

E Ink Holdings Inc. and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
E Ink Holdings Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of E Ink Holdings Inc. and its subsidiaries (collectively, the “Group”) as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Notes 13 and 14 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements for the same reporting periods were not reviewed. As of June 30, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT\$1,930,433 thousand and NT\$1,382,223 thousand, respectively, both representing 2%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$105,935 thousand and NT\$105,246 thousand, respectively, both representing 0.3%, of the consolidated total liabilities; for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income or loss of these non-significant subsidiaries were NT\$6,002 thousand, NT\$10,932 thousand, NT\$18,835 thousand and NT\$16,369 thousand, respectively, representing 0.2%, 0.3%, 0.3% and 0.2%, respectively, of the consolidated total comprehensive income. As of June 30, 2025 and 2024, the carrying amounts of the above mentioned investments accounted for using the equity method were NT\$163,120 thousand and NT\$1,280,057 thousand, respectively; for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income or loss of investments accounted for using the equity method were NT\$(15,950) thousand, NT\$(18,106) thousand, NT\$(11,281) thousand and NT\$(37,368) thousand, respectively.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph and the related information of these non-significant subsidiaries as disclosed in Note 35 to the consolidated financial statements been reviewed, nothing has come to our attention that caused 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 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hui-Min Huang and Ya-Ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 8, 2025

Notice to Readers

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

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

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS (Note 4)						
Cash and cash equivalents (Note 6)	\$ 16,785,907	17	\$ 13,206,169	14	\$ 12,491,011	15
Financial assets at fair value through profit or loss (Note 7)	1,162,324	1	2,874,845	3	3,031,874	4
Financial assets at fair value through other comprehensive income (Notes 8 and 11)	1,200,904	1	1,346,073	1	346,511	-
Financial assets at amortized cost (Notes 9, 11 and 32)	3,169,376	3	7,016,883	8	7,753,113	9
Contract assets (Note 22)	-	-	5,056	-	-	-
Accounts receivable (Notes 10, 22 and 31)	6,189,192	7	4,757,678	5	4,173,555	5
Other receivables (Note 31)	284,701	-	510,468	1	372,423	-
Inventories (Note 12)	3,788,541	4	3,521,775	4	3,866,714	4
Prepayments (Note 31)	403,330	1	635,352	1	489,759	1
Other current assets	34,993	-	29,244	-	16,543	-
Total current assets	33,019,268	34	33,903,543	37	32,541,503	38
NON-CURRENT ASSETS (Note 4)						
Financial assets at fair value through profit or loss (Notes 7 and 31)	3,955,009	4	3,630,058	4	2,121,274	2
Financial assets at fair value through other comprehensive income (Notes 8, 11 and 31)	37,829,797	39	30,258,211	33	27,037,107	32
Financial assets at amortized cost (Notes 9, 11 and 32)	406,530	-	747,204	1	1,671,872	2
Investments accounted for using the equity method (Note 14)	163,120	-	356,072	1	1,280,057	1
Property, plant and equipment (Notes 15, 28 and 31)	11,405,893	12	11,176,505	12	10,340,646	12
Right-of-use assets (Notes 16 and 31)	902,518	1	988,579	1	1,005,831	1
Goodwill (Note 17)	7,395,159	7	7,566,421	8	7,496,897	9
Other intangible assets (Note 17)	683,867	1	418,573	1	452,437	1
Deferred tax assets	2,288,282	2	1,981,099	2	1,510,345	2
Other non-current assets (Note 31)	121,648	-	125,479	-	117,377	-
Total non-current assets	65,151,823	66	57,248,201	63	53,033,843	62
TOTAL	\$ 98,171,091	100	\$ 91,151,744	100	\$ 85,575,346	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES (Note 4)						
Short-term borrowings (Notes 18 and 32)	\$ 4,923,068	5	\$ 7,270,000	8	\$ 4,600,000	5
Short-term bills payable (Note 18)	1,280,553	1	4,298,558	5	5,235,870	6
Financial liabilities at fair value through profit or loss (Note 7)	9,251	-	457,611	-	37,038	-
Contract liabilities (Note 22)	355,797	-	513,901	1	662,250	1
Notes and accounts payable (Note 31)	4,105,662	4	3,501,424	4	4,216,404	5
Other payables (Notes 19 and 28)	8,764,834	9	3,616,616	4	8,078,294	9
Current tax liabilities	2,123,948	2	2,241,382	2	1,233,707	2
Long-term borrowings - current portion (Note 18)	394,155	1	494,386	1	50,000	-
Other current liabilities (Notes 16 and 31)	563,771	1	464,528	-	480,871	1
Total current liabilities	22,521,039	23	22,858,406	25	24,594,434	29
NON-CURRENT LIABILITIES (Note 4)						
Contract liabilities (Note 22)	3,084	-	-	-	-	-
Long-term borrowings (Note 18)	12,878,228	13	7,727,004	9	6,468,063	7
Deferred tax liabilities	2,600,424	3	1,822,108	2	1,498,805	2
Lease liabilities (Notes 16 and 31)	880,598	1	955,725	1	977,800	1
Net defined benefit liabilities	31,913	-	29,374	-	32,125	-
Other non-current liabilities (Note 31)	18,117	-	17,296	-	37,283	-
Total non-current liabilities	16,412,364	17	10,551,507	12	9,014,076	10
Total liabilities	38,933,403	40	33,409,913	37	33,608,510	39
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 21 and 26)						
Share capital	11,498,942	12	11,459,163	12	11,444,324	14
Advance receipts for share capital	38,253	-	152,064	-	31,258	-
Capital surplus	11,338,197	11	10,970,780	12	11,103,688	13
Retained earnings	24,163,934	25	24,736,387	27	19,014,425	22
Other equity	10,943,977	11	9,734,096	11	9,685,056	11
Total equity attributable to owners of the Company	57,983,303	59	57,052,490	62	51,278,751	60
NON-CONTROLLING INTERESTS (Note 21)	1,254,385	1	689,341	1	688,085	1
Total equity	59,237,688	60	57,741,831	63	51,966,836	61
TOTAL	\$ 98,171,091	100	\$ 91,151,744	100	\$ 85,575,346	100

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

(With Deloitte & Touche review report dated August 8, 2025)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 31)	\$ 10,625,522	100	\$ 7,655,897	100	\$ 18,684,959	100	\$ 13,298,674	100
OPERATING COSTS (Notes 12, 23 and 31)	<u>4,219,627</u>	<u>39</u>	<u>4,013,484</u>	<u>52</u>	<u>8,071,380</u>	<u>43</u>	<u>6,982,423</u>	<u>53</u>
GROSS PROFIT	<u>6,405,895</u>	<u>61</u>	<u>3,642,413</u>	<u>48</u>	<u>10,613,579</u>	<u>57</u>	<u>6,316,251</u>	<u>47</u>
OPERATING EXPENSES (Notes 23 and 31)								
Selling and marketing expenses	302,475	3	246,233	3	550,461	3	452,547	3
General and administrative expenses	753,201	7	837,328	11	1,514,639	8	1,546,212	12
Research and development expenses	<u>1,148,216</u>	<u>11</u>	<u>981,183</u>	<u>13</u>	<u>2,199,204</u>	<u>12</u>	<u>1,906,716</u>	<u>14</u>
Total operating expenses	<u>2,203,892</u>	<u>21</u>	<u>2,064,744</u>	<u>27</u>	<u>4,264,304</u>	<u>23</u>	<u>3,905,475</u>	<u>29</u>
INCOME FROM OPERATIONS	<u>4,202,003</u>	<u>40</u>	<u>1,577,669</u>	<u>21</u>	<u>6,349,275</u>	<u>34</u>	<u>2,410,776</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES								
Share of gain (loss) of associates and joint ventures	5,170	-	(30,467)	(1)	7,351	-	(60,833)	(1)
Interest income (Notes 23 and 31)	283,354	3	373,863	5	627,121	3	739,017	6
Royalty income (Notes 4 and 22)	81,332	1	83,111	1	164,591	1	164,761	1
Dividend income	256,115	2	213,749	3	287,420	2	220,825	2
Net gain on disposal of investments (Note 14)	663,880	6	-	-	656,370	3	-	-
Other income (Notes 23 and 31)	9,228	-	11,990	-	39,188	-	37,623	-
Net (loss) gain on foreign currency exchange (Note 34)	(2,139,174)	(20)	292,506	4	(1,924,038)	(10)	789,099	6
Net gain (loss) on fair value change of financial assets at fair value through profit or loss	180,854	2	(25,336)	-	243,304	1	3,542	-
Interest expenses (Notes 15 and 31)	(88,279)	(1)	(80,237)	(1)	(182,814)	(1)	(160,718)	(1)
Other expenses	<u>(56,571)</u>	<u>(1)</u>	<u>(13,554)</u>	<u>-</u>	<u>(71,232)</u>	<u>-</u>	<u>(28,320)</u>	<u>-</u>
Total non-operating income and expenses	<u>(804,091)</u>	<u>(8)</u>	<u>825,625</u>	<u>11</u>	<u>(152,739)</u>	<u>(1)</u>	<u>1,704,996</u>	<u>13</u>
INCOME BEFORE INCOME TAX	3,397,912	32	2,403,294	32	6,196,536	33	4,115,772	31
INCOME TAX EXPENSE (Notes 4 and 24)	<u>437,122</u>	<u>4</u>	<u>364,820</u>	<u>5</u>	<u>1,038,787</u>	<u>6</u>	<u>744,219</u>	<u>6</u>
NET INCOME FOR THE PERIOD	<u>2,960,790</u>	<u>28</u>	<u>2,038,474</u>	<u>27</u>	<u>5,157,749</u>	<u>27</u>	<u>3,371,553</u>	<u>25</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	\$ 4,387,351	41	\$ 1,400,582	18	\$ 5,381,068	29	\$ 3,207,624	24
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 24)	<u>(790,405)</u>	<u>(7)</u>	<u>(66,832)</u>	<u>(1)</u>	<u>(941,145)</u>	<u>(5)</u>	<u>(328,705)</u>	<u>(2)</u>
	<u>3,596,946</u>	<u>34</u>	<u>1,333,750</u>	<u>17</u>	<u>4,439,923</u>	<u>24</u>	<u>2,878,919</u>	<u>22</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(3,788,077)	(36)	125,171	2	(3,249,012)	(17)	1,106,860	8
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income (Note 11)	19,905	-	(23,456)	-	84,032	-	(27,543)	-
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(21,120)	-	12,361	-	(18,632)	-	23,465	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 24)	<u>(4,098)</u>	<u>-</u>	<u>3,998</u>	<u>-</u>	<u>(12,566)</u>	<u>-</u>	<u>3,311</u>	<u>-</u>
	<u>(3,793,390)</u>	<u>(36)</u>	<u>118,074</u>	<u>2</u>	<u>(3,196,178)</u>	<u>(17)</u>	<u>1,106,093</u>	<u>8</u>
Other comprehensive (loss) income for the period, net of income tax	<u>(196,444)</u>	<u>(2)</u>	<u>1,451,824</u>	<u>19</u>	<u>1,243,745</u>	<u>7</u>	<u>3,985,012</u>	<u>30</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 2,764,346</u>	<u>26</u>	<u>\$ 3,490,298</u>	<u>46</u>	<u>\$ 6,401,494</u>	<u>34</u>	<u>\$ 7,356,565</u>	<u>55</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,972,045	28	\$ 2,016,397	27	\$ 5,168,644	28	\$ 3,340,703	25
Non-controlling interests	<u>(11,255)</u>	<u>-</u>	<u>22,077</u>	<u>-</u>	<u>(10,895)</u>	<u>-</u>	<u>30,850</u>	<u>-</u>
	<u>\$ 2,960,790</u>	<u>28</u>	<u>\$ 2,038,474</u>	<u>27</u>	<u>\$ 5,157,749</u>	<u>28</u>	<u>\$ 3,371,553</u>	<u>25</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 2,747,615	26	\$ 3,478,708	46	\$ 6,378,144	34	\$ 7,309,131	55
Non-controlling interests	<u>16,731</u>	<u>-</u>	<u>11,590</u>	<u>-</u>	<u>23,350</u>	<u>-</u>	<u>47,434</u>	<u>-</u>
	<u>\$ 2,764,346</u>	<u>26</u>	<u>\$ 3,490,298</u>	<u>46</u>	<u>\$ 6,401,494</u>	<u>34</u>	<u>\$ 7,356,565</u>	<u>55</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 25)								
Basic	<u>\$ 2.58</u>		<u>\$ 1.76</u>		<u>\$ 4.50</u>		<u>\$ 2.92</u>	
Diluted	<u>\$ 2.57</u>		<u>\$ 1.75</u>		<u>\$ 4.47</u>		<u>\$ 2.89</u>	

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

(With Deloitte & Touche review report dated August 8, 2025)

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital			Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI				
	Shares (In Thousands)	Amount	Advance Receipts for Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings			Total			
BALANCE AT JANUARY 1, 2024	1,141,103	\$ 11,411,033	\$ 87,141	\$ 10,878,525	\$ 4,019,252	\$ 70,678	\$ 16,606,700	\$ 20,696,630	\$ (1,189,487)	\$ 7,023,979	\$ 48,907,821	\$ 640,651	\$ 49,548,472
Appropriation of 2023 earnings													
Legal reserve	-	-	-	-	800,566	-	(800,566)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(5,140,772)	(5,140,772)	-	-	(5,140,772)	-	(5,140,772)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	12,134	-	-	-	-	-	-	12,134	-	12,134
Net income for the six months ended June 30, 2024	-	-	-	-	-	-	3,340,703	3,340,703	-	-	3,340,703	30,850	3,371,553
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	-	1,137,650	2,830,778	3,968,428	16,584	3,985,012
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	3,340,703	3,340,703	1,137,650	2,830,778	7,309,131	47,434	7,356,565
Share-based payments	-	-	-	22,870	-	-	-	-	-	-	22,870	-	22,870
Exercise of employee share options	3,329	33,291	(55,883)	190,159	-	-	-	-	-	-	167,567	-	167,567
Disposal of investments in equity instruments designated at FVTOCI	-	-	-	-	-	-	117,864	117,864	-	(117,864)	-	-	-
BALANCE AT JUNE 30, 2024	<u>1,144,432</u>	<u>\$ 11,444,324</u>	<u>\$ 31,258</u>	<u>\$ 11,103,688</u>	<u>\$ 4,819,818</u>	<u>\$ 70,678</u>	<u>\$ 14,123,929</u>	<u>\$ 19,014,425</u>	<u>\$ (51,837)</u>	<u>\$ 9,736,893</u>	<u>\$ 51,278,751</u>	<u>\$ 688,085</u>	<u>\$ 51,966,836</u>
BALANCE AT JANUARY 1, 2025	1,145,916	\$ 11,459,163	\$ 152,064	\$ 10,970,780	\$ 4,819,818	\$ 70,678	\$ 19,845,891	\$ 24,736,387	\$ (412,930)	\$ 10,147,026	\$ 57,052,490	\$ 689,341	\$ 57,741,831
Appropriation of 2024 earnings													
Legal reserve	-	-	-	-	918,052	-	(918,052)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(5,741,097)	(5,741,097)	-	-	(5,741,097)	-	(5,741,097)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	589	-	-	-	-	-	-	589	-	589
Net income for the six months ended June 30, 2025	-	-	-	-	-	-	5,168,644	5,168,644	-	-	5,168,644	(10,895)	5,157,749
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(3,247,918)	4,457,418	1,209,500	34,245	1,243,745
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	5,168,644	5,168,644	(3,247,918)	4,457,418	6,378,144	23,350	6,401,494
Disposal of investments accounted for using equity method	-	-	-	(1,852)	-	-	-	-	381	-	(1,471)	-	(1,471)
Share-based payments	-	-	-	145,403	-	-	-	-	-	-	145,403	143	145,546
Exercise of employee share options	3,978	39,779	(113,811)	223,277	-	-	-	-	-	-	149,245	-	149,245
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	541,551	541,551
BALANCE AT JUNE 30, 2025	<u>1,149,894</u>	<u>\$ 11,498,942</u>	<u>\$ 38,253</u>	<u>\$ 11,338,197</u>	<u>\$ 5,737,870</u>	<u>\$ 70,678</u>	<u>\$ 18,355,386</u>	<u>\$ 24,163,934</u>	<u>\$ (3,660,467)</u>	<u>\$ 14,604,444</u>	<u>\$ 57,983,303</u>	<u>\$ 1,254,385</u>	<u>\$ 59,237,688</u>

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

(With Deloitte & Touche review report dated August 8, 2025)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,196,536	\$ 4,115,772
Adjustments for		
Depreciation expenses	767,468	658,790
Amortization expenses	47,970	60,497
Expected credit (reversal) loss	(107)	363
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(243,304)	(3,542)
Interest expenses	182,814	160,718
Interest income	(627,121)	(739,017)
Dividend income	(287,420)	(220,825)
Compensation costs of share-based payments	145,546	22,870
Share of (gain) loss of associates and joint ventures accounted for using the equity method	(7,351)	60,833
Net gain on disposal of property, plant and equipment	(34)	(867)
Net loss on disposal of intangible assets	149	119
Net gain on disposal of investments	(656,370)	-
Impairment gain recognized	-	(3)
(Reversal of) write-downs of inventories	(87,295)	13,644
Net unrealized loss (gain) on foreign currency exchange	660,239	(357,190)
Other revenue	(717)	(725)
Changes in operating assets and liabilities		
Contract assets	4,586	14,863
Accounts receivable	(1,574,567)	(1,286,006)
Other receivables	162,316	156,806
Inventories	(539,675)	(893,095)
Prepayments	210,971	(152,614)
Other current assets	(802)	(286)
Financial liabilities held for trading	(124,763)	(26,081)
Contract liabilities	(145,814)	22,426
Notes and accounts payable	886,621	1,543,050
Other payables	(302,919)	(9,175)
Other current liabilities	95,909	76,205
Net defined benefit liabilities	3,625	2,029
Cash generated from operations	4,766,491	3,219,559
Income tax paid	(1,758,531)	(1,183,688)
Net cash generated from operating activities	3,007,960	2,035,871
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(2,880,197)	(1,648,428)
Proceeds from sale of financial assets at fair value through other comprehensive income	57,878	501,410

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2025	2024
Acquisition of financial assets at amortized cost	\$ (3,047,406)	\$ (8,977,949)
Proceeds from disposal of financial assets at amortized cost	6,783,541	10,412,257
Acquisition of financial assets at fair value through profit or loss	(692,210)	(1,089,451)
Proceeds from sale of financial assets at fair value through profit or loss	1,865,369	599,389
Acquisition of property, plant and equipment	(1,855,309)	(1,416,161)
Proceeds from disposal of property, plant and equipment	11,125	7,918
Acquisition of other intangible assets	(8,208)	(16,090)
Net cash flow from acquisition of subsidiaries	261,777	-
Decrease (increase) in other non-current assets	9,258	(16,796)
Interest received	720,231	741,005
Dividends received	<u>244,470</u>	<u>197,664</u>
Net cash generated from (used in) investing activities	<u>1,470,319</u>	<u>(705,232)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(2,351,058)	223,571
(Decrease) increase in short-term bills payable	(3,018,005)	270,017
Increase in long-term borrowings	5,050,993	896,448
Repayment of the principal portion of lease liabilities	(41,921)	(39,713)
Increase in other non-current liabilities	588	6,990
Exercise of employee share options	149,245	167,567
Interest paid	<u>(178,813)</u>	<u>(163,166)</u>
Net cash (used in) generated from financing activities	<u>(388,971)</u>	<u>1,361,714</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(509,570)</u>	<u>110,721</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,579,738	2,803,074
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>13,206,169</u>	<u>9,687,937</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 16,785,907</u>	<u>\$ 12,491,011</u>

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

(With Deloitte & Touche review report dated August 8, 2025)

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

E Ink Holdings Inc. (the “Company”) was incorporated in June 1992 in the Hsinchu Science Park. The Company’s shares have been listed on the Taipei Exchange (TPEX) Mainboard since March 30, 2004. The Company mainly researches, develops, manufactures and sells electronic paper display panels.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the “Group”, are presented in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The Group’s consolidated financial statements were approved by the Company’s board of directors on August 8, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

Amendments to IAS 21 “Lack of Exchangeability”

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Please refer to Note 13 and Tables 7 and 8 for detailed information on subsidiaries (including the percentages of ownership and main business).

d. Other material accounting policies

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

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

For the summary of material accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,568	\$ 1,296	\$ 936
Checking accounts and demand deposits	12,714,406	6,227,034	3,238,842
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	2,789,816	5,644,289	7,834,680
Repurchase agreements collateralized by notes	<u>1,280,117</u>	<u>1,333,550</u>	<u>1,416,553</u>
	<u>\$ 16,785,907</u>	<u>\$ 13,206,169</u>	<u>\$ 12,491,011</u>

The market rate intervals of demand deposits, time deposits and repurchase agreements collateralized by notes at the end of the reporting periods were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Demand deposits	0.002%-4.45%	0.002%-4.32%	0.01%-5.50%
Time deposits	0.70%-5.40%	1.55%-5.45%	1.55%-5.90%
Repurchase agreements collateralized by notes	1.44%-1.51%	1.45%-4.73%	1.35%-5.51%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets - current</u>			
Held for trading			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 269,549	\$ -	\$ -
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Perpetual bonds	892,775	2,874,845	2,824,291
Foreign investment - listed stocks	<u>-</u>	<u>-</u>	<u>207,583</u>
	<u>\$ 1,162,324</u>	<u>\$ 2,874,845</u>	<u>\$ 3,031,874</u>
<u>Financial assets - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 1,506,927	\$ 1,547,429	\$ 1,240,488
Foreign investment - listed stocks	1,251,489	1,154,780	211,632
Perpetual bonds	595,442	226,617	-
Straight corporate bonds	275,089	305,646	300,247
Foreign investment - unlisted stocks	197,585	224,629	227,578
Hybrid financial assets			
Convertible preferred shares	<u>128,477</u>	<u>170,957</u>	<u>141,329</u>
	<u>\$ 3,955,009</u>	<u>\$ 3,630,058</u>	<u>\$ 2,121,274</u>
<u>Financial liabilities - current</u>			
Held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 9,251</u>	<u>\$ 457,611</u>	<u>\$ 37,038</u>

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2025</u>			
Sell	USD/KRW	2025.07-2026.03	USD90,000/KRW124,159,250
Sell	USD/NTD	2025.07-2025.11	USD156,950/NTD4,724,368
<u>December 31, 2024</u>			
Sell	USD/KRW	2025.02-2025.09	USD105,000/KRW142,449,150
Sell	USD/NTD	2025.01-2025.07	USD146,000/NTD4,549,758
<u>June 30, 2024</u>			
Sell	USD/KRW	2024.10-2025.04	USD55,000/KRW73,934,350
Sell	USD/NTD	2024.11-2024.12	USD15,000/NTD479,988

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Investments in debt instruments at FVTOCI	\$ 1,200,904	\$ 1,346,073	\$ 346,511
<u>Non-current</u>			
Investments in equity instruments at FVTOCI	\$ 33,140,843	\$ 25,514,449	\$ 22,825,704
Investments in debt instruments at FVTOCI	4,688,954	4,743,762	4,211,403
	<u>\$ 37,829,797</u>	<u>\$ 30,258,211</u>	<u>\$ 27,037,107</u>

a. Investments in equity instruments at FVTOCI

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 17,438,165	\$ 14,781,809	\$ 14,178,020
Unlisted shares	51,726	52,386	27,665
	<u>17,489,891</u>	<u>14,834,195</u>	<u>14,205,685</u>
Foreign investments			
Listed shares	14,845,594	9,412,654	8,206,571
Unlisted shares	805,358	1,267,600	413,448
	<u>15,650,952</u>	<u>10,680,254</u>	<u>8,620,019</u>
	<u>\$ 33,140,843</u>	<u>\$ 25,514,449</u>	<u>\$ 22,825,704</u>

The Group holds the above investments in equity instruments for long-term strategic purposes and expects to gain profit through long-term investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Foreign investments			
Straight corporate bonds			
3-year	\$ -	\$ -	\$ 281,677
4-year	504,006	568,762	-
5-year	-	-	64,834
7-year	259,301	289,052	-
34.75-year	<u>437,597</u>	<u>488,259</u>	<u>-</u>
	<u>\$ 1,200,904</u>	<u>\$ 1,346,073</u>	<u>\$ 346,511</u>
Coupon rates	5.75%-7.34%	5.75%-7.34%	4.63%-7.78%
Effective interest rates	5.70%-8.49%	5.70%-8.49%	3.61%-5.22%
<u>Non-current</u>			
Foreign investments			
Straight corporate bonds			
4-year	\$ -	\$ -	\$ 563,287
5-year	261,354	291,633	287,360
6-year	699,139	773,424	477,553
7-year	-	-	284,351
10-year	1,108,742	952,794	522,404
10.5-year	260,682	286,991	281,110
11-year	702,913	671,621	595,003
30-year	929,863	961,547	655,131
31-year	253,247	279,783	65,731
34.75-year	-	-	479,473
40-year	236,429	262,240	-
60-year	<u>236,585</u>	<u>263,729</u>	<u>-</u>
	<u>\$ 4,688,954</u>	<u>\$ 4,743,762</u>	<u>\$ 4,211,403</u>
Coupon rates	3.10%-8.11%	3.10%-8.11%	3.10%-8.11%
Effective interest rates	2.00%-7.82%	2.00%-7.82%	2.00%-7.82%

Refer to Note 11 for information relating to the credit risk management and impairment assessment of investments in debt instruments at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 2,975,327	\$ 6,820,645	\$ 7,714,884
Pledged time deposits (b)	40,475	38,136	38,229
Foreign straight corporate bonds (d)	<u>153,574</u>	<u>158,102</u>	<u>-</u>
	<u>\$ 3,169,376</u>	<u>\$ 7,016,883</u>	<u>\$ 7,753,113</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year (c)	\$ -	\$ 327,843	\$ 1,068,029
Pledged time deposits (b)	11,587	12,830	12,551
Foreign straight corporate bonds (d)	<u>394,943</u>	<u>406,531</u>	<u>591,292</u>
	<u>\$ 406,530</u>	<u>\$ 747,204</u>	<u>\$ 1,671,872</u>

- a. The market rate intervals for time deposits with original maturities of more than 3 months were 1.65%-4.75%, 1.65%-6.00% and 1.95%-6.07% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- b. The market rate intervals for time deposits pledged as security were 0.67%-1.69% for all of on June 30, 2025, December 31, 2024 and June 30, 2024. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.
- c. The market rate intervals for time deposits with original maturities of more than 1 year were 5.74% and 5.74%-5.85% per annum as of December 31, 2024 and June 30, 2024, respectively.
- d. The Group bought 10-year foreign corporate bonds in March 2022 with a coupon rate and an effective rate were 4.10%-4.90% for all on June 30, 2025, December 31, 2024 and June 30, 2024.
- e. Refer to Note 11 for information relating to the credit risk and impairment assessment of investments in financial assets at amortized cost.

10. ACCOUNTS RECEIVABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	\$ 5,434,500	\$ 4,759,228	\$ 4,132,674
Less: Loss allowance	<u>(12,964)</u>	<u>(11,727)</u>	<u>(11,951)</u>
	<u>5,421,536</u>	<u>4,747,501</u>	<u>4,120,723</u>
Accounts receivable from related parties (Note 31)	785,838	30,522	72,969
Less: Loss allowance	<u>(18,182)</u>	<u>(20,345)</u>	<u>(20,137)</u>
	<u>767,656</u>	<u>10,177</u>	<u>52,832</u>
	<u>\$ 6,189,192</u>	<u>\$ 4,757,678</u>	<u>\$ 4,173,555</u>

The Group recognizes impairment loss when there is actual credit loss from an individual client. In addition, the Group recognizes impairment loss based on the rate of expected credit loss by reference to past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry in which the debtor operates and past due status.

The following table details the loss allowance for accounts receivables:

June 30, 2025

	Not Past Due	Past Due in 1-90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	0%	0%	100%	
Gross carrying amount	\$ 6,156,158	\$ 33,034	\$ 31,146	\$ 6,220,338
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>(31,146)</u>	<u>(31,146)</u>
Amortized cost	<u>\$ 6,156,158</u>	<u>\$ 33,034</u>	<u>\$ -</u>	<u>\$ 6,189,192</u>

December 31, 2024

	Not Past Due	Past Due in 1-90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	0%	0%	99%	
Gross carrying amount	\$ 4,755,371	\$ 2,055	\$ 32,324	\$ 4,789,750
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>(32,072)</u>	<u>(32,072)</u>
Amortized cost	<u>\$ 4,755,371</u>	<u>\$ 2,055</u>	<u>\$ 252</u>	<u>\$ 4,757,678</u>

June 30, 2024

	Not Past Due	Past Due in 1-90 Days	Past Due Over 90 Days	Total
Expected credit loss rate	0%	0%	78%	
Gross carrying amount	\$ 4,042,967	\$ 121,623	\$ 41,053	\$ 4,205,643
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>(32,088)</u>	<u>(32,088)</u>
Amortized cost	<u>\$ 4,042,967</u>	<u>\$ 121,623</u>	<u>\$ 8,965</u>	<u>\$ 4,173,555</u>

The movements of the loss allowance were as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	\$ 32,072	\$ 31,092
Acquisitions through business combinations	1,947	-
Net remeasurement of loss allowance	(283)	(16)
Effects of foreign currency exchange differences	<u>(2,590)</u>	<u>1,012</u>
Balance at June 30	<u>\$ 31,146</u>	<u>\$ 32,088</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the amount of individual client exceed 10% of the account balance were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Customer B	\$ 1,624,457	\$ 1,000,725	\$ 1,356,708
Customer A	963,509	955,319	730,493
Customer E	761,383	367,239	520,194
Customer I	735,215	849,746	241,740

11. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments of the Group in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

June 30, 2025

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 5,963,183	\$ 3,576,831
Less: Allowance for impairment loss	<u>(6,567)</u>	<u>(925)</u>
Amortized cost	5,956,616	<u>\$ 3,575,906</u>
Adjustment to fair value	<u>(66,758)</u>	
	<u>\$ 5,889,858</u>	

December 31, 2024

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 6,246,965	\$ 7,765,063
Less: Allowance for impairment loss	<u>(6,340)</u>	<u>(976)</u>
Amortized cost	6,240,625	<u>\$ 7,764,087</u>
Adjustment to fair value	<u>(150,790)</u>	
	<u>\$ 6,089,835</u>	

June 30, 2024

	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 4,656,689	\$ 9,425,960
Less: Allowance for impairment loss	<u>(5,386)</u>	<u>(975)</u>
Amortized cost	4,651,303	<u>\$ 9,424,985</u>
Adjustment to fair value	<u>(93,389)</u>	
	<u>\$ 4,557,914</u>	

The Group only invests in debt instruments that meet or exceed the investment-grade standard and have low credit risk for impairment assessment, as provided by independent rating agencies. The Group continuously monitors external rating information to supervise changes in the credit risk of the invested debt instruments. Additionally, the Group reviews other information, such as the bond yield curve and significant news about the debtor, to evaluate whether there has been a significant increase in credit risk since the initial recognition of the debt instrument investment. This evaluation is critical to ensuring the Group's investments remain viable and profitable.

The Group considers historical default rates associated with each rating provided by external rating agencies, the current financial condition of debtors, and the future outlook of the industry when measuring the expected credit loss for debt instrument investments over the next 12 months or the expected credit loss over the investment's remaining period.

The Group's current credit risk grading mechanism is as follows:

Credit Rating	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and sufficient capability to meet contractual cash flows.	12-month ECLs

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were as follows:

June 30, 2025

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.05%-0.26%	<u>\$ 5,963,183</u>	<u>\$ 3,576,831</u>

December 31, 2024

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.06%-0.27%	<u>\$ 6,246,965</u>	<u>\$ 7,765,063</u>

June 30, 2024

Credit Rating	Expected Loss Rate	Gross Carrying Amount	
		At FVTOCI	At Amortized Cost
Performing	0.06%-0.27%	<u>\$ 4,656,689</u>	<u>\$ 9,425,960</u>

- a. The movements of the allowance for impairment loss of investments in debt instruments at FVTOCI were as follows:

	<u>Credit Rating</u> Performing (12-month ECLs)
Balance at January 1, 2025	\$ 6,340
New financial assets purchased	624
Change in exchange rates or others	<u>(397)</u>
Balance at June 30, 2025	<u>\$ 6,567</u>
Balance at January 1, 2024	\$ 4,880
New financial assets purchased	913
Change in exchange rates or others	<u>(407)</u>
Balance at June 30, 2024	<u>\$ 5,386</u>

For the six months ended June 30, 2025 and 2024, the Group's investment in foreign corporate bonds at FVTOCI increased by \$469,067 thousand and \$1,256,319 thousand, and correspondingly the loss allowance for investments rated as performing increased by \$624 thousand and \$913 thousand, respectively.

- b. The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	<u>Credit Rating</u> Performing (12-month ECLs)
Balance at January 1, 2025	\$ 976
Change in exchange rates or others	<u>(51)</u>
Balance at June 30, 2025	<u>\$ 925</u>
Balance at January 1, 2024	\$ 1,102
Change in exchange rates or others	<u>(127)</u>
Balance at June 30, 2024	<u>\$ 975</u>

12. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	\$ 486,072	\$ 954,717	\$ 757,172
Semi-finished goods	1,447,578	1,327,233	1,395,861
Work in progress	693,488	207,361	647,193
Raw materials	<u>1,161,403</u>	<u>1,032,464</u>	<u>1,066,488</u>
	<u>\$ 3,788,541</u>	<u>\$ 3,521,775</u>	<u>\$ 3,866,714</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 included reversal (write-downs) of inventories of \$94,360 thousand, \$31,205 thousand, \$87,295 thousand and \$(13,644) thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2025	December 31, 2024	June 30, 2024	
E Ink Holdings Inc.	E Ink Technology B.V.	Investment	100.00	100.00	100.00	
	YuanHan Materials Inc.	Manufacture and sale of chemical materials and optical films	100.00	100.00	100.00	
	New Field e-Paper Co., Ltd.	Investment	100.00	100.00	100.00	
	Dream Universe Ltd.	Trading	100.00	100.00	100.00	
	Prime View Communications Ltd.	Trading	100.00	100.00	100.00	
	Linfinity Corporation	Research, development and sale of electronic paper products	23.00	23.00	23.00	
	E Ink Japan Inc.	Development of electronic paper products	100.00	100.00	100.00	
YuanHan Materials Inc.	Integrated Solutions Technology, Inc.	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	25.93	-	-	b.
	Linfinity Corporation	Research, development and sale of electronic paper products	77.00	77.00	77.00	
	Integrated Solutions Technology, Inc.	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	8.89	-	-	b.
Linfinity Corporation	Linfinity Japan Inc.	Research, development and sale of electronic paper products	100.00	100.00	100.00	
Integrated Solutions Technology, Inc.	Integrated Solutions Technology (Shenzhen) Co., Ltd.	Technical support and after-sales services.	100.00	100.00	100.00	b.
E Ink Technology B.V.	PVI International Corp.	Trading	100.00	100.00	100.00	
	Ruby Lustre Ltd.	Investment	100.00	100.00	100.00	
	E Ink Netherlands B.V.	Investment	100.00	100.00	100.00	
PVI International Corp.	Transyork Technology Yangzhou Ltd.	Assembly and sale of display panels	55.61	55.61	55.61	
	Transcend Optonics (Yangzhou) Co., Ltd.	Research, assembly and sale of display panels	100.00	100.00	100.00	
	Rich Optonics (Yangzhou) Co., Ltd.	Assembly and sale of display panels	100.00	100.00	100.00	a.
E Ink Netherlands B.V.	Hydis Technologies Co., Ltd.	Patent licensing and investment in financial instruments	94.73	94.73	94.73	
	E Ink Corporation	Research, development and manufacture of electronic inks	100.00	100.00	100.00	
Transcend Optonics (Yangzhou) Co., Ltd.	Transyork Technology Yangzhou Ltd.	Assembly and sale of display panels	44.39	44.39	44.39	

- The Group resolved to liquidate its subsidiary Rich Optonics (Yangzhou) Co., Ltd. in November 2024. As of June 30, 2025, the liquidation process had not yet been completed.
- After the re-election of directors in the shareholders' meeting of Integrated Solutions Technology, Inc. on June 19, 2025, the Group has taken three seats on the board of directors and the Group representative was elected as chairman. The Group evaluates that it has substantial control over it. Therefore, it has been included in the Group's consolidated financial statements starting from June 2025.

Subsidiaries included in the consolidated financial statements for the six months ended June 30, 2025 and 2024, were calculated based on the financial statements that have been reviewed, except for Linfinity Corporation, Linfinity Japan Inc., E Ink Japan Inc., Dream Universe Limited. and Ruby Lustre Ltd., which calculated based on the financial statements that have not been reviewed.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Associates and joint ventures that are not individually material			
Investments in associates	\$ 15	\$ 186,143	\$ 1,131,523
Investments in joint ventures	<u>163,105</u>	<u>169,929</u>	<u>148,534</u>
	<u>\$ 163,120</u>	<u>\$ 356,072</u>	<u>\$ 1,280,057</u>

Refer to Tables 7 and 8 for the nature of activities, principal place of business and country of incorporation of the associates.

Aggregate Information of Associates and Joint Ventures That Are Not Individually Material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Group's share of:				
Net income(loss) for the period	\$ 5,170	\$ (30,467)	\$ 7,351	\$ (60,833)
Other comprehensive gain(loss)	<u>(21,120)</u>	<u>12,361</u>	<u>(18,632)</u>	<u>23,465</u>
Total comprehensive loss	<u>\$ (15,950)</u>	<u>\$ (18,106)</u>	<u>\$ (11,281)</u>	<u>\$ (37,368)</u>

In January 2022, the subsidiary YuanHan Materials Inc. converted the convertible bonds of Nuclera Limited (originally named Nuclera Nucleics Ltd.) to equity and participated in its cash capital increase with \$55,470 thousand (US\$2,000 thousand). As a result of the conversion, YuanHan Materials Inc. and E Ink Corporation jointly owned 23.29% of the shares of Nuclera Limited. In 2024, the Group did not participate in the cash capital increase of Nuclera Limited in proportion to its shareholding, resulting in a reduction of the Group's shareholding in Nuclera Limited to 11.99%; the Group ceased to have significant influence over Nuclera Limited. Therefore, the investment in Nuclera Limited was classified as financial assets at FVTOCI starting August 2024.

As detailed in Note 13, in June 2025, the Group reclassified Integrated Solutions Technology, Inc. from investments accounted for using the equity method to a subsidiary due to the acquisition of substantial control. The previously held equity interest was deemed disposed of and remeasured at its fair value on the date control was obtained, resulting in a recognized gain on disposal of investment amounting to \$662,409 thousand. Furthermore, the amount previously recognized in other comprehensive income, along with the net change in equity of associates recorded under capital surplus - equity method, totaling \$1,471 thousand, was entirely reclassified to gain on disposal of investment.

The share of profit or loss and other comprehensive income (loss) of associates and joint ventures that are not individually material were based on unreviewed financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 490,340	\$ 6,121,421	\$ 8,529,395	\$ 3,561,449	\$ 2,733,592	\$ 21,436,197
Additions	-	79,000	1,873	6,214	1,460,028	1,547,115
Disposals	-	-	(82,594)	(19,347)	-	(101,941)
Reclassifications	7,104	1,057,329	175,363	34,471	(1,282,578)	(8,311)
Effects of foreign currency exchange differences	27,989	249,775	166,534	72,223	60,700	577,221
Balance at June 30, 2024	<u>\$ 525,433</u>	<u>\$ 7,507,525</u>	<u>\$ 8,790,571</u>	<u>\$ 3,655,010</u>	<u>\$ 2,971,742</u>	<u>\$ 23,450,281</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$ 3,317,052	\$ 6,271,021	\$ 2,698,291	\$ -	\$ 12,286,364
Depreciation expenses	-	146,216	315,999	150,156	-	612,371
Disposals	-	-	(75,584)	(19,306)	-	(94,890)
Reversal of impairment loss	-	-	(3)	-	-	(3)
Reclassifications	-	-	590	(259)	-	331
Effects of foreign currency exchange differences	-	127,559	113,965	63,938	-	305,462
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 3,590,827</u>	<u>\$ 6,625,988</u>	<u>\$ 2,892,820</u>	<u>\$ -</u>	<u>\$ 13,109,635</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 490,340</u>	<u>\$ 2,804,369</u>	<u>\$ 2,258,374</u>	<u>\$ 863,158</u>	<u>\$ 2,733,592</u>	<u>\$ 9,149,833</u>
Carrying amount at June 30, 2024	<u>\$ 525,433</u>	<u>\$ 3,916,698</u>	<u>\$ 2,164,583</u>	<u>\$ 762,190</u>	<u>\$ 2,971,742</u>	<u>\$ 10,340,646</u>
<u>Cost</u>						
Balance at January 1, 2025	\$ 530,858	\$ 7,560,633	\$ 9,198,069	\$ 3,848,866	\$ 3,729,150	\$ 24,867,576
Additions	-	666	38,877	29,692	1,551,350	1,620,585
Acquisitions through business combinations	-	-	5,796	46,127	28,722	80,645
Disposals	-	-	(12,466)	(14,916)	(8,291)	(35,673)
Reclassifications	-	228,588	560,185	106,426	(899,129)	(3,930)
Effects of foreign currency exchange differences	(56,430)	(529,719)	(402,729)	(161,581)	(254,355)	(1,404,814)
Balance at June 30, 2025	<u>\$ 474,428</u>	<u>\$ 7,260,168</u>	<u>\$ 9,387,732</u>	<u>\$ 3,854,614</u>	<u>\$ 4,147,447</u>	<u>\$ 25,124,389</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2025	\$ -	\$ 3,785,617	\$ 6,864,071	\$ 3,041,383	\$ -	\$ 13,691,071
Acquisitions through business combinations	-	-	2,959	33,450	-	36,409
Depreciation expenses	-	183,369	392,288	145,606	-	721,263
Disposals	-	-	(9,773)	(14,809)	-	(24,582)
Effects of foreign currency exchange differences	-	(294,963)	(269,472)	(141,230)	-	(705,665)
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 3,674,023</u>	<u>\$ 6,980,073</u>	<u>\$ 3,064,400</u>	<u>\$ -</u>	<u>\$ 13,718,496</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 530,858</u>	<u>\$ 3,775,016</u>	<u>\$ 2,333,998</u>	<u>\$ 807,483</u>	<u>\$ 3,729,150</u>	<u>\$ 11,176,505</u>
Carrying amount at June 30, 2025	<u>\$ 474,428</u>	<u>\$ 3,586,145</u>	<u>\$ 2,407,659</u>	<u>\$ 790,214</u>	<u>\$ 4,147,447</u>	<u>\$ 11,405,893</u>

Information about capitalized interest were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Capitalized interest	<u>\$ 8,259</u>	<u>\$ 6,556</u>	<u>\$ 16,733</u>	<u>\$ 14,289</u>
Capitalization rate intervals	1.80%-2.09%	1.29%-1.86%	1.80%-2.09%	1.29%-1.86%

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

Buildings	
Main buildings	20-56 years
Clean rooms and plumbing construction	25-30 years
Employee dormitories	20 years
Others	2-20 years
Machinery	2-11 years
Other equipment	2-26 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024	
<u>Carrying amount</u>				
Land	\$ 743,554	\$ 790,790	\$ 812,615	
Buildings	157,388	196,252	191,748	
Other equipment	<u>1,576</u>	<u>1,537</u>	<u>1,468</u>	
	<u>\$ 902,518</u>	<u>\$ 988,579</u>	<u>\$ 1,005,831</u>	
	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2025	2024	2025	2024
Additions to right-of-use assets			<u>\$ 2,676</u>	<u>\$ 1,502</u>
Depreciation charge for right-of-use assets				
Land	\$ 11,012	\$ 11,796	\$ 22,024	\$ 23,950
Buildings	11,540	10,786	23,260	21,368
Other equipment	<u>416</u>	<u>528</u>	<u>921</u>	<u>1,101</u>
	<u>\$ 22,968</u>	<u>\$ 23,110</u>	<u>\$ 46,205</u>	<u>\$ 46,419</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Carrying amount</u>			
Current (included in other current liabilities)	<u>\$ 80,975</u>	<u>\$ 85,090</u>	<u>\$ 74,749</u>
Non-current	<u>\$ 880,598</u>	<u>\$ 955,725</u>	<u>\$ 977,800</u>

Discount rate intervals for lease liabilities are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Land	0.58%-4.92%	0.58%-4.92%	0.58%-4.92%
Buildings	1.50%-5.10%	1.50%-5.10%	1.50%-5.10%
Other equipment	1.50%-3.635%	1.50%-2.50%	1.50%-2.50%

c. Material lease-in activities and terms

The Group leased certain land in the Hsinchu Science Park from the Hsinchu Science Park Bureau of the Ministry of Science and Technology from July 1, 2014 to December 31, 2033. The rental amount is calculated on the basis of the mutual agreement. The lessor may adjust the rent at any time on the basis of changes in announced land values and related laws and regulations. At the end of the lease terms, the Group has renewal options if the Group does not violate the lease agreements during the rental period.

The Group also leased certain land and buildings as its plants and offices, with a lease term of 2 to 20 years. Among them, some land lease agreements include annual adjustments of lease payments based on the percentage increase in announced land values, with the right of preemption to purchase upon lease expiration. The lease contracts for land and buildings in the United States contain extension options and rights of preemption to purchase, which provide more operational flexibility for the Group. These terms are not reflected in measuring lease liabilities if the options are not reasonably certain to be exercised.

The Group is prohibited from subleasing or transferring all or any portion of the underlying assets, changing their use, or using them illegally.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 6,425</u>	<u>\$ 14,307</u>	<u>\$ 13,459</u>	<u>\$ 27,318</u>
Expenses relating to low-value asset leases	<u>\$ 112</u>	<u>\$ 104</u>	<u>\$ 203</u>	<u>\$ 213</u>
Total cash outflow for leases			<u>\$ 68,945</u>	<u>\$ 82,059</u>

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

17. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Patents	Others	Total
Balance at January 1, 2024	\$ 7,134,748	\$ 418,100	\$ 54,609	\$ 7,607,457
Additions	-	7,037	9,053	16,090
Disposals	-	(119)	-	(119)
Amortization expenses	-	(36,289)	(24,208)	(60,497)
Reclassifications	-	-	8,160	8,160
Effects of foreign currency exchange differences	<u>362,149</u>	<u>13,494</u>	<u>2,600</u>	<u>378,243</u>
Balance at June 30, 2024	<u>\$ 7,496,897</u>	<u>\$ 402,223</u>	<u>\$ 50,214</u>	<u>\$ 7,949,334</u>
Balance at January 1, 2025	\$ 7,566,421	\$ 373,330	\$ 45,243	\$ 7,984,994
Additions	-	4,900	3,308	8,208
Acquisitions through business combinations (Note 27)	551,998	-	327,728	879,726
Disposals	-	(149)	-	(149)
Amortization expenses	-	(35,888)	(12,082)	(47,970)
Reclassifications	-	-	2,343	2,343
Effects of foreign currency exchange differences	<u>(723,260)</u>	<u>(23,634)</u>	<u>(1,232)</u>	<u>(748,126)</u>
Balance at June 30, 2025	<u>\$ 7,395,195</u>	<u>\$ 318,559</u>	<u>\$ 365,308</u>	<u>\$ 8,079,026</u>

The Group recognized goodwill in acquiring the patented technologies of electronic ink and electronic paper, which are mainly used in researching and manufacturing consumer electronics and Internet of Things applications. The carrying amount of goodwill was allocated to the cash-generating units of these two products, and the recoverable amount of each cash-generating unit was determined based on a value in use calculation. The recoverable amount was determined by management based on financial budgets covering a 5-year period and discount rates per annum for the years ended December 31, 2024 and 2023, respectively. The cash flows beyond that 5-year period have been extrapolated using a steady annual growth rate. Other key assumptions included budgeted revenue and budgeted gross profit. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

Discount rates per annum were as follows:

	For the Year Ended December 31	
	2024	2023
Consumer electronics	13.48%	13.91%
Internet of things applications	14.04%	14.10%

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

Patents	6-20 years
Others	1-14.5 years

18. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings	\$ 4,923,068	\$ 7,270,000	\$ 4,600,000
Interest rate intervals	1.85%-5.27%	1.88%-2.22%	1.75%-2.00%

b. Short-term bills payable

	June 30, 2025	December 31, 2024	June 30, 2024
Commercial paper	\$ 1,282,000	\$ 4,302,000	\$ 5,240,000
Less: Discounts on bills payable	<u>(1,447)</u>	<u>(3,442)</u>	<u>(4,130)</u>
	<u>\$ 1,280,553</u>	<u>\$ 4,298,558</u>	<u>\$ 5,235,870</u>
Interest rate intervals	1.59%-1.89%	1.61%-1.93%	1.54%-1.91%

c. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Syndicated loans	\$ 8,989,228	\$ 4,888,004	\$ 3,394,900
Unsecured borrowings	4,283,155	3,333,386	3,123,163
Less: Listed as current portion	<u>(394,155)</u>	<u>(494,386)</u>	<u>(50,000)</u>
	<u>\$ 12,878,228</u>	<u>\$ 7,727,004</u>	<u>\$ 6,468,063</u>
Interest rate intervals	1.53%-2.09%	1.43%-2.21%	1.43%-2.13%

Long-term unsecured borrowings will expire in October 2030, and interests are repaid on a monthly basis.

To enrich medium-term working capital, the Group entered into a Green Loan Agreement with a syndicate of two banks led by Crédit Agricole Bank and Investment Bank on September 11, 2024, with a total credit facility of \$3,000,000 thousand. The loan term is within 3 years from the first drawdown date (September 2024). Additionally, the Group entered into a syndicated loan agreement with a syndicate seventeen banks led by Mega International Commercial Bank Co., Ltd. on November 8, 2024, with a total credit facility of \$12,000,000 thousand. The loan term is within 5 years from the first drawdown date. As of June 30, 2025, December 31, 2024 and June 30, 2024, the drawdown status of the syndicated loans was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Mega Bank	\$ 6,000,000	\$ 3,400,000	\$ 3,400,000
Crédit Agricole CIB	<u>3,000,000</u>	<u>1,500,000</u>	<u>-</u>
	<u>\$ 9,000,000</u>	<u>\$ 4,900,000</u>	<u>\$ 3,400,000</u>

The Group promises that during the credit period, its semi-annual reviewed current ratio shall not be less than 100%, debt ratio shall not exceed 200%, interest coverage ratio shall not be less than 5 times, and tangible net worth shall not be less than \$15,000,000 thousand. The Group should meet certain financial ratios based on audited consolidated annual financial statements and reviewed consolidated financial statements for the six months.

19. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payables for dividends	\$ 5,747,304	\$ -	\$ 5,140,772
Payables for salaries or bonuses	2,101,646	2,286,204	1,916,896
Payables for construction and equipment	184,681	433,009	395,295
Payables for professional service fees	69,293	71,405	79,532
Payables for utilities	35,485	24,054	34,727
Payables for pensions	21,052	29,172	21,914
Payables for labors and health insurances	10,412	26,388	21,340
Others	<u>594,961</u>	<u>746,384</u>	<u>467,818</u>
	<u>\$ 8,764,834</u>	<u>\$ 3,616,616</u>	<u>\$ 8,078,294</u>

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China.

b. Defined benefit plans

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

The defined benefit plan adopted by Hydis Technologies Co., Ltd. in accordance with the law is operated by the government of South Korea.

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$2,008 thousand, \$4,961 thousand, \$4,311 thousand and \$6,269 thousand for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, respectively, which were calculated using the actuarially determined pension cost rate as of December 31, 2024 and 2023, respectively.

21. EQUITY

a. Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Amount of shares authorized	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>1,149,894</u>	<u>1,145,916</u>	<u>1,144,432</u>
Amount of shares issued	<u>\$ 11,498,942</u>	<u>\$ 11,459,163</u>	<u>\$ 11,444,324</u>

For the six months ended June 30, 2025 and December 31, 2024, the Company's employees exercised their rights under the ESOP to purchase 3,978 thousand shares and 4,813 thousand shares of the Company's ordinary shares, respectively. The changes of registration were completed before June 30, 2025 and December 31, 2024, respectively.

For the three months ended June 30, 2025, March 31, 2025, December 31, 2024, September 30, 2024 and June 30, 2024, the Group's employees exercised their rights under the ESOP to purchase 582 thousand shares, 1,675 thousand shares, 2,303 thousand shares, 1,018 thousand shares and 466 thousand shares of the Group's ordinary shares, generating total proceeds of \$38,253 thousand, \$110,992 thousand, \$152,064 thousand, \$70,013 thousand and \$31,258 thousand, respectively. The effective dates for these transactions are set for August 18, 2025, May 12, 2025, March 6, 2025, November 18, 2024 and August 19, 2024, respectively. They are recorded as advance receipts for shares.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)			
Issuance of shares	\$ 10,216,016	\$ 9,928,722	\$ 9,821,043
Conversion of bonds	525,200	525,200	525,200
Treasury share transactions	260,084	260,084	260,084
Expired employee share options	57,477	57,477	57,477
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	76	-	-
Changes in percentage of ownership interests in associates (3)	9,091	10,354	266,435

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Unclaimed dividends extinguished by prescription	\$ 129	\$ 129	\$ 94
<u>May not be used for any purpose</u>			
Employee share options	<u>270,124</u>	<u>188,814</u>	<u>173,355</u>
	<u>\$ 11,338,197</u>	<u>\$ 10,970,780</u>	<u>\$ 11,103,688</u> (Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.
- 3) Such capital surplus arises from the effect of changes in ownership interest in associates resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's amended Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with at least 50% of any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to Note 23.

The Company's Articles of Incorporation also stipulate a dividends policy that allows previous accumulated undistributed earnings to be distributed. The distribution of dividends to shareholders is allowed to be in cash or by the issuance of shares. In principle, cash dividends should be at least 10% of the total dividends distributed.

The shareholders of the Company held their regular meeting on June 18, 2019 and in that meeting, resolved the amendments to the Company's Articles of Incorporation. The amendments explicitly stipulate that the board of directors are authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholder's meeting.

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

Items referred to under Rule No. 1090150022 issued by the FSC and in the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs” should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 918,052	\$ 800,566
Cash dividends	\$ 5,741,097	\$ 5,140,772
Dividends per share (NT\$)	\$ 5.0	\$ 4.5

The above appropriations for cash dividends were resolved by the Company’s board of directors on February 21, 2025 and February 23, 2024; the other proposed appropriations for 2025 and 2024 were resolved by the shareholders in their meetings on May 28, 2025 and May 29, 2024, respectively.

d. Special reserve

	For the Six Months Ended June 30	
	2025	2024
Balance at the beginning and the end of the period	\$ 70,678	\$ 70,678

If a special reserve of \$70,678 thousand appropriated on the first-time adoption of International Financial Reporting Standards (IFRS) relates to the exchange differences on translating the financial statements of foreign operations, the special reserve will be reversed proportionately on the Company’s disposal of the foreign operations; on the Company’s loss of significant influence; however, the entire special reserve will be reversed. An additional special reserve should be appropriated for the amount equal to the difference between the net debit balance of the reserves and the special reserve appropriated on the first-time adoption of International Financial Reporting Standards (IFRS). Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and may thereafter be distributed.

e. Other equity items

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

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	\$ (412,930)	\$ (1,189,487)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	(3,229,286)	1,114,185
Share of associates and join ventures accounted for using the equity method	(18,632)	23,465
Reclassification adjustments		
Share of associates accounted for using the equity method	381	-
Balance at June 30	\$ (3,660,467)	\$ (51,837)

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

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	\$ 10,147,026	\$ 7,023,979
Recognized during the period		
Unrealized gain (loss)		
Equity instruments	4,388,121	2,854,059
Debt instruments	69,297	(23,281)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(117,864)</u>
Balance at June 30	<u>\$ 14,604,444</u>	<u>\$ 9,736,893</u>

f. Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	\$ 689,341	\$ 640,651
Share of (loss) profit for the period	(10,895)	30,850
Other comprehensive income (loss) during the period		
Unrealized gain (loss) on financial assets at FVTOCI		
Equity instruments	51,802	24,860
Debt instruments	2,169	(951)
Exchange differences on translating the financial statements of foreign operations	(19,726)	(7,325)
Share-based payment	143	-
Increase in non-controlling interests arising from the acquisition of subsidiary	<u>541,551</u>	<u>-</u>
Balance at June 30	<u>\$ 1,254,385</u>	<u>\$ 688,085</u>

22. REVENUE

a. Classification of revenue from customer contracts

Type of Revenue	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Revenue from sale of goods				
Internet of things applications	\$ 5,128,149	\$ 2,629,380	\$ 8,533,814	\$ 4,905,561
Consumer electronics	<u>5,497,373</u>	<u>5,026,517</u>	<u>10,151,145</u>	<u>8,393,113</u>
	<u>\$ 10,625,522</u>	<u>\$ 7,655,897</u>	<u>\$ 18,684,959</u>	<u>\$ 13,298,674</u>
Royalty income	<u>\$ 81,332</u>	<u>\$ 83,111</u>	<u>\$ 164,591</u>	<u>\$ 164,761</u>

b. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Accounts receivable (Note 10)	\$ 6,189,192	\$ 4,757,678	\$ 4,173,555	\$ 2,717,486
Contract assets - current				
Royalty	\$ -	\$ 5,056	\$ -	\$ 15,883
Contract liabilities - current				
Royalty	\$ 223,671	\$ 59,958	\$ 246,526	\$ 70,799
Sale of goods	132,126	453,943	415,724	559,380
	<u>\$ 355,797</u>	<u>\$ 513,901</u>	<u>\$ 662,250</u>	<u>\$ 630,179</u>
Contract liabilities - non-current				
Sale of goods	\$ 3,084	\$ -	\$ -	\$ -

The changes in the balances of contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. Revenue recognized for the period from the beginning balance of the contract liabilities was as follows:

Type of Revenue	For the Six Months Ended June 30	
	2025	2024
Revenue from sale of goods	\$ 454,237	\$ 360,352
Royalty income	59,956	62,291
	<u>\$ 514,193</u>	<u>\$ 422,643</u>

23. NET INCOME

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	\$ 100,548	\$ 147,682	\$ 234,938	\$ 256,154
Financial assets at amortized cost	45,657	114,609	142,860	265,593
Financial assets at FVTPL	58,289	52,736	89,688	110,790
Financial assets at FVTOCI	78,084	58,781	158,701	106,370
Others	776	55	934	110
	<u>\$ 283,354</u>	<u>\$ 373,863</u>	<u>\$ 627,121</u>	<u>\$ 739,017</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Rental income	\$ 1,671	\$ 3,010	\$ 3,227	\$ 6,291
Government grants	347	370	717	728
Others	<u>7,210</u>	<u>8,610</u>	<u>35,244</u>	<u>30,604</u>
	<u>\$ 9,228</u>	<u>\$ 11,990</u>	<u>\$ 39,188</u>	<u>\$ 37,623</u>

c. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 369,087	\$ 310,258	\$ 721,263	\$ 612,371
Right-of-use assets	22,968	23,110	46,205	46,419
Other intangible assets	<u>23,404</u>	<u>29,668</u>	<u>47,970</u>	<u>60,497</u>
	<u>\$ 415,459</u>	<u>\$ 363,036</u>	<u>\$ 815,438</u>	<u>\$ 719,287</u>
An analysis of depreciation by function				
Operating costs	\$ 213,879	\$ 188,870	\$ 432,449	\$ 373,403
Operating expenses	<u>178,176</u>	<u>144,498</u>	<u>335,019</u>	<u>285,387</u>
	<u>\$ 392,055</u>	<u>\$ 333,368</u>	<u>\$ 767,468</u>	<u>\$ 658,790</u>
An analysis of amortization by function				
Operating costs	\$ 1,708	\$ 1,475	\$ 3,440	\$ 2,909
Operating expenses	<u>21,696</u>	<u>28,193</u>	<u>44,530</u>	<u>57,588</u>
	<u>\$ 23,404</u>	<u>\$ 29,668</u>	<u>\$ 47,970</u>	<u>\$ 60,497</u>

d. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits (Note 20)				
Defined contribution plans	\$ 34,958	\$ 31,715	\$ 71,998	\$ 62,884
Defined benefit plans	<u>2,008</u>	<u>4,961</u>	<u>4,311</u>	<u>6,269</u>
	36,966	36,676	76,309	69,153
Share-based payments				
Equity-settled	134,041	11,324	145,546	22,870
Other employee benefits	<u>1,632,542</u>	<u>1,677,093</u>	<u>3,355,294</u>	<u>3,250,568</u>
Total employee benefits expense	<u>\$ 1,803,549</u>	<u>\$ 1,725,093</u>	<u>\$ 3,577,149</u>	<u>\$ 3,342,591</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of employee benefits expense by function				
Operating costs	\$ 511,778	\$ 485,494	\$ 1,029,688	\$ 923,757
Operating expenses	<u>1,291,771</u>	<u>1,239,599</u>	<u>2,547,461</u>	<u>2,418,834</u>
	<u>\$ 1,803,549</u>	<u>\$ 1,725,093</u>	<u>\$ 3,577,149</u>	<u>\$ 3,342,591</u>
				(Concluded)

e. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation at the rates of no less than 1% as well as remuneration of directors at the rates of no higher than 1%, respectively, of net income before income tax, employees' compensation and remuneration of directors, net of accumulated deficit, if any. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of 0.1% of the annual compensation of employees as compensation distributions for non-executive employees. The estimated employees' compensation (including non-executive employees) and remuneration of directors for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Employees' compensation	<u>\$ 37,560</u>	<u>\$ 28,975</u>	<u>\$ 64,110</u>	<u>\$ 57,950</u>
Remuneration of directors	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

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

The employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on February 21, 2025 and February 23, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
Employees' compensation	<u>\$ 103,000</u>	<u>\$ 88,990</u>
Remuneration of directors	<u>\$ 40,000</u>	<u>\$ 35,900</u>

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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

24. INCOME TAXES

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 856,200	\$ 612,986	\$ 1,771,914	\$ 1,026,875
Income tax on unappropriated earnings	126,069	46,871	126,069	46,871
Adjustments for the prior years	<u>(263,439)</u>	<u>(59,962)</u>	<u>(233,766)</u>	<u>(66,256)</u>
	<u>718,830</u>	<u>599,895</u>	<u>1,664,217</u>	<u>1,007,490</u>
Deferred tax				
In respect of the current period	(277,632)	(239,132)	(621,344)	(267,328)
Adjustments for the prior years	<u>(4,086)</u>	<u>4,057</u>	<u>(4,086)</u>	<u>4,057</u>
	<u>(281,718)</u>	<u>(235,075)</u>	<u>(625,430)</u>	<u>(263,271)</u>
Income tax expense recognized in profit or loss	<u>\$ 437,122</u>	<u>\$ 364,820</u>	<u>\$ 1,038,787</u>	<u>\$ 744,219</u>

The Group's current tax expense related to Pillar Two income taxes was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax expense related to Pillar Two income taxes	<u>\$ 45,000</u>	<u>\$ 70,000</u>	<u>\$ 45,000</u>	<u>\$ 70,000</u>

- b. Income tax recognized directly in equity

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
Disposal of investments in equity instruments at FVTOCI	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,875</u>
Deferred tax				
Disposal of investments in equity instruments at FVTOCI	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,875)</u>

c. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
In respect of the current period				
Fair value changes of				
financial assets at				
FVTOCI				
Equity instruments	\$ 790,405	\$ 66,832	\$ 941,145	\$ 328,705
Debt instruments	<u>4,098</u>	<u>(3,998)</u>	<u>12,566</u>	<u>(3,311)</u>
	<u>\$ 794,503</u>	<u>\$ 62,834</u>	<u>\$ 953,711</u>	<u>\$ 325,394</u>

d. Income tax assessments

Income tax assessments of the Group were as follows:

<u>Company</u>	<u>Latest Assessment Year</u>
The Company	2021
YuanHan Materials Inc.	2020
New Field e-Paper Co., Ltd.	2023
Linfiny Corporation	2023

25. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share (NT\$)	<u>\$ 2.58</u>	<u>\$ 1.76</u>	<u>\$ 4.50</u>	<u>\$ 2.92</u>
Diluted earnings per share (NT\$)	<u>\$ 2.57</u>	<u>\$ 1.75</u>	<u>\$ 4.47</u>	<u>\$ 2.89</u>

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

Net Income for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net income for the period attributable to owners of the Company	<u>\$ 2,972,045</u>	<u>\$ 2,016,397</u>	<u>\$ 5,168,644</u>	<u>\$ 3,340,703</u>

Number of Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares (in thousands) used in the computation of basic earnings per share	1,149,921	1,144,451	1,149,285	1,143,595
Effect of potentially dilutive ordinary shares (in thousands)				
Employees' compensation	290	230	392	341
Share-based payment arrangements	<u>7,073</u>	<u>10,546</u>	<u>7,645</u>	<u>11,023</u>
Weighted average number of ordinary shares (in thousands) used in the computation of diluted earnings per share	<u>1,157,284</u>	<u>1,155,227</u>	<u>1,157,322</u>	<u>1,154,959</u>

The Group may settle compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Options Plan

To attract and retain the professional talents needed by the Company, improve the employees' cohesion and sense of belonging to the Company, and jointly create the interests of the Company and shareholders, the board of directors of the Company resolved to issue 20,000, 10,000 and 10,000 units of employee share options, the total is 40,000 units in May 2023, May 2021 and December 2020, respectively. Each option entitles the holder to subscribe to 1,000 ordinary shares. The eligible participants in share options are the full-time employees of the Company and subsidiaries. The duration of the share options is 6 years that will expire on March 31, 2031, October 3, 2027 and August 10, 2027, respectively.

Information about employee share options issued was as follows:

Share Options Grant Period	Percentage Exercisable (%) (Cumulative)
Over 2 years	40
Over 3 years	70
Over 4 years	100

For the Six Months Ended June 30				
		2025	2024	
Employee Share Options	Unit	Weighted Average Exercise Price (NT\$)	Unit	Weighted Average Exercise Price (NT\$)
Balance at January 1	11,240	\$65.15-\$268.50	17,266	\$69.00-\$77.20
Options granted	20,000		-	
Options exercised	(2,257)		(2,504)	
Options forfeited	<u>(61)</u>		<u>(78)</u>	
Balance at June 30	<u>28,922</u>		<u>14,684</u>	

The Company uses the Black-Scholes - Merton option evaluation model, the inputs to the models were as follows:

	April 2025	October 2021	August 2021
Grant date share price (NT\$)	\$268.5	\$69.0	\$77.2
Exercise price (NT\$)	\$268.5	\$69.0	\$77.2
Expected volatility	39.74%-47.43%	40.28%-42.73%	40.50%-43.77%
Expected life	2-4 year	2-4 year	2-4 year
Expected dividend yield	-	3.77%	3.77%
Risk-free interest rate	1.319%-1.477%	0.760%-0.765%	0.760%-0.765%
Weighted-average fair value of options granted (NT\$)	\$62.2-\$102.9	\$13.2-\$17.2	\$14.7-\$19.8

The Company has an exercise price adjustment formula for the changes in ordinary shares, and the exercise price of the stock warrants granted in August and October 2021 were adjusted from \$74.14 to \$72.9 and from \$66.26 to \$65.15, effective July 31, 2024, which serves as the ex-dividend date.

Compensation costs was recognized of \$134,041 thousand, \$11,324 thousand, \$145,546 thousand and \$22,870 thousand for three months ended June 30, 2025 and 2024 and for six months ended June 30, 2025 and 2024, respectively.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Integrated Solutions Technology, Inc.	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	June 19, 2025	34.82	<u>\$ -</u>

b. Assets acquired and liabilities assumed at the date of acquisition

	Integrated Solutions Technology, Inc.
Current assets	
Cash and cash equivalents	\$ 261,777
Financial assets at amortized cost	182,500
Trade and other receivables	68,810
Inventories	88,596
Other current assets	6,744
Non-current assets	
Property, plant and equipment	44,236
Other intangible assets	327,728
Right-of-use assets	3,237
Other non-current assets	26,568
Current liabilities	
Trade and other payables	(148,912)
Other current liabilities	(21,881)
Non-current liabilities	
Other non-current liabilities	<u>(8,505)</u>
	<u>\$ 830,898</u>

The initial accounting for the acquisition of Integrated Solutions Technology, Inc. was only provisionally determined at the end of the period.

c. Goodwill recognized on acquisitions

	Integrated Solutions Technology, Inc.
Consideration transferred	\$ -
Plus: Non-controlling interests (65.18% in Integrated Solutions Technology, Inc.)	541,551
Plus: Fair value of the previously held equity interest on the acquisition date	841,345
Less: Fair value of identifiable net assets acquired	<u>(830,898)</u>
Goodwill recognized on acquisitions	<u>\$ 551,998</u>

The total amount of acquired goodwill is not tax-deductible.

d. Net cash inflow from acquisition of subsidiaries

	Integrated Solutions Technology, Inc.
Consideration paid in cash	\$ -
Less: Balance of cash and cash equivalents acquired	<u>(261,777)</u>
	<u>\$ (261,777)</u>

e. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	Integrated Solutions Technology, Inc.
Revenue	<u>\$ 16,380</u>
Net loss	<u>\$ (7,846)</u>

The Group's revenue would have been \$18,946,335 thousand, and the profit would have been \$5,148,928 thousand for the six months ended June 30, 2025. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2025, nor is it intended to be a projection of future results.

28. NON-CASH TRANSACTIONS

For the six months ended June 30, 2025 and 2024, the Group entered into the following non-cash investing activities:

	For the Six Months Ended June 30	
	2025	2024
Acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 1,620,585	\$ 1,547,115
Decrease (increase) in payables for construction and equipment (included in other payables)	<u>234,724</u>	<u>(130,954)</u>
Net cash paid	<u>\$ 1,855,309</u>	<u>\$ 1,416,161</u>

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged in the future.

The Group's risk management committee reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on the committee's recommendations, the Group expects to balance its capital structure through the payment of dividends, the issue of new shares and private ordinary shares or the payment of old debt.

30. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
Foreign exchange forward contracts	\$ -	\$ 269,549	\$ -	\$ 269,549
Non-derivative financial assets				
Mutual funds	534,991	-	971,936	1,506,927
Perpetual bonds	-	1,488,217	-	1,488,217
Straight corporate bonds	-	275,089	-	275,089
Foreign listed stocks	1,251,489	-	-	1,251,489
Foreign unlisted stocks	-	-	197,585	197,585
Hybrid financial assets				
Convertible preferred shares	-	-	128,477	128,477
	<u>\$ 1,786,480</u>	<u>\$ 2,032,855</u>	<u>\$ 1,297,998</u>	<u>\$ 5,117,333</u>

Financial assets at FVTOCI

Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 32,283,759	\$ -	\$ -	\$ 32,283,759
Domestic and overseas unlisted shares	-	-	857,084	857,084
Investment in debt instruments				
Overseas straight corporate bonds	-	5,889,858	-	5,889,858
	<u>\$ 32,283,759</u>	<u>\$ 5,889,858</u>	<u>\$ 857,084</u>	<u>\$ 39,030,701</u>

Financial liabilities at FVTPL

Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 9,251	\$ -	\$ 9,251

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative financial assets				
Mutual funds	\$ 580,722	\$ -	\$ 966,707	\$ 1,547,429
Perpetual bonds	-	3,101,462	-	3,101,462
Straight corporate bonds	-	305,646	-	305,646
Foreign listed stocks	1,154,780	-	-	1,154,780
Foreign unlisted stocks	-	-	224,629	224,629
Hybrid financial assets				
Convertible preferred shares	-	-	170,957	170,957
	<u>\$ 1,735,502</u>	<u>\$ 3,407,108</u>	<u>\$ 1,362,293</u>	<u>\$ 6,504,903</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 24,194,463	\$ -	\$ -	\$ 24,194,463
Domestic and overseas unlisted shares	-	-	1,319,986	1,319,986
Investment in debt instruments				
Overseas straight corporate bonds	-	6,089,835	-	6,089,835
	<u>\$ 24,194,463</u>	<u>\$ 6,089,385</u>	<u>\$ 1,319,986</u>	<u>\$ 31,604,284</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 457,611	\$ -	\$ 457,611

June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-derivative financial assets				
Mutual funds	\$ 377,702	\$ -	\$ 862,786	\$ 1,240,488
Perpetual bonds	-	2,824,291	-	2,824,291
Straight corporate bonds	-	300,247	-	300,247
Foreign listed stocks	419,215	-	-	419,215
Foreign unlisted stocks	-	-	227,578	227,578
Hybrid financial assets				
Convertible preferred shares	-	-	141,329	141,329
	<u>\$ 796,917</u>	<u>\$ 3,124,538</u>	<u>\$ 1,231,693</u>	<u>\$ 5,153,148</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic and overseas listed shares and emerging market shares	\$ 22,384,591	\$ -	\$ -	\$ 22,384,591
Domestic and overseas unlisted shares	-	-	441,113	441,113
Investment in debt instruments				
Overseas straight corporate bonds	-	4,557,914	-	4,557,914
	<u>\$ 22,384,591</u>	<u>\$ 4,557,914</u>	<u>\$ 441,113</u>	<u>\$ 27,383,618</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities				
Foreign exchange forward contracts	\$ -	\$ 37,038	\$ -	\$ 37,038

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

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

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	\$ 2,682,279	\$ 700,999
Recognized in profit or loss	(155,594)	7,831
Recognized in other comprehensive income (loss) (recognized in unrealized gain (loss) on financial assets at FVTOCI)	512,936	51,771
Purchase	114,000	895,960
Disposal	-	(1,211)
Transfer out (Note)	(921,235)	-
Exchange differences on translating the financial statements of foreign operations	<u>(77,304)</u>	<u>17,456</u>
Balance at June 30	<u>\$ 2,155,082</u>	<u>\$ 1,672,806</u>

Note: The overseas and domestic unlisted shares owned by the Group have been trading on the public market since March 2025 and have been transferred from Level 3 to Level 1 fair value measurement.

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

Derivatives - foreign exchange forward contracts were evaluated by the discounted cash flow method. Future cash flows are estimated based on observable forward exchange rates and contracted exchange rates at the end of the reporting period, discounted at a rate that reflects the credit risk of each counterparty.

Non-derivatives - the fair value of perpetual bonds and straight corporate bonds was determined by quoted market prices provided by the third party.

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

- a) Domestic unlisted shares are assessed using the asset approach, based on the net assets of the investee company as reported in its most recent financial statements, overseas unlisted shares were evaluated by the market approach, referring to the market share prices and situations of companies with similar conditions or the prices of previous equity transactions. Unobservable input used by the Group was discount for lack of marketability, which was 12%-20%, 10%-20% and 11%-20% as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively. If the discount for lack of marketability increased by 1% while all other variables were held constant, the fair value would have decreased by \$4,595 thousand, \$9,559 thousand and \$4,754 thousand, respectively. As of June 30, 2025 and December 31, 2024, the unobservable inputs used by the Group were the valuation multiples of comparable companies at 0.71%. If the valuation multiple of comparable companies increases by 1%, while other inputs remain unchanged, the fair value would decrease by \$2,699 thousand and \$2,792 thousand, respectively.
- b) The fair value of convertible preferred shares was determined using the Binomial Option Pricing Model and Black-Scholes Model. The significant unobservable input used is share price volatility. The share price volatility used was 37.52%-56.32%, 37.56%-52.55% and 48.00% as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- c) The foreign private funds held by the Group were valued using the asset-based approach and were based on the net asset value measured at fair value.

b. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
FVTPL	\$ 5,117,333	\$ 6,504,903	\$ 5,153,148
Amortized cost (Note 1)	26,835,706	26,238,402	26,461,974
FVTOCI			
Equity instruments	33,140,843	25,514,449	22,825,704
Debt instruments	5,889,858	6,089,835	4,557,914
<u>Financial liabilities</u>			
FVTPL	9,251	457,611	37,038
Amortized cost (Note 2)	32,346,500	26,907,988	28,648,631

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivable and other receivables.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes and accounts payable, other payables and long-term borrowings (include current portion).

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, notes and accounts payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to foreign currency risk, interest rate risk and other price risk.

There have been no changes to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company and its several subsidiaries had foreign-currency-denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy by utilizing foreign exchange forward contracts.

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

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar (USD).

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (NTD), renminbi (RMB), Korean Won (KRW) against USD. The sensitivity analysis included only outstanding foreign-currency-denominated monetary items and adjusts their translation at the end of the reporting periods for a 1% change in foreign currency rates. For a 1% strengthening of NTD, RMB and KRW against USD, pre-tax income would increase (decrease) as follows:

	NTD to USD		RMB to USD	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2025	2024	2025	2024
Profit or loss	<u>\$ (44,864)</u>	<u>\$ (60,808)</u>	<u>\$ (42,259)</u>	<u>\$ (77,300)</u>

	KRW to USD	
	For the Six Months Ended	
	June 30	
	2025	2024
Profit or loss	<u>\$ (18,838)</u>	<u>\$ (14,700)</u>

b) Interest rate risk

The carrying amount of the Group's financial assets, financial liabilities and lease liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	<u>\$ 7,645,839</u>	<u>\$ 14,741,926</u>	<u>\$ 18,676,218</u>
Financial liabilities	<u>\$ 19,476,004</u>	<u>\$ 19,789,948</u>	<u>\$ 16,353,933</u>
Lease liabilities	<u>\$ 961,573</u>	<u>\$ 1,040,815</u>	<u>\$ 1,052,549</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 12,714,406</u>	<u>\$ 6,227,034</u>	<u>\$ 3,238,842</u>

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting periods. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates. The effective interest rates of floating rate financial assets and financial liabilities will change when the market rates change, which will result in fluctuations in future cash flows.

If interest rates had been 50 basis points higher, the Group's pre-tax cash inflows for the six months ended June 30, 2025 and 2024 would increase by \$31,786 thousand and \$8,097 thousand, respectively, which was attributable to the Group's floating rate on its financial assets, and if interest rates had been 50 basis points lower, there would be an equal and opposite impact on pre-tax cash flows.

c) Other price risk

The Group was exposed to instrument price risk and equity price risk through its investments in mutual funds, equity securities and debt instruments. Equity investments are held for strategic rather than for trading purposes, and the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to price risks of mutual funds, debt instruments and equity securities at the end of the reporting periods.

If prices of mutual funds, debt instruments and equity securities had been 5% higher/lower, the income before income tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$255,867 thousand and \$257,657 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income or loss before income tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$1,951,535 thousand and \$1,369,181 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

Changes in the Group's sensitivity to price risk are mainly resulting from the increased investment in equity securities and debt investments.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting periods, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantees issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties, evaluated potential customers through an internal credit rating system and set the credit limit of customers to grasp the credit status of the counterparties and effectively control the credit exposure.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's unutilized bank borrowing facilities were \$27,957,560 thousand, \$37,294,584 thousand and \$24,140,528 thousand, respectively.

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

June 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 9,105	\$ 17,594	\$ 78,249	\$ 301,160	\$ 801,783
Fixed interest rate liabilities	<u>3,785,236</u>	<u>2,487,706</u>	<u>442,788</u>	<u>12,748,151</u>	<u>331,766</u>
	<u>\$ 3,794,341</u>	<u>\$ 2,505,300</u>	<u>\$ 521,037</u>	<u>\$13,049,311</u>	<u>\$ 1,133,548</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 104,948</u>	<u>\$ 301,160</u>	<u>\$ 211,432</u>	<u>\$ 226,763</u>	<u>\$ 167,787</u>	<u>\$ 195,801</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 9,159	\$ 18,214	\$ 80,151	\$ 344,982	\$ 856,754
Fixed interest rate liabilities	<u>6,657,502</u>	<u>4,458,437</u>	<u>1,059,003</u>	<u>7,560,124</u>	<u>334,752</u>
	<u>\$ 6,666,661</u>	<u>\$ 4,476,651</u>	<u>\$ 1,139,154</u>	<u>\$ 7,905,106</u>	<u>\$ 1,191,506</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 107,524</u>	<u>\$ 344,982</u>	<u>\$ 221,669</u>	<u>\$ 233,050</u>	<u>\$ 186,367</u>	<u>\$ 215,668</u>

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Lease liabilities	\$ 8,711	\$ 17,422	\$ 77,376	\$ 339,233	\$ 890,366
Fixed interest rate liabilities	<u>6,811,464</u>	<u>2,762,615</u>	<u>393,102</u>	<u>5,371,253</u>	<u>1,263,214</u>
	<u>\$ 6,820,175</u>	<u>\$ 2,780,037</u>	<u>\$ 470,478</u>	<u>\$ 5,710,486</u>	<u>\$ 2,153,580</u>

Additional information about the maturity analysis for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 103,509</u>	<u>\$ 339,223</u>	<u>\$ 232,945</u>	<u>\$ 231,401</u>	<u>\$ 198,370</u>	<u>\$ 227,650</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
NTX Electronics Yangzhou Co., Ltd.	Associate
Yuen Foong Yu Biotech Co., Ltd.	Associate
Integrated Solutions Technology, Inc.	Associate (became a subsidiary since June 19, 2025)
Nuclera Limited (originally named Nuclera Nucleics Limited)	Associate (became non-associates since August 2024)
Plastic Logic HK Limited	Associate
PL Germany GmbH	Associate
YFY Inc.	Investor with significant influence over the Group
Arizon RFID Technology Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Japan Co., Ltd.	Subsidiary of investor with significant influence over the Group
Yuen Foong Shop Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Paper Enterprise (Nanjing) Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Paper Mfg. (Yangzhou) Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Packaging Inc.	Subsidiary of investor with significant influence over the Group
Yuen Foong Yu Consumer Products Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Corporate Advisory & Services Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Development Co., Ltd.	Subsidiary of investor with significant influence over the Group
Chung Hwa Pulp Corporation	Subsidiary of investor with significant influence over the Group
Sustainable Carbohydrate Innovation Co., Ltd.	Subsidiary of investor with significant influence over the Group
YFY Jupiter US, Inc.	Subsidiary of investor with significant influence over the Group
YFY Global Investment B.V.	Subsidiary of investor with significant influence over the Group
Jupiter Prestige Group North America Inc.	Subsidiary of investor with significant influence over the Group

(Continued)

Related Party Name	Related Party Category
China Color Printing Co., Ltd.	Subsidiary of investor with significant influence over the Group
TGKW Management Limited	Subsidiary of investor with significant influence over the Group
Yuen Foong Yu Biotech (Kunshan) Co., Ltd.	Substantive related party
Yuen Foong Paper Co., Ltd.	Substantive related party
SinoPac Securities Corp	Substantive related party
SinoPac Financial Holdings Company Limited	Substantive related party
Hsin Yi Enterprise Co., Ltd.	Substantive related party
Shen's Art Printing Co., Ltd.	Substantive related party
Hsin Fan Precision Electronics (Yangzhou) Co., Ltd.	Substantive related party
SinoPac Asset Management (Asia) Ltd.	Substantive related party

(Concluded)

b. Sales of goods

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associate				
NTX Electronics Yangzhou Co., Ltd.	<u>\$ 958,646</u>	<u>\$ 14,812</u>	<u>\$ 1,036,894</u>	<u>\$ 25,582</u>

The sales price and collection terms are based on the agreements with the related parties.

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associate				
NTX Electronics Yangzhou Co., Ltd.	\$ 32,802	\$ 535,513	\$ 252,956	\$ 797,440
Others	195	4,483	12,009	7,633
Substantive related party	1,487	102	1,524	130
Subsidiary of investor with significant influence over the Group	<u>5,022</u>	<u>13</u>	<u>9,377</u>	<u>15</u>
	<u>\$ 39,506</u>	<u>\$ 540,111</u>	<u>\$ 275,866</u>	<u>\$ 805,218</u>

The purchase price and payment terms are based on the agreements with the related parties.

d. Manufacturing costs

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Substantive related party	\$ 3,715	\$ 16,371	\$ 11,823	\$ 29,522
Others	<u>1,835</u>	<u>3,124</u>	<u>3,760</u>	<u>6,401</u>
	<u>\$ 5,550</u>	<u>\$ 19,495</u>	<u>\$ 15,583</u>	<u>\$ 35,923</u>

e. Operating expenses

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Substantive related party	\$ 7,575	\$ 3,950	\$ 12,357	\$ 9,674
Associate	7,763	6,752	8,314	7,583
Subsidiary of investor with significant influence over the Group	<u>4,777</u>	<u>1,205</u>	<u>9,787</u>	<u>2,663</u>
	<u>\$ 20,115</u>	<u>\$ 11,907</u>	<u>\$ 30,458</u>	<u>\$ 19,920</u>

f. Non-operating income - other income

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Associate	\$ 2,838	\$ 7,657	\$ 3,117	\$ 15,177
Others	<u>-</u>	<u>19</u>	<u>13</u>	<u>151</u>
	<u>\$ 2,838</u>	<u>\$ 7,676</u>	<u>\$ 3,130</u>	<u>\$ 15,328</u>

g. Non-operating income - interest income

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Subsidiary of investor with significant influence over the Group	\$ 25	\$ 24	\$ 50	\$ 48
Associate	<u>-</u>	<u>439</u>	<u>-</u>	<u>895</u>
	<u>\$ 25</u>	<u>\$ 463</u>	<u>\$ 50</u>	<u>\$ 943</u>

h. Receivables from related parties

Line Items	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Associate	\$ 779,030	\$ 21,796	\$ 65,184
	Less: Loss allowance	<u>(18,182)</u>	<u>(20,345)</u>	<u>(20,137)</u>
		760,848	1,451	45,047
	Subsidiary of investor with significant influence over the Group	6,808	8,669	7,785
	Substantive related party	<u>-</u>	<u>57</u>	<u>-</u>
		<u>\$ 767,656</u>	<u>\$ 10,177</u>	<u>\$ 52,832</u>
Other receivables	Associate	\$ 10,255	\$ 11,475	\$ 11,358
	Less: Loss allowance	(9,769)	(9,769)	(9,769)
	Effects of foreign currency exchange differences	<u>(486)</u>	<u>(1,706)</u>	<u>(1,589)</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The outstanding accounts receivables from related parties were unsecured.

i. Payables to related parties

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Associate	\$ 43,240	\$ 113,620	\$ 195,870
Subsidiary of investor with significant influence over the Group	13,450	14,018	52,568
Substantive related party	<u>12,406</u>	<u>5,665</u>	<u>11,321</u>
	<u>\$ 69,096</u>	<u>\$ 133,303</u>	<u>\$ 259,759</u>

The outstanding accounts payables to related parties were unsecured.

j. Prepayments and refundable deposits (recognized in other non-current assets)

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Substantive related party			
Yuen Foong Yu Biotech (Kunshan) Co., Ltd.	\$ 46,168	\$ 51,445	\$ 51,362
Others	4,153	-	3,781
Subsidiary of investor with significant influence over the Group	5,749	6,034	5,988
Associate	<u>18</u>	<u>42</u>	<u>37</u>
	<u>\$ 56,088</u>	<u>\$ 57,521</u>	<u>\$ 61,168</u>

- k. Construction in progress and prepayments for equipment (included in property, plant and equipment)

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Subsidiary of investor with significant influence over the Group	<u>\$ 100,302</u>	<u>\$ 100,302</u>	<u>\$ 97,925</u>

- l. Lease arrangements

The Group leased offices from a subsidiary of investor with significant influence over the Group and renewed the contract after the expiration in February 2023. The lease term is 2 years. In addition, the Group leased land from a subsidiary of investor with significant influence over the Group in August 2022. The lease term is 20 years. The related information was as follows:

Line Item	June 30, 2025	December 31, 2024	June 30, 2024
Right-of-use assets	<u>\$ 215,887</u>	<u>\$ 232,893</u>	<u>\$ 226,886</u>
Lease liabilities			
Current (included in other current liabilities)	\$ 9,790	\$ 8,725	\$ 5,508
Non-current	<u>225,509</u>	<u>237,968</u>	<u>231,437</u>
	<u>\$ 235,299</u>	<u>\$ 246,693</u>	<u>\$ 236,945</u>

Line Item	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest expenses	<u>\$ 5,574</u>	<u>\$ 2,898</u>	<u>\$ 5,708</u>	<u>\$ 5,810</u>

The lease contract between the Group and the related party was determined by reference to the market conditions and payment terms that were similar to those with the third parties.

- m. Guarantee deposits received (recognized in other non-current liabilities)

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Substantive related party	\$ 62	\$ 69	\$ 3
Associate	<u>-</u>	<u>984</u>	<u>974</u>
	<u>\$ 62</u>	<u>\$ 1,053</u>	<u>\$ 977</u>

n. Acquisition of financial assets

For the six months ended June 30, 2024

Related Party Category	Line Item	Number of Shares (In Thousands)	Underlying Assets	Purchase Price
Substantive related party	Financial assets at FVTPL - non-current	30	Fund	\$ 97,710

o. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 45,436	\$ 42,860	\$ 105,269	\$ 85,846
Post-employment benefits	477	464	955	940
Share-based payments	<u>22,224</u>	<u>1,789</u>	<u>22,812</u>	<u>3,768</u>
	<u>\$ 68,137</u>	<u>\$ 45,113</u>	<u>\$ 129,036</u>	<u>\$ 90,554</u>

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

32. ASSETS PLEDGED AS COLLATERAL

The following demand deposits and time deposits (included in financial assets at amortized cost) were provided as collateral for short-term borrowings, line of credit for derivative instrument trading, tariff guarantee for imported inventories, lease deposits for plants and land, and deposits for provisional attachment:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 40,475	\$ 38,136	\$ 38,229
Non-current	<u>11,587</u>	<u>12,830</u>	<u>12,550</u>
	<u>\$ 52,062</u>	<u>\$ 50,966</u>	<u>\$ 50,779</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- Unused letters of credit of the Group for purchase of machinery amounted to \$27,459 thousand, \$56,673 thousand and \$54,459 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- Guaranteed notes issued for long-term and short-term borrowings and lines of credit for derivative instrument trading were \$22,790,402 thousand, \$23,440,402 thousand and \$21,667,000 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- Guaranteed notes issued for syndicated loans were \$15,000,000 thousand, \$21,800,000 thousand and \$6,800,000 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

- d. To expand production capacity for operational needs, in May 2021, the board of directors of the Company resolved the project to construct a new Hsinchu factory office building and multi-storey parking lot. The additional budget was approved by the board of directors on August 5, 2022, and the total amount of the construction is estimated at NT\$2.643 billion. As of June 30, 2025, the progress of implementation was approximately 82%. On August 9, 2024, the board of directors resolved to build a new production facility with an estimated investment of NT\$1.486 billion, which, as of June 30, 2025, the progress of implementation was approximately 2%. On May 8, 2025, the board of directors resolved to approve the project for the installation of large-format ePaper and mold production equipment, with an estimated investment of NT\$3.628 billion, which, as of June 30, 2025, has not yet been carried out.
- e. On August 5, 2022, the board of directors of the Company resolved to construct new factory office buildings in Guanyin District, Taoyuan, on a leasehold basis. Further, on November 3, 2023, the Company resolved the project to construct a new production line and factory facilities, and the total amount of the overall construction and equipment is expected to be NT\$4.095 billion. As of June 30, 2025, the progress of implementation was approximately 1.42%.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

June 30, 2025

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 545,259	29.30 (USD:NTD)	\$ 15,976,089
USD	367,780	7.1586 (USD:RMB)	10,775,954
USD	64,293	1,339.122 (USD:KRW)	1,883,785
Non-monetary items			
FVTPL			
USD	50,792	1,339.122 (USD:KRW)	1,488,217
FVTOCI			
USD	87,432	1,339.122 (USD:KRW)	2,561,765
USD	99,677	29.30 (USD:NTD)	2,920,539
EUR	265,060	34.35 (EUR:NTD)	9,104,805
<u>Foreign currency liabilities</u>			
Monetary items			
USD	392,138	29.30 (USD:NTD)	11,489,643
USD	223,550	7.1586 (USD:RMB)	6,550,015

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 516,551	32.785 (USD:NTD)	\$ 16,935,125
USD	436,494	7.1884 (USD:RMB)	14,310,448
Non-monetary items			
FVTPL			
USD	94,600	1,459.706 (USD:KRW)	3,101,462
FVTOCI			
USD	79,048	1,459.706 (USD:KRW)	2,591,595
USD	92,679	32.785 (USD:NTD)	3,038,467
EUR	171,777	34.14 (EUR:NTD)	5,864,451
<u>Foreign currency liabilities</u>			
Monetary items			
USD	240,259	32.785 (USD:NTD)	7,876,891
USD	228,128	7.1884 (USD:RMB)	7,479,176

June 30, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Foreign currency assets</u>			
Monetary items			
USD	\$ 456,123	32.45 (USD:NTD)	\$ 14,801,191
USD	413,849	7.1268 (USD:RMB)	13,429,400
USD	45,300	1,366.891 (USD:KRW)	1,469,985
Non-monetary items			
FVTPL			
USD	87,035	1,366.891 (USD:KRW)	2,824,291
FVTOCI			
USD	80,414	1,366.891 (USD:KRW)	2,609,440
USD	46,105	32.45 (USD:NTD)	1,496,092
EUR	125,957	34.71 (EUR:NTD)	4,371,953
<u>Foreign currency liabilities</u>			
Monetary items			
USD	268,732	32.45 (USD:NTD)	8,720,353
USD	175,637	7.1268 (USD:RMB)	5,699,421

The Group's net realized and unrealized (losses) gains on foreign currency exchange were \$(2,139,174) thousand, \$292,506 thousand, \$(1,924,038) thousand and \$789,099 thousand, for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, respectively. It is impractical to disclose net gain or loss on foreign currency exchange by each significant foreign currency due to the variety of the foreign currency transactions and the functional currency of each entity in the Group.

35. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 6) Intercompany relationships and significant intercompany transactions (Table 6)
- b. Information on investees (Table 7)
- c. Information on investments in mainland China (Table 8)
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, ending balance, interest rate interval, and total interest for the current period with respect to financing of funds.
 - f) Other transactions that have a material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services.

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the breakdown by region. The Group's reportable segments were classified into the ROC, Asia and Americas according to their geographic locations.

The profit or loss from the Group's operating segments is primarily measured by the segment profit or loss, which is used for the basis for assessment of performance. In addition, there are no significant differences between the accounting standards applied by the segments and the summary of material accounting policies as disclosed in Note 4.

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

	Segment Revenue		Segment Profit (Loss)	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2025	2024	2025	2024
ROC	\$ 19,191,602	\$ 8,844,669	\$ 6,444,483	\$ 496,205
Asia	11,566,048	9,424,122	415,682	1,641,708
America	3,328,972	3,861,319	(181,913)	577,661
Adjustments and eliminations	<u>(15,401,663)</u>	<u>(8,831,436)</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,684,959</u>	<u>\$ 13,298,674</u>	6,678,252	2,715,574
Administration costs and remunerations to directors			(328,977)	(304,798)
Interest income			627,121	739,017
Royalty income			164,591	164,761
Dividend income			287,420	220,825
Net gain on disposal of investments			656,370	-
Net (loss) gain on foreign currency exchange			(1,924,038)	789,099
Net gain on fair value changes of financial assets and liabilities at FVTPL			243,304	3,542
Interest expenses			(182,814)	(160,718)
Other non-operating income and expenses, net			<u>(24,693)</u>	<u>(51,530)</u>
Income before tax			<u>\$ 6,196,536</u>	<u>\$ 4,115,772</u>

Segment profit (loss) represents the income before income tax earned by each segment without allocation of administration costs and remunerations of directors, interest income, royalty income, dividend income, Net gain on disposal of investments, net (loss) gain on foreign currency exchange, net gain on fair value changes of financial assets and liabilities at FVTPL and other non-operating income and expenses.

TABLE 1

E INK HOLDINGS INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance (Note 1)	Ending Balance (Note 1)	Amount Actually Drawn (Note 1)	Interest Rate Intervals (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Notes 1 and 2)	Aggregate Financing Limit (Notes 1 and 2)
													Item	Value		
0	E Ink Holdings Inc.	YuanHan Materials Inc.	Other receivables	Yes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	1.9	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 5,798,330	\$ 23,193,321
1	YuanHan Materials Inc.	Prime View Communications Ltd.	Other receivables	Yes	132,820 (US\$ 4,000 thousand)	117,200 (US\$ 4,000 thousand)	117,200 (US\$ 4,000 thousand)	6.0	Short-term financing	-	Working capital	-	-	-	1,449,345	5,797,380
2	E Ink Technology B.V.	E Ink Netherlands B.V.	Other receivables	Yes	139,461 (US\$ 4,200 thousand)	123,060 (US\$ 4,200 thousand)	123,060 (US\$ 4,200 thousand)	5.5	Short-term financing	-	Working capital	-	-	-	3,841,757 (US\$ 131,118 thousand)	15,366,971 (US\$ 524,470 thousand)
		New Field e-Paper Co., Ltd.	Other receivables	Yes	498,075 (US\$ 15,000 thousand)	439,500 (US\$ 15,000 thousand)	439,500 (US\$ 15,000 thousand)	5.5	Short-term financing	-	Working capital	-	-	-	3,841,757 (US\$ 131,118 thousand)	15,366,971 (US\$ 524,470 thousand)

Note 1: The amounts are translated at the exchange rate of US\$1=NT\$29.3 on June 30, 2025, except the maximum balance that is translated at the exchange rate at the end of each month for the period.

Note 2: The aggregate and individual financing limits of E Ink Holdings Inc., YuanHan Materials Inc. and E Ink Technology B.V. shall not exceed 40% and 10%, respectively, of the financing company’s net equity per its latest financial statements.

Note 3: The above intercompany transactions have been eliminated upon consolidation.

TABLE 2

E INK HOLDINGS INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorsement/Guarantee Provider	Endorsed/Guaranteed Party		Limit on Endorsement/ Guarantee Amount Provided to Each Endorsed/ Guaranteed Party (Notes 1 and 2)	Maximum Balance (Note 2)	Ending Balance (Note 2)	Amount Actually Drawn (Note 2)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 3)	Endorsement/ Guarantee Provided by Parent Company	Endorsement/ Guarantee Provided by Subsidiary	Endorsement/ Guarantee to Subsidiary in Mainland China
		Name	Relationship										
0	E Ink Holdings Inc.	E Ink Corporation	Subsidiary	\$ 14,495,825	\$ 3,752,165 (US\$ 113,000 thousand)	\$ 2,344,000 (US\$ 80,000 thousand)	\$ -	\$ -	4.04	\$ 57,983,303	Yes	No	No
		YuanHan Materials Inc.	Subsidiary	14,495,825	2,600,000	2,000,000	-	-	3.45	57,983,303	Yes	No	No
		Linfiny Corporation	Subsidiary	14,495,825	250,000	200,000	32,000	-	0.34	57,983,303	Yes	No	No
		New Field e-Paper Co., Ltd.	Subsidiary	14,495,825	1,500,000	1,500,000	-	-	2.59	57,983,303	Yes	No	No
		E Ink Japan Inc.	Subsidiary	14,495,825	29,146 (JPY 130,000 thousand)	26,442 (JPY 130,000 thousand)	4,068 (JPY 20,000 thousand)	-	0.05	57,983,303	Yes	No	No

Note 1: The amount shall not exceed 25% of the net equity of the Company.

Note 2: The amounts are translated at the exchange rate of US\$1=\$29.3, JPY1:0.2034 on June 30, 2025, except the maximum balance is translated at the exchange rate of the end of each month for the period.

Note 3: The amount shall not exceed the net equity of the Company.

TABLE 3

E INK HOLDINGS INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
E Ink Holdings Inc.	<u>Ordinary shares</u>							
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	146,060,000	\$ 3,534,652	1.15	\$ 3,534,652	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	9,600,000	327,840	0.07	327,840	
	Mega Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	8,897,290	365,234	0.06	365,234	
	Taiflex Sciehtific Co., Ltd.	-	Financial assets at FVTOCI - non-current	12,310,000	562,567	4.79	562,567	
	Daxin Materials Corporation	-	Financial assets at FVTOCI - non-current	1,758,000	471,144	1.71	471,144	
	Fubon Financial Holding Co., Ltd. (A)	-	Financial assets at FVTOCI - non-current	4,675,000	301,538	0.03	301,538	
New Field e-Paper Co., Ltd.	<u>Ordinary shares</u>							
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	38,594,532	933,988	0.30	933,988	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	8,800,000	300,520	0.07	300,520	
	Vusion Group	-	Financial assets at FVTOCI - non-current	60,000	565,126	0.36	565,126	
	<u>Mutual funds</u>							
	HPS Corporate Lending Fund	-	Financial assets at FVTPL - non-current	587,774	435,883	-	435,883	
YuanHan Materials Inc.	<u>Ordinary shares</u>							
	SinoPac Financial Holding Company Limited	Substantive related party	Financial assets at FVTOCI - non-current	251,425,000	6,084,485	1.98	6,084,485	
	Netronix Inc.	-	Financial assets at FVTOCI - non-current	5,309,198	597,285	6.17	597,285	
	Vusion Group	-	Financial assets at FVTOCI - non-current	906,666	8,539,679	5.42	8,539,679	
	Yuanta Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	8,800,000	300,520	0.07	300,520	
	Daxin Materials Corporation	-	Financial assets at FVTOCI - non-current	1,138,000	304,984	1.11	304,984	
	Fubon Financial Holding Co., Ltd. (A)	-	Financial assets at FVTOCI - non-current	4,684,000	302,118	0.03	302,118	
E Ink Corporation	<u>Ordinary shares</u>							
	Nuclera Limited (originally named Nuclera Nucleics Ltd.)	-	Financial assets at FVTOCI - non-current	1,107,094	US\$ 11,924 thousand	7.08	US\$ 11,924 thousand	
Transcend Optronics (Yangzhou) Co., Ltd.	<u>Ordinary shares</u>							
	Hanshow Technology Corporation	-	Financial assets at FVTOCI - non-current	2,880,000	RMB 168,394 thousand	0.68	RMB 168,394 thousand	
	Hanshow Technology Corporation	-	Financial assets at FVTPL - non-current	1,265,309	RMB 73,983 thousand	0.30	RMB 73,983 thousand	
Hydis Technologies Co., Ltd.	<u>Ordinary shares</u>							
	SOLUM CO., LTD.	-	Financial assets at FVTPL - non-current	1,689,457	KRW 26,862,366 thousand	3.53	KRW 26,862,366 thousand	
	Hana Financial Group Inc.	-	Financial assets at FVTOCI - non-current	788,517	KRW 68,049,017 thousand	0.28	KRW 68,049,017 thousand	
	KT&G Corporation	-	Financial assets at FVTOCI - non-current	355,202	KRW 45,359,295 thousand	0.33	KRW 45,359,295 thousand	
	SAMSUNG CARD CO., LTD.	-	Financial assets at FVTOCI - non-current	549,455	KRW 27,143,077 thousand	0.51	KRW 27,143,077 thousand	
	SK Telecom Co., Ltd.	-	Financial assets at FVTOCI - non-current	395,491	KRW 22,424,340 thousand	0.19	KRW 22,424,340 thousand	
	HD Hyundai Co., Ltd.	-	Financial assets at FVTOCI - non-current	373,912	KRW 48,421,604 thousand	0.53	KRW 48,421,604 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hydis Technologies Co., Ltd.	<u>Mutual funds</u> Term Liquidity Fund	-	Financial assets at FVTPL - non-current	95,558	KRW 16,453,341 thousand	-	KRW 16,453,341 thousand	
	<u>Perpetual bonds</u> JP Morgan Chase & Co.	-	Financial assets at FVTPL - current	29,800,000	KRW 40,626,866 thousand	-	KRW 40,626,866 thousand	
	<u>Straight corporate bonds</u> NOMURA Holdings, Inc.	-	Financial assets at FVTOCI - non-current	16,000,000	KRW 20,241,828 thousand	-	KRW 20,241,828 thousand	
	Fubon hyundai life	-	Financial assets at amortized cost - non-current	1,500,000	KRW 14,974,500 thousand	-	KRW 14,974,500 thousand	

Note: Refer to Tables 7 and 8 for information on investments in subsidiaries and associates.

(Concluded)

TABLE 4

E INK HOLDINGS INC. AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
E Ink Holdings Inc.	E Ink Corporation	Subsidiary	Purchase	\$ 3,333,158	36	By agreements	\$ -	-	\$ (910,239)	(14)	-
	YuanHan Materials Inc.	Subsidiary	Purchase	845,894	9	By agreements	-	-	(205,793)	(3)	-
	Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Purchase	1,552,561	17	By agreements	-	-	(5,447,877)	(82)	-
	NTX Electronics Yangzhou Co., Ltd.	Associate	Sale	(1,036,037)	(6)	By agreements	-	-	758,185	14	-
	NTX Electronics Yangzhou Co., Ltd.	Associate	Purchase	202,191	2	By agreements	-	-	-	-	-
YuanHan Materials Inc.	E Ink Holdings Inc.	Parent company	Sale	(845,894)	(203)	By agreements	-	-	205,793	91	-
Transcend Optronics (Yangzhou) Co., Ltd.	E Ink Holdings Inc.	Parent company	Sale	(1,552,561)	(96)	By agreements	-	-	5,447,877	102	-
E Ink Corporation	E Ink Holdings Inc.	Parent company	Sale	(3,333,158)	(100)	By agreements	-	-	910,239	98	-

Note 1: The calculation is based on each company’s receivables from (payables to) related parties.

Note 2: The above intercompany transactions have been eliminated upon consolidation, except for NTX Electronics Yangzhou Co., Ltd.

TABLE 5

E INK HOLDINGS INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate (Times)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
E Ink Holdings Inc.	YuanHan Materials Inc.	Subsidiary	\$ 1,493,560	(Note 2)	\$ -	-	\$ 224	\$ -
	New Field e-Paper Co., Ltd.	Subsidiary	118,026	(Note 2)	-	-	2	-
	Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	4,812,939	(Note 1)	10,822	Collected	1,170,563	-
	NTX Electronics Yangzhou Co., Ltd.	Associate	758,185	(Note 1)	-	-	150,643	-
Transcend Optronics (Yangzhou) Co., Ltd.	E Ink Holdings Inc.	Parent company	5,447,877	(Note 1)	171,807	Collected	2,233,274	-
E Ink Corporation	E Ink Holdings Inc.	Parent company	910,239	8.29	297,863	Collected	469,064	-
YuanHan Materials Inc.	E Ink Holdings Inc.	Parent company	205,793	8.39	-	-	142,289	-

Note 1: Other receivables from materials delivered to subcontractors.

Note 2: Cash dividend receivables and other receivables from financing provided.

Note 3: The above intercompany transactions have been eliminated upon consolidation.

TABLE 6

E INK HOLDINGS INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars)**

No	Company Name	Related Party	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	E Ink Holdings Inc.	E Ink Corporation	Subsidiary	Accounts payable to related parties	\$ 910,239	By agreements	0.9
		E Ink Corporation	Subsidiary	Cost of goods sold	3,333,158	By agreements	17.8
		YuanHan Materials Inc.	Subsidiary	Cost of goods sold	845,894	By agreements	4.5
		YuanHan Materials Inc.	Subsidiary	Other receivables from related parties	1,493,560	By agreements	1.5
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Accounts receivable from related parties	4,812,939	By agreements	4.9
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Accounts payable to related parties	5,447,877	By agreements	5.6
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Cost of goods sold	1,552,561	By agreements	8.3
		Transcend Optronics (Yangzhou) Co., Ltd.	Subsidiary	Manufacturing costs	1,043,667	By agreements	5.6

Note 1: The above intercompany transactions have been eliminated upon consolidation.

Note 2: Transactions amounts of \$500 million or more are disclosed in this table.

TABLE 7

E INK HOLDINGS INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		Balance as of June 30, 2025			Net Income (Loss) of Investee	Share of Profit (Loss) of Investee	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership (%)	Carrying Amount			
E Ink Holdings Inc.	E Ink Technology B.V.	Eindhoven	Investment	\$ 12,510,056	\$ 12,510,056	437,536,259	100.00	\$ 38,417,445	\$ 668,207	\$ 668,207	(Note 1)
	New Field e-Paper Co., Ltd.	Taoyuan, Taiwan	Investment	2,488,349	2,488,349	177,217,132	100.00	2,248,845	(59,303)	(59,303)	(Note 1)
	YuanHan Materials Inc.	Taipei, Taiwan	Manufacture and sale of chemical materials and optical films	6,420,230	6,420,230	183,819,268	100.00	14,443,838	364,742	366,074	(Note 1)
	Dream Universe Ltd.	Mauritius	Trading	128,710	128,710	4,050,000	100.00	433,406	14,032	14,032	(Note 1)
	Prime View Communications Ltd.	Hong Kong	Trading	18,988	18,988	3,570,000	100.00	(106,441)	(4,974)	(4,974)	(Note 1)
	Enttek Co., Ltd.	Taichung, Taiwan	Manufacture and sale of consumer audio-visual systems	34,547	34,547	2,203,161	47.07	-	-	-	Under liquidation
	Linfiny Corporation	Taoyuan, Taiwan	Research, development and sale of electronic paper products	4,340	4,340	339,828	23.00	3,576	6,008	5,009	(Note 1)
	Plastic Logic HK Limited	Hong Kong	Research, development and manufacture of electronic paper display panels	6,597	6,597	223,655	2.40	-	-	-	
	E Ink Japan Inc.	Tokyo, Japan	Development of electronic paper products	15,065	15,065	200	100.00	12,852	(1,205)	(1,205)	(Note 1)
	Integrated Solutions Technology, Inc.	Taipei, Taiwan	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	148,743	148,743	9,896,402	25.93	624,417	(19,514)	(5,064)	(Note 2)
YuanHan Materials Inc.	Linfiny Corporation	Taoyuan, Taiwan	Research, development and sale of electronic paper products	323,400	323,400	1,137,686	77.00	13,729	6,008	4,626	(Note 1)
	Yuen Foong Yu Biotech Co., Ltd.	Taipei, Taiwan	Cultivation, processing and sale of agriculture and restaurant management	36,000	36,000	3,600,000	36.00	-	-	-	
	Kyoritsu Optronics Co., Ltd.,	Taipei, Taiwan	Technology development, transfer and licensing of flat panels	18,860	18,860	1,050,000	25.65	-	-	-	
	Integrated Solutions Technology, Inc.	Taipei, Taiwan	Technical services and trading business of integrated circuits and electronic circuit application design, etc.	51,027	51,027	3,395,000	8.89	214,209	(19,514)	(1,737)	(Note 2)
Linfiny Corporation	Linfiny Japan Inc.	Tokyo, Japan	Research, development and sale of electronic paper products	11,088	11,088	4,000	100.00	25,956	1,646	1,646	(Note 1)
E Ink Technology B.V.	PVI International Corp.	British Virgin Islands	Trading	US\$ 169,300 thousand	US\$ 169,300 thousand	169,300,000	100.00	US\$ 414,578 thousand	US\$ 26,531 thousand	US\$ 26,531 thousand	(Note 1)
	E Ink Netherlands B.V.	Eindhoven	Investment	US\$ 330,123 thousand	US\$ 330,123 thousand	355,123,083	100.00	US\$ 817,677 thousand	US\$ (4,823) thousand	US\$ (4,823) thousand	(Note 1)
	Ruby Lustre Ltd.	British Virgin Islands	Investment	US\$ 30,000 thousand	US\$ 30,000 thousand	30,000,000	100.00	US\$ 37,058 thousand	US\$ 259 thousand	US\$ 259 thousand	(Note 1)
	North Diamond International Co., Ltd.	British Virgin Islands	Investment	US\$ 1,750 thousand	US\$ 1,750 thousand	1,750,000	35.00	-	-	-	
	Rock Pearl International Corp.	British Virgin Islands	Investment	US\$ 1,540 thousand	US\$ 1,540 thousand	1,540,000	35.00	-	-	-	
E Ink Netherlands B.V.	Hydis Technologies Co., Ltd.	South Korea	Patent licensing and investment in financial instruments	US\$ 27,612 thousand	US\$ 27,612 thousand	3,783,265	94.73	US\$ 440,442 thousand	US\$ (3,610) thousand	US\$ (3,420) thousand	(Note 1)
	E Ink Corporation	Boston, USA	Research, development and manufacture of electronic inks	US\$ 329,123 thousand	US\$ 329,123 thousand	2,282	100.00	US\$ 381,329 thousand	US\$ (994) thousand	US\$ (994) thousand	(Note 1)
Hydis Technologies Co., Ltd.	Plastic Logic HK Limited	Hong Kong	Research, development and manufacture of electronic paper display panels	KRW 2,942,500 thousand	KRW 2,942,500 thousand	2,500,000	26.79	-	-	-	

Note 1: All intercompany transactions have been eliminated upon consolidation.

Note 2: Integrated Solutions Technology, Inc. was reclassified from an investment accounted for using the equity method to a subsidiary as of June 19, 2025. Please refer to Note 13 for further details.

TABLE 8

E INK HOLDINGS INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Business and Product	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025 (Note 1)	Net Income (Loss) of Investee (Note 2)	Direct or Indirect Percentage of Ownership (%)	Share of Profit (Loss) of Investee (Notes 2 and 3)	Carrying Amount as of June 30, 2025 (Note 1)	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
Transcend Optronics (Yangzhou) Co., Ltd.	Research and development, assembly and sale of display panels	\$ 7,011,490 (US\$ 239,300 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	\$ 3,452,859 (US\$ 117,845 thousand)	\$ -	\$ -	\$ 3,452,859 (US\$ 117,845 thousand)	\$ 875,422 (US\$ 27,478 thousand)	100.00	\$ 845,315 (US\$ 26,533 thousand)	\$ 12,140,807 (US\$ 414,362 thousand)	\$ -
Rich Optronics (Yangzhou) Co., Ltd.	Assembly and sale of display panels	879,000 (US\$ 30,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	879,000 (US\$ 30,000 thousand)	-	-	879,000 (US\$ 30,000 thousand)	8,251 (US\$ 259 thousand)	100.00	8,251 (US\$ 259 thousand)	1,085,799 (US\$ 37,058 thousand)	-
Transyork Technology Yangzhou Ltd.	Assembly and sale of display panels	1,082,078 (US\$ 36,931 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	-	-	-	-	7,168 (US\$ 225 thousand)	100.00	7,168 (US\$ 225 thousand)	871,030 (US\$ 29,728 thousand)	-
Yangzhou Huaxia Integrated O/E System Co., Ltd. (Liquidation)	Manufacture and sale of LED products	-	The Company indirectly owns the investee through an investment company registered in a third region	40,727 (US\$ 1,390 thousand)	-	-	40,727 (US\$ 1,390 thousand)	-	100.00	-	-	-
Dihao Electronics (Yangzhou) Co., Ltd. (Under liquidation)	Assembly of LCD backlight board display modules	146,500 (US\$ 5,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	51,275 (US\$ 1,750 thousand)	-	-	51,275 (US\$ 1,750 thousand)	-	35.00	-	-	-
Integrated Solutions Technology (Shenzhen) Co., Ltd.	Technical support and after-sales services.	73,250 (RMB 2,500 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	73,250 (US\$ 2,500 thousand)	-	-	73,250 (US\$ 2,500 thousand)	(856) (RMB 195 thousand)	34.82	(338) (RMB 77 thousand)	(13,466) (RMB 3,290 thousand)	-
NTX Electronics Yangzhou Co., Ltd.	Manufacture and sale of flat panels	163,717 (RMB 40,000 thousand)	The Company indirectly owns the investee through an investment company registered in a third region	-	-	-	-	23,206 (RMB 5,289 thousand)	49.00	11,371 (RMB 2,592 thousand)	163,106 (RMB 39,851 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 4,497,111 (US\$ 153,485 thousand)	\$ 10,669,156 (US\$ 364,135 thousand)	\$ 43,486,051

(Continued)

- Note 1: The amounts are translated at the exchange rate of US\$1=NT\$29.3 and RMB1=NT\$4.09292 on June 30, 2025.
- Note 2: The amounts are translated at the average exchange rate of US\$1=NT\$31.859 and RMB1=NT\$4.38759 for the six months ended June 30, 2025.
- Note 3: The carrying amount and related investment income or loss were calculated based on unreviewed financial statements of the corresponding period, except Transcend Optronics (Yangzhou) Co., Ltd., Rich Optronics (Yangzhou) Co., Ltd., Transyork Technology Yangzhou Ltd. and Integrated Solutions Technology (Shenzhen) Co., Ltd.
- Note 4: Refer to Tables 4, 5 and 6, for information on the prices, payment terms and unrealized profit or loss of significant transactions with investee companies in mainland China.
- Note 5: The above intercompany transactions have been eliminated upon consolidation, except for NTX Electronics Yangzhou Co., Ltd. and Dihao Electronics (Yangzhou) Co., Ltd.

(Concluded)