1	-	-	-	-	(1)	100%	(1)	-	-	Note 3

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of
Egis Technology Inc.	$58,600	$58,600	$6,030,877
Joint Power Exponent.,LTD	-	Note 2	18,508

Note 1: Directly invest in a company in Mainland China.

Note 2: JOINT POWER EXPONENT (ShenZhen), LTD. was approved for dissolution and liquidation by resolution of the Board of Directors on September 19, 2024, and the liquidation was completed on June 6, 2025.

Note 3: Investment income (loss) was recognised based on the financial statements that were not reviewed by independent auditors.

Note 4: The accounts of the Company are expressed in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates prevailing at the transaction dates and balance sheet accounts at spot exchange rates prevailing at the transaction dates.

Note 5: The investment limit for investments in Mainland China is calculated based on the higher of the company's net value or the consolidated net value.