ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2026 AND 2025

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Elite Semiconductor Microelectronics Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Elite Semiconductor Microelectronics Technology Inc. and its subsidiaries (the "Group") as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Total assets of these subsidiaries (including the balance of investments accounted for using equity method) amounted to NT$1,052,747 thousand and NT$977,817 thousand, constituting 3.5% and 5.7% of the consolidated total assets as at June 30, 2026 and 2025, respectively, and total liabilities of these subsidiaries amounted to NT$496,977 thousand and NT$324,889 thousand, constituting 4.5% and 4.1% of the consolidated total liabilities as at June 30, 2026 and 2025, respectively, and the total comprehensive income (loss) (including share of profit/loss and other comprehensive income/loss of associates and joint ventures accounted for using equity method) amounted to (NT$43,428) thousand, (NT$80,152) thousand, (NT$61,956) thousand and (NT$96,218) thousand, constituting (0.7%), 10.6%, (0.8%) and 11.5% of the consolidated total comprehensive income (loss) for the three-month and six-month periods then ended, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as described in the *Basis for Qualified Conclusion* paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and 2025, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Shu-Chien Pai

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

July 30, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 14,527,171	48	$ 4,526,863	27	$ 4,436,602	26
1110	Financial assets at fair value through profit or loss - current	6(2)	9,860	-	7,396	-	3,090	-
1150	Notes receivable, net		106	-	-	-	-	-
1170	Accounts receivable, net	6(4)	4,664,400	15	2,211,845	13	1,453,967	8
1200	Other receivables		172,691	1	94,749	1	161,223	1
1220	Current income tax assets		11,231	-	20,979	-	16,985	-
130X	Inventories	6(5)	7,955,205	26	7,081,820	42	7,772,952	46
1410	Prepayments		171,530	1	349,596	2	603,732	4
1470	Other current assets		1,651	-	354	-	510	-
11XX	**Total current assets**		27,513,845	91	14,293,602	85	14,449,061	85
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	32,158	-	28,170	-	50,718	-
1550	Investments accounted for using equity method	6(6)	144,278	1	145,522	1	137,238	1
1600	Property, plant and equipment	6(7) and 8	2,033,732	7	1,859,811	11	1,839,126	11
1755	Right-of-use assets	6(8)	96,257	-	109,835	1	96,213	-
1760	Investment property, net	6(9)	12,367	-	12,852	-	13,337	-
1780	Intangible assets	6(10)	115,716	1	57,904	-	101,952	1
1840	Deferred income tax assets		55,613	-	94,755	1	133,794	1
1900	Other non-current assets	6(11) and 8	72,399	-	194,501	1	214,409	1
15XX	**Total non-current assets**		2,562,520	9	2,503,350	15	2,586,787	15
1XXX	**Total assets**		$ 30,076,365	100	$ 16,796,952	100	$ 17,035,848	100

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ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12)	$ 1,000,000	3	$ 1,270,000	8	$ 2,000,000	12
2110	Short-term notes and bills payable		-	-	-	-	99,984	1
2130	Contract liabilities - current	6(20)	167,623	1	21,323	-	25,774	-
2150	Notes payable		-	-	2,545	-	4,351	-
2170	Accounts payable		3,345,430	11	2,342,220	14	2,233,380	13
2200	Other payables	6(14)	3,847,042	13	600,806	4	1,050,668	6
2230	Current income tax liabilities		1,623,117	5	1,753	-	407	-
2280	Lease liabilities - current		20,761	-	25,036	-	23,299	-
2320	Long-term liabilities, current portion	6(13)(15)	284,817	1	1,267,795	7	258,008	1
2399	Other current liabilities, others		10,887	-	10,174	-	10,218	-
21XX	**Total current liabilities**		10,299,677	34	5,541,652	33	5,706,089	33
	Non-current liabilities							
2530	Bonds payable	6(13)	-	-	-	-	972,713	6
2540	Long-term borrowings	6(15)	622,475	2	764,883	5	907,292	5
2550	Non-current provisions		29,199	-	29,095	-	23,470	-
2570	Deferred income tax liabilities		42,224	-	21,981	-	9,076	-
2580	Lease liabilities - non-current		77,335	1	86,473	-	74,357	1
2600	Other non-current liabilities		8,563	-	189,332	1	188,744	1
25XX	**Total non-current liabilities**		779,796	3	1,091,764	6	2,175,652	13
2XXX	**Total liabilities**		11,079,473	37	6,633,416	39	7,881,741	46
	Equity attributable to owners of parent							
	Share capital	6(17)						
3110	Common stock		2,981,278	10	2,861,722	17	2,861,722	17
	Capital surplus	6(18)						
3200	Capital surplus		1,412,214	5	510,673	2	510,465	2
	Retained earnings	6(19)						
3310	Legal reserve		2,193,503	7	2,169,006	13	2,169,006	13
3320	Special reserve		69,221	-	27,777	-	27,777	-
3350	Unappropriated retained earnings		12,498,619	42	4,950,226	30	3,902,121	23
	Other equity interest							
3400	Other equity interest		(737)	-	(69,220)	-	(60,177)	-
3500	Treasury shares	6(17)	(159,045)	(1)	(163,122)	(1)	(150,953)	(1)
31XX	**Total equity attributable to owners of the parent**		18,995,053	63	10,287,062	61	9,259,961	54
36XX	**Non-controlling interests**		1,839	-	(123,526)	-	(105,854)	-
3XXX	**Total equity**		18,996,892	63	10,163,536	61	9,154,107	54
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	**Total liabilities and equity**		$ 30,076,365	100	$ 16,796,952	100	$ 17,035,848	100

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings (losses) per share amounts)

			Three-month periods ended June 30				Six-month periods ended June 30			
			2026		2025		2026		2025	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20)	$ 13,946,218	100	$ 3,288,429	100	$ 21,213,118	100	$ 6,191,364	100
5000	Operating costs	6(5)(25)(26)	(4,365,604)	(32)	(3,161,731)	(96)	(8,179,056)	(38)	(5,721,567)	(92)
5950	Gross profit		9,580,614	68	126,698	4	13,034,062	62	469,797	8
	Operating expenses	6(25)(26)								
6100	Selling expenses		(291,648)	(2)	(76,575)	(3)	(480,936)	(2)	(148,499)	(3)
6200	General and administrative expenses		(314,392)	(2)	(69,670)	(2)	(524,182)	(3)	(130,430)	(2)
6300	Research and development expenses		(1,801,731)	(13)	(371,162)	(11)	(2,601,347)	(12)	(737,463)	(12)
6000	Total operating expenses		(2,407,771)	(17)	(517,407)	(16)	(3,606,465)	(17)	(1,016,392)	(17)
6900	Operating profit (loss)		7,172,843	51	(390,709)	(12)	9,427,597	45	(546,595)	(9)
	Non-operating income and expenses									
7100	Interest income	6(21)	72,326	1	23,047	1	96,856	-	50,170	1
7010	Other income	6(22)	28,500	-	7,000	-	30,290	-	13,103	-
7020	Other gains and losses	6(23)	68,307	-	(359,193)	(11)	151,797	1	(304,240)	(5)
7050	Finance costs	6(24)	(10,001)	-	(22,031)	(1)	(22,785)	-	(41,212)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	420	-	(12,322)	-	1,107	-	(2,908)	-
7000	Total non-operating income and expenses		159,552	1	(363,499)	(11)	257,265	1	(285,087)	(4)
7900	**Profit (loss) before income tax**		7,332,395	52	(754,208)	(23)	9,684,862	46	(831,682)	(13)
7950	Income tax (expense) benefit	6(27)	(1,427,266)	(10)	27,279	1	(1,715,907)	(8)	28,577	-
8200	**Profit (loss) for the period**		$ 5,905,129	42	$ (726,929)	(22)	$ 7,968,955	38	$ (803,105)	(13)
	Components of other comprehensive income (loss)-net									
	Other comprehensive income (loss) components that will not be reclassified to profit or loss									
8316	Unrealised income (loss) from investments in equity instruments measured at fair value through other comprehensive income (loss)	6(3)	$ 1,266	-	$ (8,070)	-	$ 3,914	-	$ (17,024)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		1,266	-	(8,070)	-	3,914	-	(17,024)	-
	Other comprehensive income (loss) components that will be reclassified to profit or loss									
8361	Exchange differences on translation of foreign financial statements		1,178	-	(18,533)	(1)	5,415	-	(15,377)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		1,178	-	(18,533)	(1)	5,415	-	(15,377)	-
8300	**Other comprehensive income (loss) for the period-net**		$ 2,444	-	$ (26,603)	(1)	$ 9,329	-	$ (32,401)	-
8500	**Total comprehensive income (loss) for the period**		$ 5,907,573	42	$ (753,532)	(23)	$ 7,978,284	38	$ (835,506)	(13)
	Profit (loss) attributable to:									
8610	Owners of the parent		$ 5,907,733	42	$ (726,945)	(22)	$ 7,971,616	38	$ (803,135)	(13)
8620	Non-controlling interests		$ (2,604)	-	$ 16	-	$ (2,661)	-	$ 30	-
	Total comprehensive income (loss) attributable to:									
8710	Owners of the parent		$ 5,910,177	42	$ (753,548)	(23)	$ 7,980,945	38	$ (835,536)	(13)
8720	Non-controlling interests		$ (2,604)	-	$ 16	-	$ (2,661)	-	$ 30	-
	Earnings (losses) per share (in dollars)	6(28)								
9750	Basic earnings (losses) per share		$ 20.21		$ (2.59)		$ 27.58		$ (2.86)	
9850	Diluted earnings (losses) per share		$ 20.19		$ (2.59)		$ 27.24		$ (2.86)	

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
				Retained earnings			Other equity interest					
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation difference of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
2025												
Balance at January 1, 2025		$ 2,861,722	$ 503,985	$ 2,118,375	$ 36,380	$ 5,033,456	$ 12,344	$ (40,120)	$ (140,061)	$ 10,386,081	$ (98,604)	$ 10,287,477
Profit (loss) for the period		-	-	-	-	(803,135)	-	-	-	(803,135)	30	(803,105)
Other comprehensive loss for the period		-	-	-	-	-	(15,377)	(17,024)	-	(32,401)	-	(32,401)
Total comprehensive income (loss) for the period		-	-	-	-	(803,135)	(15,377)	(17,024)	-	(835,536)	30	(835,506)
Distribution of 2024 earnings	6(19)											
Legal reserve appropriated		-	-	50,631	-	(50,631)	-	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	(286,172)	-	-	-	(286,172)	-	(286,172)
Reversal of special reserve		-	-	-	(8,603)	8,603	-	-	-	-	-	-
Acquisition of parent company's share by a subsidiary recognized as treasury share		-	-	-	-	-	-	-	(10,892)	(10,892)	(15,123)	(26,015)
Changes in capital surplus recognized for parent company's cash dividends received by subsidiaries	6(18)	-	5,647	-	-	-	-	-	-	5,647	7,843	13,490
Changes in equity of associates and joint ventures accounted for using equity method	6(18)	-	792	-	-	-	-	-	-	792	-	792
Expired cash dividends transferred to capital surplus	6(18)	-	41	-	-	-	-	-	-	41	-	41
Balance at June 30, 2025		$ 2,861,722	$ 510,465	$ 2,169,006	$ 27,777	$ 3,902,121	$ (3,033)	$ (57,144)	$ (150,953)	$ 9,259,961	$ (105,854)	$ 9,154,107
2026												
Balance at January 1, 2026		$ 2,861,722	$ 510,673	$ 2,169,006	$ 27,777	$ 4,950,226	$ 10,472	$ (79,692)	$ (163,122)	$ 10,287,062	$ (123,526)	$ 10,163,536
Profit (loss) for the period		-	-	-	-	7,971,616	-	-	-	7,971,616	(2,661)	7,968,955
Other comprehensive income for the period		-	-	-	-	-	5,415	3,914	-	9,329	-	9,329
Total comprehensive income (loss) for the period		-	-	-	-	7,971,616	5,415	3,914	-	7,980,945	(2,661)	7,978,284
Distribution of 2025 earnings	6(19)											
Legal reserve appropriated		-	-	24,497	-	(24,497)	-	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	(298,128)	-	-	-	(298,128)	-	(298,128)
Special reserve appropriated		-	-	-	41,444	(41,444)	-	-	-	-	-	-
Disposal of parent company's share by a subsidiary recognized as treasury share transactions	6(18)	-	29,790	-	-	-	-	-	4,077	33,867	47,040	80,907
Changes in capital surplus recognized for parent company's cash dividends received by subsidiaries	6(18)	-	5,714	-	-	-	-	-	-	5,714	7,936	13,650
Changes in equity of associates and joint ventures accounted for using equity method	6(18)	-	(681)	-	-	-	-	-	-	(681)	-	(681)
Expired cash dividends transferred to capital surplus	6(18)	-	46	-	-	-	-	-	-	46	-	46
Conversion of convertible bonds	6(13)(17)(18)	119,556	866,672	-	-	-	-	-	-	986,228	-	986,228
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	(59,154)	-	59,154	-	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	73,050	73,050
Balance at June 30, 2026		$ 2,981,278	$ 1,412,214	$ 2,193,503	$ 69,221	$ 12,498,619	$ 15,887	$ (16,624)	$ (159,045)	$ 18,995,053	$ 1,839	$ 18,996,892

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Six-month periods ended June 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		$ 9,684,862	$ (831,682)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(9)(25)	207,702	189,405
Amortisation	6(10)(25)	80,418	84,469
Net gain on financial assets at fair value through profit	6(2)(23)	(934)	(446)
Interest expense	6(24)	22,785	41,212
Interest income	6(21)	(96,856)	(50,170)
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(1,107)	2,908
Gains on lease modifications	6(8)(23)	-	(907)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(106)	127
Accounts receivable		(2,452,555)	(21,309)
Other receivables		(49,353)	(57,183)
Inventories		(873,385)	164,018
Prepayments		177,436	298,517
Other current assets		(1,297)	(247)
Other non-current assets		-	147,283
Changes in operating liabilities			
Contract liabilities		146,300	9,420
Notes payable		(2,545)	4,351
Accounts payable		1,003,210	(152,156)
Other payables		2,715,557	97,783
Other current liabilities		713	201
Other non-current liabilities		48	(5,145)
Cash inflow (outflow) generated from operations		10,560,893	(79,551)
Interest received		69,937	49,565
Interest paid		(19,528)	(29,258)
Income taxes (paid) refunded		(25,410)	3,367
Net cash flows from (used in) operating activities		10,585,892	(55,877)

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ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Six-month periods ended June 30	
	Notes	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		$ (220)	$ -
Proceeds from disposal of investments in equity instruments designated at fair value through other comprehensive income		146	-
Acquisition of financial assets at fair value through profit or loss		(1,530)	-
Acquisition of property, plant and equipment	6(29)	(222,651)	(214,912)
Acquisition of intangible assets	6(29)	(90,904)	(111,580)
Increase in refundable deposits		(1,166)	(1,173)
Net cash flows used in investing activities		(316,325)	(327,665)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(29)	(270,000)	400,000
Increase in short-term notes and bills payable	6(29)	-	99,102
Repayments of bonds	6(29)	(400)	-
Repayments of long-term borrowings	6(29)	(142,408)	(115,600)
Payments of lease liabilities	6(29)	(13,662)	(14,266)
Increase in guarantee deposits received	6(29)	68	653
Purchase of treasury shares		-	(26,015)
Proceeds from sale of treasury shares		80,907	-
Changes in non-controlling interests		73,050	-
Expired cash dividends	6(18)	46	41
Net cash flows (used in) from financing activities		(272,399)	343,915
Effects of exchange rate changes		3,140	(8,790)
Net increase (decrease) in cash and cash equivalents		10,000,308	(48,417)
Cash and cash equivalents at beginning of period	6(1)	4,526,863	4,485,019
Cash and cash equivalents at end of period	6(1)	$ 14,527,171	$ 4,436,602

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Elite Semiconductor Microelectronics Technology Inc. (the "Company") was incorporated in May 1998 and commenced operations in December 1998. The Company and its subsidiaries (collectively referred to as "the Group") are engaged in the research, development, production, manufacturing, and sales of dynamic and static random access memory, flash memory, analog integrated circuits, analog and digital mixed integrated circuits. The Group is also engaged in the related design and technical R&D services for the above products.

The Company merged with Ji Xin Technology Co., Ltd. on December 5, 2005, and merged with Eon Silicon Solution Inc. on June 8, 2016, with the Company as the surviving company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on July 30, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of 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
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS 28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

Note 1：The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

Note 2：The entities shall apply the amendment simultaneously with IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

(3) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
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 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the IAS 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

B. These consolidated financial statements should be read along with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

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

(a) Financial assets (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis of preparation for the consolidated financial statements is consistent with the consolidated financial statements for the year ended December 31, 2025.

B. Subsidiaries included in the consolidated financial statements:

			Ownership(%)			
Name of investor	Name of subsidiary	Main business activities	June 30, 2026	December 31, 2025	June 30, 2025	Description
Elite Semiconductor Microelectronics Technology Inc.	Elite Semiconductor Memory Technology Inc.	Research and development, production, sales and related consulting services of integrated circuits	100	100	100	Note 4
Elite Semiconductor Microelectronics Technology Inc.	Charng Feng Investment Ltd.	Investment activities	100	100	100	Note 4
Elite Semiconductor Microelectronics Technology Inc.	Jie Young Investment Ltd.	Investment activities	41.86	41.86	41.86	Notes 1 and 4

Name of investor	Name of subsidiary	Main business activities	Ownership(%) June 30, 2026	Ownership(%) December 31, 2025	Ownership(%) June 30, 2025	Description
Elite Semiconductor Microelectronics Technology Inc.	Elite Investment Services Ltd.	Investment activities	100	100	100	Note 4
Elite Semiconductor Microelectronics Technology Inc.	Eon Silicon Solutions, Inc. USA	Product design, development and testing	100	100	100	Note 4
Charng Feng Investment Ltd.	Elite Memory Technology Inc.	Product design, wholesale and retail of electronic materials, manufacturing of electronic components, information software services and international trade	100	100	100	Note 4
Charng Feng Investment Ltd.	Elite Innovation Japan Ltd.	Product design, wholesale and retail of electronic materials, manufacturing of electronic components, information software services and international trade	100	100	100	Note 4
Charng Feng Investment Ltd.	Elite Semiconductor Microelectronics Technology (shenzhen) Inc.	Trading of goods, provision of technical services, development and sale of networking, storage, and peripheral products, integrated circuit consulting services, and after-sales services	100	100	100	Note 4
Charng Feng Investment Ltd.	Elite Semiconductor Microelectronics (Shanghai) Technology Inc.	Product design, wholesale and retail of electronic materials, software design services and international trade	100	100	100	Note 4
Charng Feng Investment Ltd.	CHI Microelectronics Limited	General trading	100	100	100	Note 4
Charng Feng Investment Ltd.	Genion Innovation Ltd.	Investment activities	48	-	-	Notes 2 and 5
Genion Innovation Ltd.	Sincere Feng Investment Ltd.	Investment activities	1.4	-	-	Notes 3 and 5
Elite Semiconductor Microelectronics (Shanghai) Technology Inc.	Elite Semiconductor Microelectronics Technology (Xian) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	100	100	100	Note 4

Note 1: Elite Semiconductor Microelectronics Technology Inc. holds the majority of voting rights of Jie Young Investment Ltd. and both have the same management. It is concluded to have de facto control; therefore, it was included in the consolidated financial statements.

Note 2: Genion Innovation Ltd., was incorporated in March 2026. Charng Feng Investment Ltd. holds the majority of voting rights of Genion Innovation Ltd. and both have the same management. It is concluded to have de facto control; therefore, it was included in the consolidated financial statements.

Note 3: Sincere Feng Investment Ltd., was incorporated in April 2026. Genion Innovation Ltd. holds the majority of voting rights of Sincere Feng Investment Ltd. and both have the same management. It is concluded to have de facto control; therefore, it was included in the consolidated financial statements.

Note 4: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at June 30, 2026 and 2025 were not reviewed by independent auditors.

Note 5: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at June 30, 2026 were not reviewed by independent auditors.

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

D. Adjustments for different accounting periods of subsidiaries: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

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

(5) Income tax

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

(6) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	$ 132	$ 123	$ 141
Checking accounts and demand deposits	4,324,609	1,228,339	1,153,867
Time deposits	10,202,430	3,298,401	3,282,594
	$ 14,527,171	$ 4,526,863	$ 4,436,602

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

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ 1,255	$ 1,255	$ 1,255
Unlisted stocks	9,643	8,113	8,113
Call options of convertible bonds	-	1,300	1,300
Subtotal	10,898	10,668	10,668
Valuation adjustment	(1,038)	(3,272)	(7,578)
Total	$ 9,860	$ 7,396	$ 3,090

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three-month periods ended June 30,	
	2026	2025
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 2,256	$ 486
Call options of convertible bonds	(91)	-
Total	$ 2,165	$ 486

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 3,634	$ 546
Call options of convertible bonds	(2,700)	(100)
Total	$ 934	$ 446

B. The Group has no financial assets at fair value through profit or loss pledged to others.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2)C(b).

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Non-current items:			
Equity instruments			
Unlisted stocks	$ 48,782	$ 107,862	$ 107,862
Valuation adjustment	(16,624)	(79,692)	(57,144)
	$ 32,158	$ 28,170	$ 50,718

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. For the six-month period ended June 30, 2026, the Group sold its investment with a fair value of $146 and reclassified $59,154 from other equity to retained earnings, resulting in an accumulated loss on disposal of $59,154. There were no disposal transactions for the three-month period ended June 30, 2026, nor for the three-month and six-month periods ended June 30, 2025.

C. The amounts of fair value changes recognised in other comprehensive income (loss) for the equity instruments measured at fair value through other comprehensive income (loss) amounted to $1,266, ($8,070), $3,914 and ($17,024) for the three-month and six-month periods ended June 30, 2026 and 2025.

(4) Accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable - general customers	$ 4,664,400	$ 2,211,845	$ 1,453,967
Less: Loss allowance	-	-	-
	$ 4,664,400	$ 2,211,845	$ 1,453,967

A. The aging analysis of accounts receivable is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	$ 4,664,400	$ 2,209,700	$ 1,453,869
Up to 30 days	-	2,145	49
31 to 90 days	-	-	49
	$ 4,664,400	$ 2,211,845	$ 1,453,967

The above aging analysis is based on past due date.

B. As at June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $4,664,400, $2,211,845 and $1,453,967, respectively.

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

D. As at June 30, 2026, December 31, 2025 and June 30, 2025, accounts receivable were all from contracts with customers. As at January 1, 2025, the balance of receivables from contracts with customers amounted to $1,432,785.

E. The Group has no accounts receivable pledged to others.

(5) Inventories

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 568,997	($ 251)	$ 568,746
Work in process	5,840,855	(4,390)	5,836,465
Finished goods	1,443,656	(18,177)	1,425,479
Inventory in transit	124,515	-	124,515
	$ 7,978,023	($ 22,818)	$ 7,955,205

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 739,735	($ 2,600)	$ 737,135
Work in process	5,426,741	(4,653)	5,422,088
Finished goods	945,154	(40,901)	904,253
Inventory in transit	18,344	-	18,344
	$ 7,129,974	($ 48,154)	$ 7,081,820

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 820,219	($ 2,314)	$ 817,905
Work in process	5,970,111	(97,531)	5,872,580
Finished goods	1,251,007	(180,915)	1,070,092
Inventory in transit	12,375	-	12,375
	$ 8,053,712	($ 280,760)	$ 7,772,952

The cost of inventories recognised as expense for the periods:

	Three-month periods ended June 30,	
	2026	2025
Cost of goods sold	$ 4,391,337	$ 3,102,925
(Gain) loss on (reversal of) decline in market value and obsolescence of inventory	(25,733)	58,806
	$ 4,365,604	$ 3,161,731

	Six-month periods ended June 30,	
	2026	2025
Cost of goods sold	$ 8,204,392	$ 5,660,650
(Gain) loss on (reversal of) decline in market value and obsolescence of inventory	(25,336)	60,917
	$ 8,179,056	$ 5,721,567

Due to the market recovery and the disposal of inventories previously written down, the Group recognized reversal gains of inventory valuation losses for the three-month and six-month periods ended June 30,2026.

(6) Investments accounted for using equity method

	2026	2025
At January 1	$ 145,522	$ 144,615
Share of profit of associates and joint ventures accounted for using equity method	1,107	(2,908)
Dividends received from investments accounted for using equity method	(1,670)	(5,261)
Changes in capital surplus	(681)	792
At June 30	$ 144,278	$ 137,238

	June 30, 2026	December 31, 2025	June 30, 2025
Associates	$ 144,278	$ 145,522	$ 137,238

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery equipment	Test equipment	Others	Total
At January 1, 2026						
Cost	$ 562,898	$ 1,103,437	$ 498,021	$ 423,284	$ 1,175,448	$ 3,763,088
Accumulated depreciation and impairment	-	(543,786)	(293,664)	(227,658)	(838,169)	(1,903,277)
	$ 562,898	$ 559,651	$ 204,357	$ 195,626	$ 337,279	$ 1,859,811
2026						
At January 1	$ 562,898	$ 559,651	$ 204,357	$ 195,626	$ 337,279	$ 1,859,811
Additions	-	20,535	7,649	3,656	156,076	187,916
Transfers (Note)	-	157,505	-	5,875	13,743	177,123
Depreciation charge	-	(20,838)	(27,448)	(25,013)	(120,095)	(193,394)
Net exchange difference	-	2,224	2	-	50	2,276
At June 30	$ 562,898	$ 719,077	$ 184,560	$ 180,144	$ 387,053	$ 2,033,732
At June 30, 2026						
Cost	$ 562,898	$ 1,284,390	$ 505,711	$ 432,824	$ 1,343,048	$ 4,128,871
Accumulated depreciation and impairment	-	(565,313)	(321,151)	(252,680)	(955,995)	(2,095,139)
	$ 562,898	$ 719,077	$ 184,560	$ 180,144	$ 387,053	$ 2,033,732

	Land	Buildings and structures	Machinery equipment	Test equipment	Others	Total
At January 1, 2025						
Cost	$ 562,898	$ 1,076,188	$ 459,867	$ 399,753	$ 891,035	$ 3,389,741
Accumulated depreciation and impairment	-	(507,266)	(240,509)	(178,317)	(629,561)	(1,555,653)
	$ 562,898	$ 568,922	$ 219,358	$ 221,436	$ 261,474	$ 1,834,088
2025						
At January 1	$ 562,898	$ 568,922	$ 219,358	$ 221,436	$ 261,474	$ 1,834,088
Additions	-	3,819	36,135	9,468	125,867	175,289
Transfers (Note)	-	4,479	-	3,029	3,333	10,841
Depreciation charge	-	(18,064)	(25,939)	(25,499)	(106,631)	(176,133)
Net exchange difference	-	(4,708)	(5)	-	(246)	(4,959)
At June 30	$ 562,898	$ 554,448	$ 229,549	$ 208,434	$ 283,797	$ 1,839,126
At June 30, 2025						
Cost	$ 562,898	$ 1,078,630	$ 495,919	$ 411,485	$ 1,014,436	$ 3,563,368
Accumulated depreciation and impairment	-	(524,182)	(266,370)	(203,051)	(730,639)	(1,724,242)
	$ 562,898	$ 554,448	$ 229,549	$ 208,434	$ 283,797	$ 1,839,126

Note: Transferred from prepayments for equipment (shown as “Other non-current assets”).

A. For the six-month periods ended June 30, 2026 and 2025, there was no capitalisation of borrowing costs attributable to the property, plant and equipment.

B. Information about property, plant and equipment pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements－lessee

A. The Group leases assets including land, buildings and structures, business vehicles, and printers. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Short-term leases with a lease term of 12-months or less comprise business vehicles and warehouses.

B. The carrying amount of right-of-use assets and depreciation charge are as follows:

	Carrying amount		
	June 30, 2026	December 31, 2025	June 30, 2025
Land	$ 43,107	$ 44,807	$ 46,506
Buildings and structures	50,431	60,679	44,833
Business vehicles	1,446	2,575	2,598
Printers	1,273	1,774	2,276
	$ 96,257	$ 109,835	$ 96,213

	Depreciation charge	
	Three-month periods ended June 30,	
	2026	2025
Land	$ 850	$ 850
Buildings and structures	5,248	4,752
Business vehicles	565	503
Printers	250	271
	$ 6,913	$ 6,376

	Depreciation charge	
	Six-month periods ended June 30,	
	2026	2025
Land	$ 1,700	$ 1,699
Buildings and structures	10,493	9,620
Business vehicles	1,129	1,007
Printers	501	461
	$ 13,823	$ 12,787

C. For the six-month periods ended June 30, 2026 and 2025, the additions to right-of-use assets were $0 and $4,468, respectively.

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

	Three-month periods ended June 30, 2026	Three-month periods ended June 30, 2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 456	$ 440
Expense on short-term lease contracts	$ 247	$ 631

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 940	$ 830
Expense relating to short-term leases	$ 546	$ 1,296
Gains on lease modifications	$ -	$ 907

E. For the six-month periods ended June 30, 2026 and 2025, the Group's total cash outflows for leases were $15,148 and $16,392, respectively.

(9) Investment property-Buildings

	2026	2025
At January 1		
Cost	$ 20,369	$ 20,369
Accumulated depreciation and impairment	(7,517)	(6,547)
	$ 12,852	$ 13,822
At January 1	$ 12,852	$ 13,822
Depreciation charge	(485)	(485)
At June 30	$ 12,367	$ 13,337
At June 30		
Cost	$ 20,369	$ 20,369
Accumulated depreciation and impairment	(8,002)	(7,032)
	$ 12,367	$ 13,337

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three-month periods ended June 30, 2026	Three-month periods ended June 30, 2025
Rental income from investment property	$ 672	$ 672
Direct operating expenses arising from the investment property that generated rental income during the period	$ 242	$ 242

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Rental income from investment property	$ 1,345	$ 1,345
Direct operating expenses arising from the investment property that generated rental income during the period	$ 485	$ 485

B. The fair value of the investment property held by the Group as at June 30, 2026, December 31, 2025 and June 30, 2025 was $9,028, $9,833 and $12,031, respectively, which was valued by income approach. Key assumptions are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Discount rate (Note)	14.89%	13.34%	9.01%

Note: Calculated based on the weighted average cost of capital (WACC).

C. For the six-month periods ended June 30, 2026 and 2025, there was no capitalisation of borrowing costs attributable to the investment property.

D. The Group has no investment property pledged to others.

(10) Intangible assets-Computer software

	2026	2025
At January 1		
Cost	$ 830,929	$ 850,910
Accumulated amortisation and impairment	(773,025)	(688,861)
	$ 57,904	$ 162,049
At January 1	$ 57,904	$ 162,049
Additions	138,124	24,372
Transfer (Note)	106	-
Amortisation charge	(80,418)	(84,469)
At June 30	$ 115,716	$ 101,952
At June 30		
Cost	$ 969,207	$ 875,185
Accumulated amortisation and impairment	(853,491)	(773,233)
	$ 115,716	$ 101,952

Note: Transferred from prepayments for equipment (shown as “Other non-current assets”).

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

	Three-month periods ended June 30, 2026	Three-month periods ended June 30, 2025
Operating costs	$ 8	$ 8
General and administrative expenses	1,261	1,217
Research and development expenses	38,431	40,858
	$ 39,700	$ 42,083

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Operating costs	$ 16	$ 16
General and administrative expenses	2,532	2,355
Research and development expenses	77,870	82,098
	$ 80,418	$ 84,469

B. For the six-month periods ended June 30, 2026 and 2025, there was no capitalisation of borrowing costs attributable to the intangible assets.

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

(11) Other non-current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments for equipment and construction costs	$ 57,078	$ 180,346	$ 200,103
Refundable deposits	11,352	10,186	10,337
Pledged time deposits	3,969	3,969	3,969
	$ 72,399	$ 194,501	$ 214,409

(12) Short-term borrowings

Type of borrowings	June 30, 2026	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 1,000,000	1.87%~1.92%	None

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 1,270,000	1.80%~1.90%	None

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 2,000,000	1.8697%~1.95%	None

(13) Bonds payable

	June 30, 2026	December 31, 2025	June 30, 2025
Convertible bonds payable	$ 1,000,000	$ 1,000,000	$ 1,000,000
Less: Bonds payable converted	(999,600)	(100)	(100)
Less: Discount on bonds payable	-	(16,922)	(27,187)
Less: Repayments of bonds	(400)	-	-
	-	982,978	972,713
Less: Current portion	-	(982,978)	-
	$ -	$ -	$ 972,713

A. The issuance of domestic convertible bonds by the Company:

(a) The terms of the first domestic unsecured convertible bonds issued by the Company are as follows:

i. The regulatory authority has approved the first domestic unsecured convertible bonds issued by the Company. The total issuance amount is $1,000,000 at 115.42% of the bond's face value with coupon rate of 0%, with a term of 3 years and a listing period from October 27, 2023 to October 27, 2026. The convertible bonds are settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on October 27, 2023.

ii. The bondholders have the right to convert the bonds into ordinary shares of the Company during the period from three months after the bond's issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding ordinary shares.

iii. The conversion price of the convertible bonds was set at NT$85.6 (in NT$ dollars) per share. However, the conversion price is adjusted according to the formula set out in the indenture if the following event occurs after the issuance of the Company's convertible bonds:

(i) Increase in outstanding (or private placement) ordinary shares.

(ii)The conversion price shall be reduced on the effective date of ex-dividend for distributing cash dividends of ordinary shares.

(iii)Reissuance (or private placement) of various securities with conversion options or stock options to ordinary shares at a conversion or an exercise price lower than the market price per share.

(iv)Reduction in ordinary share capital that is not caused by the retirement of treasury shares.

iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time during the period from the date after three months of the bonds issue to 40 days before the maturity date if the following events occur: (i) the closing price of the

Company’s ordinary shares is above the conversion price by 30% (including 30%) for 30 consecutive trading days, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount.

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

(b) The Company’s Board of Directors resolved on June 24, 2025 that in accordance with Article 11 of the Regulations Governing the Issuance and Conversion of the First Domestic Unsecured Convertible Bonds, the conversion price was adjusted from NT$85.1 to NT$83.6 starting from ex-dividend date (July 15, 2025).

(c) As at June 30, 2026, the Company’s first domestic unsecured convertible bonds with a face value of $999,600 were converted into 11,956,771 ordinary shares. Capital surplus arising from the conversion amounted to $1,077,577, and capital surplus-share options decreased by $210,822.

(d) The listing and trading of this convertible bond on the Taipei Exchange were terminated on April 9, 2026.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting were separated from the liability component and were recognised in ‘capital surplus-share options’ in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial assets or liabilities at fair value through profit or loss’ in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host liability contracts.

(14) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Accrued salaries and bonuses	$ 3,132,844	$ 466,744	$ 575,160
Cash dividends payable	284,478	-	272,682
Accrued employees' compensation and directors' remuneration	203,339	5,606	11,014
Payables for equipment	99,504	33,058	45,683
Others	126,877	95,398	146,129
	$ 3,847,042	$ 600,806	$ 1,050,668

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		June 30, 2026
Long-term bank borrowings					
Secured borrowings	Note 1	1.900%	Land, buildings and structures	$	616,592
Unsecured borrowings	Notes 2 and 3	2.039%	None		290,700
					907,292
Less: Current portion				(	284,817)
				$	622,475

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		December 31, 2025
Long-term bank borrowings					
Secured borrowings	Note 1	1.80%~1.90%	Land, buildings and structures	$	643,400
Unsecured borrowings	Notes 2 and 3	2.036%~2.038%	None		406,300
					1,049,700
Less: Current portion				(	284,817)
				$	764,883

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		June 30, 2025
Long-term bank borrowings					
Secured borrowings	Note 1	1.800%	Land, buildings and structures	$	643,400
Unsecured borrowings	Notes 2 and 3	2.036%~2.038%	None		521,900
					1,165,300
Less: Current portion				(	258,008)
				$	907,292

Note 1: Borrowing period is from October 2022 to October 2037, interest is repayable monthly, and starting from January 2026, the same amount of principal is repayable every three months.

Note 2: Borrowing period is from September 2024 to December 2027, interest is repayable monthly, and starting from December 2024, the same amount of principal is repayable every three months.

Note 3: According to the unsecured borrowing contract, the Company is required to comply with certain financial ratios, such as current ratio and liability ratio, during the contract periods. As at June 30, 2026, the Company had not violated any of the required financial ratios.

(16) Pension

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

(b) For the aforementioned pension plan, the Group recognised pension costs of \$52, \$70, \$103 and \$140 for the three-month and six-month periods ended June 30, 2026 and 2025, respectively.

B. The Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. In addition, the Company's subsidiaries, Eon Silicon Solutions, Inc. USA, Elite Semiconductor Microelectronics Technology (shenzhen) Inc., Elite Semiconductor Microelectronics (Shanghai) Technology Inc., Elite Semiconductor Microelectronics Technology (Xian) Inc. and Elite Innovation Japan Ltd., also contribute pensions to an independent fund administered by the government based on certain percentage of local employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2026 and 2025 were \$13,293, \$12,692, \$26,415 and \$25,322, respectively.

(17) Share capital

A. As at June 30, 2026, the Company's authorised capital was $3,500,000, consisting of 350,000 thousand shares of ordinary shares (including 20,000 thousand shares reserved for employee stock options), and the paid-in capital was $2,981,278 with a par value of $10 (in NT$ dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit：Thousands of shares

	2026	2025
Outstanding ordinary shares at January 1	272,172	273,172
Conversion of convertible bonds	11,956	-
Disposal of parent company's shares by a subsidiary recognized as treasury shares	350	-
Acquisition of parent company's shares by a subsidiary recognized as treasury shares	-	(490)
Outstanding ordinary shares at June 30	284,478	272,682
Treasury shares at the end of the period	13,650	13,490
Issued ordinary shares at June 30	298,128	286,172

B. Treasury shares

Due to the Company's business strategy, the number of the Company's shares held by the Company's subsidiary, Jie Young Investment Ltd., as at June 30, 2026, December 31, 2025 and June 30, 2025, were 13,650 thousand shares, 14,000 thousand shares and 13,490 thousand shares with carrying amounts of $379,941, $389,683 and $360,611, respectively; the average carrying amounts per share were NT$27.83, NT$27.83 and NT$26.73, and the fair values per share were NT$226, NT$118 and NT$54.6, respectively.

(18) Capital surplus

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

	2026					
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries and associates	Stock options	Others	Total
At January 1	$ 23,574	$ 61,834	$ 210,222	$ 210,801	$ 4,242	$ 510,673
Disposal of company's share by a subsidiary recognized as treasury share transaction	-	29,790	-	-	-	29,790
Changes in capital surplus recognized for parent company's cash dividends received by subsidiaries	-	-	5,714	-	-	5,714
Change in equity of associates and joint ventures accounted for using equity method	-	-	(681)	-	-	(681)
Conversion of convertible bonds	1,077,473	-	-	(210,801)	-	866,672
Expired cash dividends transferred to capital surplus	-	-	-	-	46	46
At June 30	$ 1,101,047	$ 91,624	$ 215,255	$ -	$ 4,288	$ 1,412,214

	2025					
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries and associates	Stock options	Others	Total
At January 1	$ 23,574	$ 61,834	$ 203,575	$ 210,801	$ 4,201	$ 503,985
Changes in capital surplus recognized for parent company's cash dividends received by subsidiaries	-	-	5,647	-	-	5,647
Change in equity of associates and joint ventures accounted for using equity method	-	-	792	-	-	792
Expired cash dividends transferred to capital surplus	-	-	-	-	41	41
At June 30	$ 23,574	$ 61,834	$ 210,014	$ 210,801	$ 4,242	$ 510,465

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be appropriated in the following order:

(a) Payment of all taxes and dues.

(b) Offset previous years' operating losses, if any.

(c) Setting aside 10% of remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorised capital of the Company.

(d) Setting aside or reversing a special reserve according to relevant regulations.

(e) The remainder from this year and prior years may be appropriated as dividends according to a resolution in the shareholders' meeting.

The Company is in the growth phase. To meet future operation requirements, long-term financial plan and the requirement of cash dividends distributing to the shareholders, the distributable earnings for current year can be entirely distributed to the shareholders, which shall be proposed by the Board of Directors and resolved in the shareholders' meeting every year. Dividends to the shareholders can be distributed in the form of cash or shares, and cash dividends shall account for at least 50% of the total dividends distributed.

In accordance with Article 240 of the Company Act, the Board of Directors is authorized by the Company to approve the distribution of dividends and bonuses or legal reserve and capital reserve, in whole or in part, in accordance with Article 241 of the Company Act in the form of cash by a resolution adopted by the majority vote at its meeting attended by at least two-thirds of the total number of directors, and then reported to the shareholders.

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

C. In accordance with relevant regulations, the Company shall appropriate a special reserve from earnings before distribution if there is a debit balance under other equity items as of the balance sheet date. If such debit balance is subsequently reversed, the reversed amount may be reclassified to distributable earnings.

D. The Company's appropriation of earnings and cash dividends per share as resolved by the Board of Directors, is as follows:

	2025	2024
As approved by the Board of Directors	February 26, 2026	February 26, 2025
Provision for legal reserve	$ 24,497	$ 50,631
Provision for (reversal of) special reserve	$ 41,444	($ 8,603)
Cash dividends (Note)	$ 298,128	$ 286,172
Cash dividends per share (in NT$ dollars) (Note)	$ 1.0	$ 1.0

The Company's earnings distribution of 2025 had been resolved at the shareholders' meeting on May 22, 2026.

Note: The Company resolved a cash dividend of NT$1 per share for the year ended December 31, 2025. Subsequently, if the number of shares outstanding changes prior to the ex-dividend date due to events such as the conversion of convertible bonds into ordinary shares, the Chairman is authorised to fully handle the matter. The total amount of cash dividends actually distributed will be calculated based on the ultimate shares outstanding and will be posted on the "Market Observation Post System".

(20) Operating revenue

	Three-month periods ended June 30,	
	2026	2025
Revenue from contracts with customers	$ 13,946,218	$ 3,288,429

	Six-month periods ended June 30,	
	2026	2025
Revenue from contracts with customers	$ 21,213,118	$ 6,191,364

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major geographical regions:

Three-month period ended June 30, 2026	Domestic area	Asia	Others	Total
Integrated circuits	$ 4,978,515	$ 8,926,686	$ 41,017	$ 13,946,218

Three-month period ended June 30, 2025	Domestic area	Asia	Others	Total
Integrated circuits	$ 1,221,180	$ 2,051,506	$ 15,743	$ 3,288,429

Six-month period ended June 30, 2026	Domestic area	Asia	Others	Total
Integrated circuits	$ 7,519,958	$ 13,612,515	$ 80,645	$ 21,213,118

Six-month period ended June 30, 2025	Domestic area	Asia	Others	Total
Integrated circuits	$ 2,320,975	$ 3,833,563	$ 36,826	$ 6,191,364

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Contract liabilities-advance sales receipts	$ 167,623	$ 21,323	$ 25,774	$ 16,354

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Three-month periods ended June 30,	
	2026	2025
Contract liabilities – advance sales receipts	$ 68	$ 3,120

	Six-month periods ended June 30,	
	2026	2025
Contract liabilities – advance sales receipts	$ 21,203	$ 16,154

(21) Interest income

	Three-month periods ended June 30,	
	2026	2025
Interest income from bank deposits	$ 72,315	$ 23,032
Other interest income	11	15
	$ 72,326	$ 23,047

	Six-month periods ended June 30,	
	2026	2025
Interest income from bank deposits	$ 96,827	$ 50,140
Other interest income	29	30
	$ 96,856	$ 50,170

(22) Other income

	Three-month periods ended June 30,	
	2026	2025
Rent income	$ 1,545	$ 1,514
Government grant income	26,553	-
Other income, others	402	5,486
	$ 28,500	$ 7,000

	Six-month periods ended June 30,	
	2026	2025
Rent income	$ 3,077	$ 2,943
Government grant income	26,553	-
Other income, others	660	10,160
	$ 30,290	$ 13,103

(23) Other gains and losses

	Three-month periods ended June 30,	
	2026	2025
Net foreign exchange gains (losses)	$ 66,384	($ 359,436)
Gains on financial assets at fair value through profit or loss	2,165	486
Other expenses	(242)	(243)
	$ 68,307	($ 359,193)

	Six-month periods ended June 30,	
	2026	2025
Net foreign exchange gains (losses)	$ 151,348	($ 305,108)
Gains on financial assets at fair value through profit or loss	934	446
Other expenses	(485)	(485)
Gains arising from lease modifications	-	907
	$ 151,797	($ 304,240)

(24) Finance costs

	Three-month periods ended June 30,	
	2026	2025
Interest expense:		
Bank borrowings	$ 9,493	$ 16,328
Provisions for liabilities-amortisation of discount	52	225
Lease liabilities	456	440
Amortisation of discount on bonds payable	-	5,036
Total interest expense	10,001	22,029
Others	-	2
	$ 10,001	$ 22,031

	Six-month periods ended June 30,	
	2026	2025
Interest expense:		
Bank borrowings	$ 18,055	$ 29,897
Provisions for liabilities-amortisation of discount	104	484
Lease liabilities	940	830
Amortisation of discount on bonds payable	3,678	9,992
Total interest expense	22,777	41,203
Others	8	9
	$ 22,785	$ 41,212

(25) Expenses by nature

	Three-month periods ended June 30, 2026	Three-month periods ended June 30, 2025
Employee benefit expenses	$ 2,417,612	$ 373,356
Depreciation charges on property, plant and equipment	$ 98,774	$ 86,023
Depreciation charges on right-of-use assets	$ 6,913	$ 6,376
Depreciation charges on investment property	$ 242	$ 242
Amortisation charges on intangible assets	$ 39,700	$ 42,083

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Employee benefit expenses	$ 3,390,403	$ 727,119
Depreciation charges on property, plant and equipment	$ 193,394	$ 176,133
Depreciation charges on right-of-use assets	$ 13,823	$ 12,787
Depreciation charges on investment property	$ 485	$ 485
Amortisation charges on intangible assets	$ 80,418	$ 84,469

(26) Employee benefit expenses

	Three-month periods ended June 30, 2026	Three-month periods ended June 30, 2025
Wages and salaries	$ 2,300,320	$ 332,271
Labor and health insurance fees	18,324	17,896
Pension costs	13,345	12,762
Directors' remuneration	76,080	992
Other personnel expenses	9,543	9,435
	$ 2,417,612	$ 373,356

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Wages and salaries	$ 3,203,192	$ 640,375
Labor and health insurance expenses	40,104	40,160
Pension costs	26,518	25,462
Directors' remuneration	101,474	1,877
Other personnel expenses	19,115	19,245
	$ 3,390,403	$ 727,119

A. According to the Company’s Articles of Incorporation, the Company shall distribute no less than 1% of its current year’s profit as employees’ compensation, of which no less than 50% shall be distributed to rank-and-file employees; and no more than 1% as remuneration for directors.

B. For the three-month and six-month periods ended June 30, 2026 and 2025, employees' compensation was accrued at $74,793, $0, $98,797 and $0, respectively; directors' remuneration was accrued at $74,793, $0, $98,797 and $0, respectively. The amounts were recognised in wages and salaries.

C. The employees' compensation and directors' remuneration for 2025 amounting to $2,733 and $2,733, respectively, as resolved at the meeting of the Board of Directors were in agreement with those amounts recognised in the 2025 financial statements.

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

(27) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	Three-month periods ended June 30, 2026	Three-month periods ended June 30, 2025
Current tax:		
Current tax on profit for the period	$ 1,423,177	$ 111
Tax on undistributed earnings	378	-
Prior year income tax underestimation	11,752	389
Total current tax	1,435,307	500
Deferred tax:		
Origination and reversal of temporary differences	(8,041)	(27,779)
Income tax expense (benefit)	$ 1,427,266	($ 27,279)

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Current tax:		
Current tax on profit for the period	$ 1,644,314	$ 742
Tax on undistributed earnings	378	-
Prior year income tax underestimation	11,830	389
Total current tax	1,656,522	1,131
Deferred tax:		
Origination and reversal of temporary differences	59,385	(29,708)
Income tax expense (benefit)	$ 1,715,907	($ 28,577)

(b) The income tax charge relating to components of other comprehensive income: None.

(c) The income tax charged to equity during the period: None.

B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(28) Earnings (losses) per share

	Three-month period ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in NT$ dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 5,907,733	292,294	$ 20.21
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	331	
Convertible bonds	-	22	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 5,907,733	292,647	$ 20.19

	Three-month period ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in NT$ dollars)
Basic and diluted losses per share (note)			
Loss attributable to ordinary shareholders of the parent company	($ 726,945)	280,667	($ 2.59)

	Six-month period ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in NT$ dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 7,971,616	289,068	$ 27.58
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	443	
Convertible bonds	3,678	3,226	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 7,975,294	292,737	$ 27.24

	Six-month period ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in NT$ dollars)
Basic and diluted losses per share (note)			
Loss attributable to ordinary shareholders of the parent company	($ 803,135)	280,699	($ 2.86)

Note: As the convertible bonds payable has an anti-dilutive effect for the three-month and six-month periods ended June 30, 2025, it is not included in the calculation of diluted earnings per share.

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six-month periods ended June 30,	
	2026	2025
Purchase of property, plant and equipment (including transferred amount)	$ 365,039	$ 186,130
Add: Ending balance of prepayment for equipment	57,078	200,103
Less: Opening balance of prepayment for equipment	(180,240)	(175,624)
Add: Opening balance of payable for equipment	33,058	51,191
Less: Ending balance of payable for equipment	(52,284)	(45,683)
Less: Additions of decommissioning costs	-	(1,205)
Cash paid during the period	$ 222,651	$ 214,912

	Six-month periods ended June 30,	
	2026	2025
Purchase of intangible assets (including transferred amount)	$ 138,230	$ 24,372
Add: Opening balance of payable for equipment being transferred to intangible assets	-	87,208
Less: Ending balance of payable for intangible assets	(47,220)	-
Less: Opening balance of prepayment for equipment being transferred to intangible assets	(106)	-
Cash paid during the period	$ 90,904	$ 111,580

B. Financing activities with no cash flow effects:

	Six-month periods ended June 30, 2026	Six-month periods ended June 30, 2025
Cash dividends	$ 298,128	$ 286,172
Less: Dividends on shares of the parent company held by the subsidiary to be eliminated	(13,650)	(13,490)
Less: Cash dividends payable	(284,478)	(272,682)
	$ -	$ -

C. Changes in liabilities from financing activities:

	Short-term borrowings	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2026	$ 1,270,000	$ 982,978	$ 1,049,700	$ 111,509	$ 7,096	$ 3,421,283
Changes in cash flow from financing activities	(270,000)	(400)	(142,408)	(13,662)	68	(426,402)
Interest paid	-	-	-	(940)	-	(940)
Interest expense	-	3,678	-	940	-	4,618
Changes in other non-cash items	-	(986,256)	-	249	-	(986,007)
At June 30, 2026	$ 1,000,000	$ -	$ 907,292	$ 98,096	$ 7,164	$ 2,012,552

	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Bonds payable (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2025	$ 1,600,000	$ -	$ 962,721	$ 1,280,900	$ 110,342	$ 6,103	$ 3,960,066
Changes in cash flow from financing activities	400,000	99,102	-	(115,600)	(14,266)	653	369,889
Interest paid	-	-	-	-	(830)	-	(830)
Interest expense	-	882	9,992	-	830	-	11,704
Changes in other non-cash items	-	-	-	-	1,580	-	1,580
At June 30, 2025	$ 2,000,000	$ 99,984	$ 972,713	$ 1,165,300	$ 97,656	$ 6,756	$ 4,342,409

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Canyon Semiconductor Inc.	Associated Company

(2) Key management personnel compensation

	Three-month periods ended June 30,	
	2026	2025
Salaries and other short-term employee benefits	$ 247,316	$ 6,610
Post-employment benefits	162	162
Total	$ 247,478	$ 6,772

	Six-month periods ended June 30,	
	2026	2025
Salaries and other short-term employee benefits	$ 331,685	$ 13,217
Post-employment benefits	324	321
Total	$ 332,009	$ 13,538

8. PLEDGED ASSETS

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

	Book value			
Assets item	June 30, 2026	December 31, 2025	June 30, 2025	Purposes
Land, buildings and structures	$ 720,799	$ 724,249	$ 727,700	Long-term borrowings
Time deposits (shown as "other non-current assets")	3,969	3,969	3,969	Guarantee deposits for land leasing
	$ 724,768	$ 728,218	$ 731,669	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

Considering the characteristics of the current operating industry, the Group's future development, and changes in the external environment, the Group plans for future requirements of working capital, research and development expenditures, and dividend payments to shareholders in order to safeguard the Group's ability to continue as a going concern, to provide returns to shareholders, to balance the interests of other stakeholders, and to maintain an optimal capital structure so as to enhance shareholders' value in the long term.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, return cash to shareholders, or repurchase its own shares.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets mandatorily measured at fair value through profit or loss	$ 9,860	$ 7,396	$ 3,090
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 32,158	$ 28,170	$ 50,718
Financial assets at amortised cost			
Cash and cash equivalents	$ 14,527,171	$ 4,526,863	$ 4,436,602
Notes receivable	106	-	-
Accounts receivable	4,664,400	2,211,845	1,453,967
Other receivables	172,691	94,749	161,223
Time deposits (shown as "Other non-current assets")	3,969	3,969	3,969
Refundable deposits (shown as "Other non-current assets")	11,352	10,186	10,337
	$ 19,379,689	$ 6,847,612	$ 6,066,098
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ 1,000,000	$ 1,270,000	$ 2,000,000
Short-term notes and bills payable	-	-	99,984
Notes payable	-	2,545	4,351
Accounts payable	3,345,430	2,342,220	2,233,380
Other payables	3,847,042	600,806	1,050,668
Bonds payable (including current portion)	-	982,978	972,713
Long-term borrowings (including current portion)	907,292	1,049,700	1,165,300
Guarantee deposits received (shown as "Other non-current liabilities")	7,164	7,096	6,756
	$ 9,106,928	$ 6,255,345	$ 7,533,152
Lease liabilities	$ 98,096	$ 111,509	$ 97,656

B. Financial risk management policies

(a) The Group adopts a comprehensive risk management and control system to clearly identify, assess, and control all types of risks, including market risk, credit risk, liquidity risk, and cash flow risk, enabling management to effectively control and assess such risks.

(b) To effectively manage various market risks, the Group takes into consideration the economic environment, competitive conditions, and the impact of market value risk, in order to maintain an optimal risk position, preserve an appropriate liquidity position, and centrally manage all market risks.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the various currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Group's foreign exchange risk management strategy involves regularly reviewing the net positions of assets and liabilities in various currencies and managing the associated risks accordingly. In addition to achieving natural hedges where possible, the Group may also adopt appropriate hedging instruments after considering factors such as hedging costs and the duration of the hedge, thereby effectively mitigating the impact of exchange rate fluctuations on the Group's overall financial position.

iii. The Group's operations involve certain non-functional currencies (the functional currency of the Company and certain subsidiaries is NTD, while that of other subsidiaries is USD, JPY, HKD, and RMB). The following sets out information on foreign currency-denominated assets and liabilities that are significantly affected by exchange rate fluctuations:

	June 30, 2026		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 442,711	31.850	$ 14,100,345
RMB:NTD	88,726	4.690	416,125
RMB:USD	12,529	6.7910	58,761
Financial liabilities			
Monetary items			
USD:NTD	$ 81,642	31.850	$ 2,600,298
RMB:NTD	10,764	4.690	50,483

	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 108,393	31.430	$ 3,406,792
RMB:NTD	104,146	4.496	468,240
RMB:USD	12,433	6.990	55,899
Financial liabilities			
Monetary items			
USD:NTD	$ 46,358	31.430	$ 1,457,032
RMB:NTD	10,667	4.496	47,959

	June 30, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 99,649	29.300	$ 2,919,716
RMB:NTD	126,278	4.091	516,603
Financial liabilities			
Monetary items			
USD:NTD	$ 43,855	29.300	$ 1,284,952
RMB:NTD	9,771	4.091	39,973

iv. The total exchange gains (losses), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2026 and 2025, amounted to $66,384, ($359,436), $151,348 and ($305,108), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Six-month period ended June 30, 2026		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 141,003	$ -
RMB:NTD	1%	4,161	-
RMB:USD	1%	588	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 26,003)	$ -
RMB:NTD	1%	(505)	-

	Six-month period ended June 30, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 29,197	$ -
RMB:NTD	1%	5,166	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 12,850)	$ -
RMB:NTD	1%	(400)	-

Price risk

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

ii. The Group mainly invests in equity instruments issued by domestic and foreign companies. The prices of these equity instruments are affected by the uncertainty regarding the future value of the underlying investments. Had the prices of these equity instruments increased or decreased by 10% while all other variables were held constant, for the six-month periods ended June 30, 2026 and 2025, net profit after tax would have increased or decreased by $986 and $309, respectively from the account of gains or losses on equity instruments at fair value through profit or loss; other comprehensive income would have increased or decreased by $3,216 and $5,072, respectively from the account of gains or losses on equity investments designated at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's cash flow interest rate risk arises from long-term and short-term borrowings issued at floating interest rates. During the six-month periods ended June 30, 2026, and 2025, these borrowings were denominated in NTD.

ii. If the interest rate on borrowings had increased or decreased by 0.2%, with all other variables held constant, profit after tax for the six-month periods ended June 30, 2026 and 2025 would have decreased or increased by $1,915 and $2,458, respectively. This is mainly attributable to changes in interest expense resulting from the floating-rate borrowings.

(b) Credit risk

i. Credit risk is the risk of financial loss to the Group arising from a client or counterparty of a financial instrument failing to discharge its contractual obligations. The principal exposure arises from counterparties' inability to settle accounts receivable in accordance with the agreed terms, as well as from the contractual cash flows of financial assets measured at amortised cost.

ii. The Group manages its credit risk on a group-wide basis. For banks and financial institutions, only those with strong credit ratings are accepted as counterparties. In accordance with the Group's credit policy, each operating entity within the Group is required to manage and assess the credit risk of each new customer prior to setting standard payment and delivery terms. Internal risk control procedures evaluate the credit quality of customers by considering their financial position, past experience, and other relevant factors. Individual credit limits are established by Board of Directors based on internal or external credit ratings, and the utilisation of credit limits is monitored on a regular basis.

iii. The Group applies the presumption under IFRS 9 that default occurs when contractual payments are more than 90 days past due.

iv. The Group also applies the presumption under IFRS 9 that there has been a significant increase in credit risk since initial recognition when contractual payments are more than 30 days past due.

v. The following objective evidence is used to determine whether credit impairment of debt instruments has occurred:

(i) Significant financial difficulty of the issuer and a high probability of entering bankruptcy or other financial reorganisation;

(ii) The disappearance of an active market for the financial asset due to the issuer's financial difficulties;

(iii) Default or delinquency in interest or principal repayments by the issuer;

(iv) Adverse changes in national or regional economic conditions that are expected to result in the issuer's default.

vi. The Group writes off a financial asset when there is no reasonable expectation of recovering it, after the initiating recourse procedures. Nevertheless, the Group continues to pursue legal recourse to preserve its rights.

vii. Financial assets measured at amortised cost comprise time deposits and restricted time deposits with banks that possess strong credit ratings and no history of default. Considering also that there have been no significant changes in the overall economic environment, the risk of credit loss is assessed to be very low and the impact on the financial statements is considered immaterial.

viii. Information on the aging analysis of the Group's accounts receivable from customers is disclosed in Note 6(4). In assessing credit risk, the Group takes into account the counterparties' financial position, historical transaction experience, current economic conditions, and the Group's internal credit rating standards. Based on these risk factors, the Group may require prepayments, collateral, or other forms of guarantees. Accounts receivable are grouped according to risk characteristics, and the Group applies the simplified approach using the loss rate method to estimate expected credit losses. On the balance sheet date, the Group reviews the recoverable amount of accounts receivable on an individual basis to ensure that appropriate impairment losses have been recognised for uncollectible amounts. Based on this assessment, the expected credit loss (ECL) allowance by the Group as at June 30, 2026, December 31, 2025 and June 30, 2025 was considered immaterial.

(c) Liquidity risk

i. The Group manages liquidity risk through forecasting and continuous monitoring of working capital requirements, ensuring that it maintains adequate levels of cash and cash equivalents to support operational needs and to reduce the impact of cash flow fluctuations on business operations.

ii. Surplus cash held by the operating entities, in excess of what is required for working capital purposes, is invested in interest-bearing demand deposits, time deposits, and marketable securities. The investment instruments are selected based on appropriate maturities or sufficient liquidity, as determined by the aforementioned forecasts, to ensure an adequate level of financial flexibility.

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

Non-derivative financial liabilities: June 30, 2026	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 1,002,769	$ -	$ -
Accounts payable	3,345,430	-	-
Other payables	3,847,042	-	-
Lease liabilities	21,277	46,588	34,700
Long-term borrowings (including current portion)	300,055	308,457	369,201
Guarantee deposits received	-	-	7,164

Derivative financial liabilities: None.

Non-derivative financial liabilities: December 31, 2025	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 1,273,870	$ -	$ -
Notes payable	2,545	-	-
Accounts payable	2,342,220	-	-
Other payables	600,806	-	-
Lease liabilities	26,800	52,339	37,770
Bonds payable (including current portion)	999,900	-	-
Long-term borrowings (including current portion)	302,918	427,584	399,384
Guarantee deposits received	-	-	7,096

Derivative financial liabilities: None.

Non-derivative financial liabilities: June 30, 2025	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 2,005,331	$ -	$ -
Short-term notes and bills payable	100,000	-	-
Accounts payable	2,233,380	-	-
Other payables	1,050,668	-	-
Lease liabilities	23,379	46,934	33,574
Bonds payable (including current portion)	-	999,900	-
Long-term borrowings (including current portion)	275,846	547,884	429,821
Guarantee deposits received	-	-	6,756

Derivative financial liabilities: None.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and emerging stocks, beneficiary certificates and debt securities are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits, short-term and long-term borrowings, notes payable, accounts payable, other payables, lease liabilities and guarantee deposits received are approximate to their fair values.

As at June 30, 2026: None.

	December 31, 2025			
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	$ 982,978	$ -	$ 985,701	$ -

	June 30, 2025			
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	$ 972,713	$ -	$ 975,202	$ -

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

(a) The related information of nature of the assets and liabilities is as follows:

June 30, 2026	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through profit or loss				
Equity securities	$ 8,004	$ -	$ 1,856	$ 9,860
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	32,158	32,158
	$ 8,004	$ -	$ 34,014	$ 42,018

Financial liabilities: None.

December 31, 2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through profit or loss				
Equity securities	$ 3,972	$ -	$ 724	$ 4,696
Call options of convertible bonds	-	-	2,700	2,700
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	28,170	28,170
	$ 3,972	$ -	$ 31,594	$ 35,566

Financial liabilities: None.

June 30, 2025	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,546	$ -	$ 1,544	$ 3,090
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	50,718	50,718
	$ 1,546	$ -	$ 52,262	$ 53,808

Financial liabilities: None.

(b) The methods and assumptions that the Group used to measure fair value are as follows:

i. The instruments whose fair values are measured using quoted market prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed stocks
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

E. For the six-month periods ended June 30, 2026 and 2025, there was no transfer between Level 1 and Level 2.

F. The following table is the movement of Level 3 for the six-month periods ended June 30, 2026 and 2025:

	2026		2025	
	Equity instrument	Call options of convertible bonds	Equity instrument	Call options of convertible bonds
At January 1	$ 28,894	$ 2,700	$ 68,690	$ 100
Acquired in the period	1,750	-	-	-
Disposed of in the period	(146)	-	-	-
Valuation adjustment	3,516	(2,700)	(16,428)	(100)
At June 30	$ 34,014	$ -	$ 52,262	$ -

G. The valuation techniques applied for fair value measurements are classified as Level 3 within the fair value hierarchy, and are used to verify the independently determined fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following table provides quantitative information on significant unobservable inputs and the sensitivity analysis of changes in those inputs used in the valuation models for Level 3 fair value measurements:

	Fair value at June 30, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 326	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	31,938	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	220	Recent transaction price	None	None	None
Unlisted shares	1,530	Recent transaction price	None	None	None

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 724	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	28,170	Market comparable companies	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	-	Market comparable companies	Discount for lack of marketability	45%	The higher the discount for lack of marketability, the lower the fair value
Financial assets at fair value through profit or loss -call options of convertible bonds	2,700	Binomial tree pricing model for convertible bonds	Stock price volatility	54.78%	The higher the volatility, the lower the fair value

	Fair value at June 30, 2025		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	$	1,544	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Financial assets at fair value through profit or loss -call options of convertible bonds		-	Binary tree convertible evaluation model	Stock price volatility	43.32%	The higher the volatility, the lower the fair value
Unlisted shares		2,156	Market comparable companies	Discount for lack of marketability	45%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares		48,562	Recent transaction price	None	None	None

I. The Group has carefully assessed the valuation models and assumptions used in measuring fair value. However, the use of different valuation models or assumptions may result in different fair value measurements. The following table sets out the potential impact on profit or loss and other comprehensive income from financial assets classified as Level 3, arising from reasonably possible changes in significant unobservable inputs used in the valuation models:

			June 30, 2026			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets Equity instrument	Discount for lack of marketability	± 10%	$ 14	($ 14)	$ 1,369	($ 1,369)

	Input	Change	December 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets Equity instrument	Discount for lack of marketability	± 10%	$ 31	($ 31)	$ 704	($ 704)
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	± 2%	$ 400	$ -	$ -	$ -

	Input	Change	June 30, 2025			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets Equity instrument	Discount for lack of marketability	± 10%	$ 66	($ 66)	$ 176	($ 176)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 2.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 3.

F. Significant inter-company transactions during the reporting period: Please refer to table 4.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Chief Operating Decision-Maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment information

The revenue from external customers and the segment financial information reported to the operating decision-maker are both in agreement with the revenue and the financial information of the consolidated statements of comprehensive income, and they are measured in the same manner.

(3) Reconciliation for segment income (loss):

As the segment assets, liabilities and profit (loss) before tax reported by the Group to the operating decision-maker are in agreement with those in the consolidated balance sheets and consolidated statements of comprehensive income, thus reconciliation is not needed.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Holding of marketable securities at the end of the period

June 30, 2026

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Name and category of marketable securities	Relationship with the securities issuer	Financial Statement Account	As at June 30, 2026				Footnote
				Number of shares	Book value (Note 1)	Ownership (%)	Fair value (Note 1)	
Charng Feng Investment Ltd.	Powerchip Semiconductor Manufacturing Corporation	None	Financial assets at fair value through profit or loss	100,426	8,004	0.00	8,004	
Charng Feng Investment Ltd.	StorArt Technology Co. Ltd, common stock	None	Financial assets at fair value through other comprehensive income	1,000,000	31,938	1.95	31,938	
Jie Young Investment Ltd.	Elite Semiconductor Microelectronics Technology Inc. stock	Parent Company	Financial assets at fair value through other comprehensive income	13,650,000	3,084,900	4.58	3,084,900	

Note 1: Valuation adjustments of financial assets included.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable(payable)		
Purchase/seller	Counterparty	Relationship with the counterparty	Purchase (sales)	Amount	Percentage of total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	Ultimate parent company	Sales	$ 631,769	2.98%	Monthly payment in 30 days	$ -	-	$ 368,998	7.91%	

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
June 30, 2026

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2026	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	Ultimate parent company	$ 368,998	6.54	$ -	-	$ 149,870	$ -

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the six-month period ended June 30, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction				
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	(2)	Sales	$	631,769	Note 4	2.98%
1	CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	(2)	Accounts receivable		368,998	Note 4	1.23%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.
Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.
Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.
Note 4: The transaction terms are decided by the mutual party through negotiation.
Note 5: The disclosure requirement for the above disclosed amount is 1% of the consolidated total assets for balance sheet accounts and 1% of the consolidated total revenue for income statement accounts.
Note 6: The transaction between parent company to subsidiary and subsidiaries were eliminated when preparing consolidated financial statements.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investees (exclude investees in Mainland China)

For the six-month period ended June 30, 2026

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note): Balance as at June 30, 2026	Initial investment amount (Note): Balance as at December 31, 2025	Shares held as at June 30, 2026: Number of shares	Shares held as at June 30, 2026: Ownership (%)	Shares held as at June 30, 2026: Book value	Net profit (loss) of the investee for the six-month period ended June 30, 2026	Share of profit (loss) of investees for the six-month period ended June 30, 2026	Footnote
Elite Semiconductor Microelectronics Technology Inc.	Elite Semiconductor Memory Technology Inc.	Taiwan	Research and development, production, sales and related consulting services of integrated circuits	$ 272	$ 272	100,000	100	$ 15,805	($ 2,240)	($ 2,240)	
Elite Semiconductor Microelectronics Technology Inc.	Charng Feng Investment Ltd.	Taiwan	Investment activities	500,000	500,000	50,000,000	100	583,074	4,617	4,617	
Elite Semiconductor Microelectronics Technology Inc.	Elite Investment Services Ltd.	British Virgin Islands	Investment activities	31,850	31,850	1	100	59,952	2,138	2,138	
Elite Semiconductor Microelectronics Technology Inc.	Jie Young Investment Ltd.	Taiwan	Investment activities	270,000	270,000	3,600,000	41.86	176,163	8,969	(1,960)	
Elite Semiconductor Microelectronics Technology Inc.	Eon Silicon Solutions, Inc. USA	U.S.A.	Product design, development and testing	13,304	13,304	200,000	100	214	1,527	1,527	
Charng Feng Investment Ltd.	Elite Memory Technology Inc.	Taiwan	Product design, wholesale and retail of electronic materials, manufacturing of electronic components, information software services and international trade	180,174	180,174	10,000,000	100	21,797	(5,158)	(5,158)	
Charng Feng Investment Ltd.	Canyon Semiconductor Inc.	Taiwan	International trade, manufacturing of electronic components, product design and information software services	128,287	128,287	8,350,000	36.50	144,278	3,034	1,107	
Charng Feng Investment Ltd.	Elite Innovation Japan Ltd.	Japan	Product design, wholesale and retail of electronic materials, manufacturing of electronic components, information software services and international trade	2,361	2,361	200	100	2,488	22	22	
Charng Feng Investment Ltd.	CHI Microelectronics Limited	Hong Kong	General trading	812	812	20,000	100	4,050	91	91	
Charng Feng Investment Ltd.	Genion Innovation Ltd.	Taiwan	Investment activities	715	-	48,000	48	707	(18)	(9)	
Genion Innovation Ltd.	Sincere Feng Investment Ltd.	Taiwan	Investment activities	1,000	-	10,000	1.4	1,001	71	1	

Note : The foreign investment amount was translated at the exchange rate as at June 30, 2026.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investments in Mainland China

For the six-month period ended June 30, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in Capital (Note 4)	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2026	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2026: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six-month period ended June 30, 2026: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2026	Net income (loss) of investee for the six-month period ended June 30, 2026	Ownership held by the Company (direct or indirect)	Share of profit (loss) of investees for the six-month period ended June 30, 2026 (Note 2)	Book value of investment in Mainland China as at June 30, 2026	Accumulated amount of investment income remitted back to Taiwan as at June 30, 2026	Footnote
Elite Semiconductor Microelectronics Technology (shenzhen) Inc.	Trading of goods, provision of technical services, development and sale of networking, storage, and peripheral products, integrated circuit consulting services, and after-sales services.	$ 96,808	(1)	$ 96,808	$ -	$ -	$ 96,808	$ 800	100%	$ 800	$ 100,310	$ -	Note 5
Elite Semiconductor Microelectronics (Shanghai) Technology Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	6,370	(1)	6,370	-	-	6,370	2,989	100%	2,989	14,942	-	Note 6
Elite Semiconductor Microelectronics Technology (Xian) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	2,345	(3)	-	-	-	-	211	100%	211	1,991	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)(Note 6)	Ceiling of investments in Mainland China imposed by the Investment Commission of MOEA
Charng Feng Investment Ltd.	$ 103,178	$ 103,178	$ 349,844

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: Investment income (loss) was recognised based on financial statements prepared by each company which were not reviewed by independent auditors.

Note 3: The amount of the statement should show as New Taiwan dollars.

Note 4: Paid-in capital and investment amount translated at the exchange rate as at June 30, 2026.

Note 5: The Company's subsidiary, Charng Feng Investment Ltd., obtained the revised investment amount of USD 39,485.42, USD 2,500,000, and USD 500,000 approved by the Investment Commission, MOEA on February 6, 2020, July 10, 2020 and November 30, 2021, respectively.

Note 6: The Company's subsidiary, Charng Feng Investment Ltd., obtained the investment amount of USD 200,000 approved by the Investment Commission of MOEA on May 20, 2020.