

**ELITE SEMICONDUCTOR  
MICROELECTRONICS TECHNOLOGY INC.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2025 AND 2024**

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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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three- 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\$958,871 thousand and NT\$1,075,081 thousand, constituting 5.47% and 6.05% of the consolidated total assets as at March 31, 2025 and 2024, respectively, and total liabilities of these subsidiaries amounted to NT\$255,255 thousand and NT\$235,438 thousand, constituting 3.35% and 2.93% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and the total comprehensive (loss) income (including share of profit/loss and other comprehensive income/loss of associates and joint ventures accounted for using equity method) amounted to (NT\$16,066) thousand and (NT\$34,487) thousand, constituting 19.60% and 67.45% of the consolidated total comprehensive (loss) income for the three-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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-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.

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Shu-Chien Pai

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Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

April 29, 2025

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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**  
**MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Assets		Notes	March 31, 2025		December 31, 2024		March 31, 2024		
			AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets									
1100	Cash and cash equivalents	6(1)	\$ 4,078,479	23	\$ 4,485,019	25	\$ 4,240,227	24	
1110	Financial assets at fair value	6(2)							
	through profit or loss - current		2,604	-	2,644	-	155,077	1	
1136	Financial assets at amortised								
	cost - current		-	-	-	-	33,697	-	
1150	Notes receivable, net		44	-	127	-	202	-	
1170	Accounts receivable, net	6(4)	1,462,635	8	1,432,658	8	1,414,406	8	
1200	Other receivables		96,137	1	98,174	1	106,326	1	
1220	Current income tax assets		25,630	-	23,402	-	236,863	1	
130X	Inventories	6(5)	8,339,932	48	7,936,970	45	6,653,460	37	
1410	Prepayments		898,825	5	902,879	5	379,016	2	
1470	Other current assets		714	-	263	-	538	-	
11XX	Total current assets		14,905,000	85	14,882,136	84	13,219,812	74	
Non-current assets									
1517	Financial assets at fair value	6(3)							
	through other comprehensive								
	income - non-current		58,788	-	67,742	-	21,060	-	
1550	Investments accounted for	6(6)							
	using equity method		154,415	1	144,615	1	138,077	1	
1600	Property, plant and equipment	6(7) and 8	1,813,002	10	1,834,088	10	1,907,101	11	
1755	Right-of-use assets	6(8)	102,836	1	108,141	1	83,409	-	
1760	Investment property, net	6(9)	13,579	-	13,822	-	14,549	-	
1780	Intangible assets	6(10)	120,918	1	162,049	1	104,164	1	
1840	Deferred income tax assets		123,734	1	123,032	1	268,415	2	
1900	Other non-current assets	6(11) and 8	249,585	1	336,040	2	2,006,574	11	
15XX	Total non-current assets		2,636,857	15	2,789,529	16	4,543,349	26	
1XXX	Total assets		\$ 17,541,857	100	\$ 17,671,665	100	\$ 17,763,161	100	

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**ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(12)	\$ 1,700,000	10	\$ 1,600,000	9	\$ 2,010,000	11
2110	Short-term notes and bills payable		99,948	1	-	-	-	-
2130	Contract liabilities - current	6(20)	15,737	-	16,354	-	37,856	-
2150	Notes payable		-	-	-	-	2,178	-
2170	Accounts payable		2,315,776	13	2,385,536	14	2,549,019	15
2200	Other payables	6(14)	925,766	5	772,953	5	831,634	5
2230	Current income tax liabilities		2,469	-	2,326	-	3,375	-
2250	Provisions for liabilities - current		-	-	-	-	556,000	3
2280	Lease liabilities - current		24,452	-	23,257	-	17,108	-
2320	Long-term liabilities, current portion	6(15)	244,604	1	231,200	1	-	-
2399	Other current liabilities, others		9,902	-	10,017	-	8,197	-
21XX	<b>Total current liabilities</b>		<u>5,338,654</u>	<u>30</u>	<u>5,041,643</u>	<u>29</u>	<u>6,015,367</u>	<u>34</u>
	<b>Non-current liabilities</b>							
2530	Bonds payable	6(13)	967,677	6	962,721	5	947,736	5
2540	Long-term borrowings	6(15)	978,496	6	1,049,700	6	643,400	4
2550	Provisions for liabilities - non-current		23,245	-	21,781	-	21,236	-
2570	Deferred income tax liabilities		26,795	-	28,022	-	66,275	-
2580	Lease liabilities - non-current		79,747	-	87,085	1	67,182	-
2600	Other non-current liabilities		194,526	1	193,236	1	269,394	2
25XX	<b>Total non-current liabilities</b>		<u>2,270,486</u>	<u>13</u>	<u>2,342,545</u>	<u>13</u>	<u>2,015,223</u>	<u>11</u>
2XXX	<b>Total Liabilities</b>		<u>7,609,140</u>	<u>43</u>	<u>7,384,188</u>	<u>42</u>	<u>8,030,590</u>	<u>45</u>
	<b>Equity attributable to owners of parent</b>							
	Share capital	6(17)						
3110	Common stock		2,861,722	16	2,861,722	16	2,861,722	16
	Capital surplus	6(18)						
3200	Capital surplus		509,813	3	503,985	3	497,697	3
	Retained earnings	6(19)						
3310	Legal reserve		2,118,375	12	2,118,375	12	2,118,375	12
3320	Special reserve		36,380	-	36,380	-	46,310	-
3350	Unappropriated retained earnings		4,671,094	27	5,033,456	29	4,459,254	25
	Other equity interest							
3400	Other equity interest		( 33,574)	-	( 27,776)	-	( 28,798)	-
3500	Treasury shares	6(17)	( 140,061)	( 1)	( 140,061)	( 1)	( 140,320)	( 1)
31XX	<b>Total equity attributable to owners of the parent</b>		<u>10,023,749</u>	<u>57</u>	<u>10,386,081</u>	<u>59</u>	<u>9,814,240</u>	<u>55</u>
36XX	<b>Non-controlling interests</b>		<u>( 91,032)</u>	<u>-</u>	<u>( 98,604)</u>	<u>( 1)</u>	<u>( 81,669)</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>9,932,717</u>	<u>57</u>	<u>10,287,477</u>	<u>58</u>	<u>9,732,571</u>	<u>55</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 17,541,857</u>	<u>100</u>	<u>\$ 17,671,665</u>	<u>100</u>	<u>\$ 17,763,161</u>	<u>100</u>

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 PERIODS ENDED MARCH 31, 2025 AND 2024**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR LOSSES PER SHARE)

			Three months ended March 31			
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20)		\$ 2,902,935	100	\$ 3,337,962	100
5000 Operating costs	6(5)(25)(26)	(	2,559,836)	( 88)	( 3,146,551)	( 94)
5950 Gross profit			343,099	12	191,411	6
Operating expenses	6(25)(26)					
6100 Selling expenses		(	71,924)	( 3)	( 64,951)	( 2)
6200 General and administrative expenses		(	60,760)	( 2)	( 53,221)	( 2)
6300 Research and development expenses		(	366,301)	( 13)	( 344,494)	( 10)
6000 Total operating expenses		(	498,985)	( 18)	( 462,666)	( 14)
6900 Operating loss		(	155,886)	( 6)	( 271,255)	( 8)
Non-operating income and expenses						
7100 Interest income	6(21)		27,123	1	42,117	1
7010 Other income	6(22)		6,103	-	4,389	-
7020 Other gains and losses	6(23)		54,953	2	183,294	6
7050 Finance costs	6(24)	(	19,181)	-	( 19,305)	( 1)
7060 Share of profit of associates and joint ventures accounted for using equity method	6(6)		9,414	-	3,485	-
7000 Total non-operating income and expenses			78,412	3	213,980	6
7900 <b>Loss before income tax</b>		(	77,474)	( 3)	( 57,275)	( 2)
7950 Income tax benefit (expense)	6(27)		1,298	-	1,440	-
8200 <b>Loss for the period</b>		(\$	76,176)	( 3)	(\$ 58,715)	( 2)
<b>Components of other comprehensive income (loss)-net</b>						
<b>Other comprehensive income (loss) components that will not be reclassified to profit or loss</b>						
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$	8,954)	-	(\$ 1,860)	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		(	8,954)	-	( 1,860)	-
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8361 Financial statements translation differences of foreign operation			3,156	-	9,442	-
8360 Components of other comprehensive income that will be reclassified to profit or loss			3,156	-	9,442	-
8300 <b>Other comprehensive (loss) income for the period-net</b>		(\$	5,798)	-	\$ 7,582	-
8500 <b>Total comprehensive loss for the period</b>		(\$	81,974)	( 3)	(\$ 51,133)	( 2)
Profit (loss) attributable to:						
8610 Owners of the parent		(\$	76,190)	( 3)	(\$ 57,959)	( 2)
8620 Non-controlling interest		\$	14	-	(\$ 756)	-
Total comprehensive income (loss) attributable to:						
8710 Owners of the parent		(\$	81,988)	( 3)	(\$ 50,377)	( 2)
8720 Non-controlling interest		\$	14	-	(\$ 756)	-
Losses per share (in dollars)	6(28)					
9750 Basic losses per share		(\$	0.27)		(\$ 0.21)	
9850 Diluted losses per share		(\$	0.27)		(\$ 0.21)	

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 THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent												

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 THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Three-month periods ended March 31,	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(\$ 77,474 )	(\$ 57,275 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(9)(25)	96,764	121,792
Amortisation	6(10)(25)	42,386	36,885
Net loss on financial assets at fair value through profit or loss	6(2)(23)	40	8,632
Interest expense	6(24)	19,181	19,305
Interest income	6(21)	( 27,123 )	( 42,117 )
Share of profit of associates and joint ventures accounted for using equity method	6(6)	( 9,414 )	( 3,485 )
Gains on lease modifications	6(8)(23)	( 907 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit and loss		-	4,930
Notes receivable		83	( 202 )
Accounts receivable		( 29,977 )	( 209,885 )
Other receivables		5,850	( 7,018 )
Inventories		( 402,962 )	232,177
Prepayments		3,739	20,651
Other current assets		( 451 )	2,324
Other non-current assets		147,283	10,392
Changes in operating liabilities			
Contract liabilities		( 617 )	33,191
Accounts payable		( 69,760 )	266,529
Other payables		( 34,682 )	( 76,913 )
Provisions for liabilities		1,205	22,501
Other current liabilities		( 115 )	( 821 )
Other non-current liabilities		32	( 1,096 )
Cash (outflow) inflow generated from operations		( 336,919 )	380,497
Interest received		23,310	50,373
Interest paid		( 13,349 )	( 15,162 )
Income taxes paid		( 2,716 )	( 4,275 )
Net cash flows (used in) from operating activities		( 329,674 )	411,433

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ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Three-month periods ended March 31,	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		\$ -	(\$ 34,929 )
Proceeds from disposal of financial assets at amortised cost		-	33,023
Acquisition of property, plant and equipment	6(29)	( 125,408 )	( 53,666 )
Acquisition of intangible assets	6(10)(29)	( 88,463 )	( 23,810 )
Increase in refundable deposits		( 1,505 )	( 40,638 )
Net cash flows used in investing activities		( 215,376 )	( 120,020 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(29)	100,000	( 610,000 )
Increase in short-term notes and bills payable	6(29)	99,541	-
Decrease in long-term borrowings	6(29)	( 57,800 )	-
Increase in guarantee deposits received	6(29)	1,258	60
Payments of lease liabilities	6(29)	( 7,222 )	( 4,251 )
Proceeds from sale of treasury shares		-	35,660
Expired cash dividends	6(18)	-	79
Net cash flows from (used in) financing activities		135,777	( 578,452 )
Effects of exchange rate changes		2,733	6,952
Net decrease in cash and cash equivalents		( 406,540 )	( 280,087 )
Cash and cash equivalents at beginning of period	6(1)	4,485,019	4,520,314
Cash and cash equivalents at end of period	6(1)	\$ 4,078,479	\$ 4,240,227

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 THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE  
INDICATED)  
(REVIEW, NOT AUDITED)

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 herein as “the Group”) are engaged in the research, development, production, manufacturing, and sales of dynamic and static random access memory, flash memory, analog integrated circuit, analog and digital mixed integrated circuit. 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 April 29, 2025.

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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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 2025 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

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

(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 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
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 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
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

##### (1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the 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, 2024.

##### (2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial assets (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, 2024.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Elite Semiconductor Microelectronics Technology Inc.	Elite Semiconductor Memory Technology Inc.	Research and development, production, sales and related consulting services of integrated circuit	100	100	100	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Elite Semiconductor Microelectronics Technology Inc.	Charng Feng Investment Ltd.	General investment	100	100	100	Note 3
Elite Semiconductor Microelectronics Technology Inc.	Jie Yong Investment Ltd.	General investment	41.86	41.86	41.86	Notes 1 and 3
Elite Semiconductor Microelectronics Technology Inc.	Elite Investment Services Ltd.	General investment	100	100	100	Note 4
Elite Semiconductor Microelectronics Technology Inc.	Eon Silicon Solutions, Inc. USA	Product design, development and test	100	100	100	Note 3
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 3
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 3
Charng Feng Investment Ltd.	Elite Semiconductor Microelectronics Technology (shenzhen) Inc.	Trading of goods or technical services, development and sales products of networking system , storage and peripherals, technical consulting services of integrated circuit, and after-sales service	100	100	100	Note 3
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 3
Charng Feng Investment Ltd.	CHI Microelectronics Limited	General trading	100	100	100	Note 3
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	-	Notes 2 and 4

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

Note 2: The Company's subsidiary, Elite Semiconductor Microelectronics Technology (Xian) Inc, completed the registration of incorporation on September 29, 2024.

Note 3: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at March 31, 2025 and 2024 were not reviewed by independent auditors.

Note 4: As the subsidiaries do not meet the definition of significant subsidiaries, their financial statements as at March 31, 2025 was not reviewed by independent auditors.

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

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

E. Significant restrictions: None.

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

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, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 160	\$ 158	\$ 137
Checking accounts and demand deposits	1,801,830	2,463,171	1,649,790
Time deposits	2,276,489	2,021,690	2,590,300
	<u>\$ 4,078,479</u>	<u>\$ 4,485,019</u>	<u>\$ 4,240,227</u>

A. 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.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 1,255	\$ 1,255	\$ 20,367
Emerging stocks	-	-	30,552
Unlisted stocks	8,113	8,113	8,113
Beneficiary certificates	-	-	76,393
Call options of convertible bonds	1,300	1,300	1,300
Subtotal	10,668	10,668	136,725
Valuation adjustment	( 8,064)	( 8,024)	18,352
Total	\$ 2,604	\$ 2,644	\$ 155,077

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 March 31,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 60	(\$ 10,168)
Beneficiary certificates	-	2,236
Call options of convertible bonds	( 100)	( 700)
Total	(\$ 40)	(\$ 8,632)

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	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Equity instruments			
Unlisted stocks	\$ 107,862	\$ 107,862	\$ 59,300
Valuation adjustment	( 49,074)	( 40,120)	( 38,240)
	\$ 58,788	\$ 67,742	\$ 21,060

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. The fair value of such investments amounted to \$58,788, \$67,742 and \$21,060 as at March 31, 2025, December



31, 2024 and March 31, 2024, respectively.

- B. The amounts of fair value changes recognised in other comprehensive income for the equity instruments measure at fair value through other comprehensive income amounted to (\$8,954) and (\$1,860), respectively.

(4) Accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable - general customers	\$ 1,462,635	\$ 1,432,658	\$ 1,414,406
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 1,462,635</u>	<u>\$ 1,432,658</u>	<u>\$ 1,414,406</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Not past due	\$ 1,462,635	\$ 1,432,658	\$ 1,414,322
Up to 30 days	-	-	84
31 to 90 days	-	-	-
91 to 180 days	-	-	-
Over 181 days	-	-	-
	<u>\$ 1,462,635</u>	<u>\$ 1,432,658</u>	<u>\$ 1,414,406</u>

The above aging analysis is based on past due date.

- B. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$1,462,635, \$1,432,658 and \$1,414,406, respectively.
- C. Information relating to credit risk of accounts receivable is provided in Note 12(2).
- D. As at March 31, 2025, December 31, 2024 and March 31, 2024, accounts receivable were all from contracts with customers. As at January 1, 2024, the balance of receivables from contracts with customers amounted to \$1,204,521.
- E. The Group has no accounts receivable pledged to others.

(5) Inventories

March 31, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 629,310	(\$ 1,008)	\$ 628,302
Work in process	6,321,565	( 86,711)	6,234,854
Finished goods	1,578,921	( 134,235)	1,444,686
Inventory in transit	32,090	-	32,090
	<u>\$ 8,561,886</u>	<u>(\$ 221,954)</u>	<u>\$ 8,339,932</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 520,685	(\$ 1,680)	\$ 519,005
Work in process	6,044,838	( 91,369)	5,953,469
Finished goods	1,582,448	( 126,794)	1,455,654
Inventory in transit	8,842	-	8,842
	<u>\$ 8,156,813</u>	<u>(\$ 219,843)</u>	<u>\$ 7,936,970</u>
March 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 114,090	(\$ 2,244)	\$ 111,846
Work in process	5,753,904	( 196,496)	5,557,408
Finished goods	1,127,203	( 160,142)	967,061
Inventory in transit	17,145	-	17,145
	<u>\$ 7,012,342</u>	<u>(\$ 358,882)</u>	<u>\$ 6,653,460</u>

The cost of inventories recognised as expense for the periods:

	Three-month periods ended March 31,	
	2025	2024
Cost of goods sold	\$ 2,557,725	\$ 3,253,857
Gain (loss) on reversal of decline in value	2,111 (	107,306)
	<u>\$ 2,559,836</u>	<u>\$ 3,146,551</u>

Due to the market recovery and the disposal of inventories previously written down, the Group recognised reversal gains of inventory valuation losses for the three-month periods ended March 31, 2024.

(6) Investments accounted for using equity method

	2025	2024
At January 1	\$ 144,615	\$ 135,110
Share of profit or loss of investments accounted for using equity method	9,414	3,485
Changes in capital surplus	386	( 518)
At March 31	<u>\$ 154,415</u>	<u>\$ 138,077</u>

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	<u>\$ 154,415</u>	<u>\$ 144,615</u>	<u>\$ 138,077</u>

(7) Property, plant and equipment

	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)
	<u>\$ 562,898</u>	<u>\$ 568,922</u>	<u>\$ 219,358</u>	<u>\$ 221,436</u>	<u>\$ 261,474</u>	<u>\$ 1,834,088</u>
<u>2025</u>						
At January 1	\$ 562,898	\$ 568,922	\$ 219,358	\$ 221,436	\$ 261,474	\$ 1,834,088
Additions	-	6,741	-	540	55,877	63,158
Transfers (Note)	-	-	-	3,029	1,534	4,563
Depreciation charge	-	( 9,157)	( 13,187)	( 12,807)	( 54,959)	( 90,110)
Net exchange difference	-	1,203	1	-	99	1,303
At March 31	<u>\$ 562,898</u>	<u>\$ 567,709</u>	<u>\$ 206,172</u>	<u>\$ 212,198</u>	<u>\$ 264,025</u>	<u>\$ 1,813,002</u>
At March 31, 2025						
Cost	\$ 562,898	\$ 1,084,400	\$ 459,887	\$ 402,644	\$ 943,677	\$ 3,453,506
Accumulated depreciation and impairment	-	( 516,691)	( 253,715)	( 190,446)	( 679,652)	( 1,640,504)
	<u>\$ 562,898</u>	<u>\$ 567,709</u>	<u>\$ 206,172</u>	<u>\$ 212,198</u>	<u>\$ 264,025</u>	<u>\$ 1,813,002</u>

	Land	Buildings and structures	Machinery equipment	Test equipment	Others	Total
At January 1, 2024						
Cost	\$ 562,898	\$ 1,088,733	\$ 499,738	\$ 530,147	\$2,565,560	\$ 5,247,076
Accumulated depreciation and impairment	-	( 521,118)	( 246,988)	( 270,224)	( 2,251,669)	( 3,289,999)
	<u>\$ 562,898</u>	<u>\$ 567,615</u>	<u>\$ 252,750</u>	<u>\$ 259,923</u>	<u>\$ 313,891</u>	<u>\$ 1,957,077</u>
<u>2024</u>						
At January 1	\$ 562,898	\$ 567,615	\$ 252,750	\$ 259,923	\$ 313,891	\$ 1,957,077
Additions	-	-	-	505	57,539	58,044
Transfers (Note)	-	-	-	-	7,975	7,975
Depreciation charge	-	( 11,047)	( 14,648)	( 13,080)	( 78,382)	( 117,157)
Net exchange difference	-	1,055	2	-	105	1,162
At March 31	<u>\$ 562,898</u>	<u>\$ 557,623</u>	<u>\$ 238,104</u>	<u>\$ 247,348</u>	<u>\$ 301,128</u>	<u>\$ 1,907,101</u>
At March 31, 2024						
Cost	\$ 562,898	\$ 1,034,421	\$ 438,070	\$ 386,919	\$ 731,580	\$ 3,153,888
Accumulated depreciation and impairment	-	( 476,798)	( 199,966)	( 139,571)	( 430,452)	( 1,246,787)
	<u>\$ 562,898</u>	<u>\$ 557,623</u>	<u>\$ 238,104</u>	<u>\$ 247,348</u>	<u>\$ 301,128</u>	<u>\$ 1,907,101</u>

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

- A. For the three-month periods ended March 31, 2025 and 2024, 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 of business vehicles and staff dormitory.
- B. The carrying amount of right-of-use assets and depreciation charge are as follows:

	Carrying amount		
	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$ 47,356	\$ 50,763	\$ 53,444
Buildings and structures	51,051	55,504	25,297
Business vehicles	3,101	356	2,953
Printers	1,328	1,518	1,715
	<u>\$ 102,836</u>	<u>\$ 108,141</u>	<u>\$ 83,409</u>

	Depreciation charge	
	Three-month periods ended March 31,	
	2025	2024
Land	\$ 849	\$ 894
Buildings and structures	4,868	2,299
Business vehicles	504	1,044
Printers	190	156
	<u>\$ 6,411</u>	<u>\$ 4,393</u>

C. For the three-month periods ended March 31, 2025 and 2024, the additions to right-of-use assets were \$3,249 and \$11,284, respectively.

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

	Three-month periods ended March 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 390	\$ 271
Expense on short-term lease contracts	<u>\$ 665</u>	<u>\$ 569</u>
Gains on lease modifications	<u>\$ 907</u>	<u>\$ -</u>

E. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$8,277 and \$5,091, respectively.

(9) Investment property

	2025	2024
<u>At January 1</u>		
Cost	\$ 20,369	\$ 20,369
Accumulated depreciation and impairment	( 6,547)	( 5,578)
	<u>\$ 13,822</u>	<u>\$ 14,791</u>
 At January 1	 \$ 13,822	 \$ 14,791
Depreciation charge	( 243)	( 242)
At March 31	<u>\$ 13,579</u>	<u>\$ 14,549</u>
 <u>At March 31</u>		
Cost	\$ 20,369	\$ 20,369
Accumulated depreciation and impairment	( 6,790)	( 5,820)
	<u>\$ 13,579</u>	<u>\$ 14,549</u>

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

	Three-month periods ended March 31,	
	2025	2024
Rental income from investment property	\$ 673	\$ 641
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 243	\$ 242

- B. The fair value of the investment property held by the Group as at March 31, 2025, December 31, 2024 and March 31, 2024 was \$12,644, \$11,991 and \$8,967, respectively, which was valued by income approach. Key assumptions are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Rate of net return on capital (Note)	8.25%	9.87%	16.42%

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

- C. For the three-month periods ended March 31, 2025 and 2024, 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
<u>At January 1, 2025</u>	
Cost	\$ 850,910
Accumulated amortisation and impairment	( 688,861)
	<u>\$ 162,049</u>
<u>2025</u>	
At January 1	\$ 162,049
Additions	1,255
Amortisation charge	( 42,386)
At March 31	<u>\$ 120,918</u>
<u>At March 31, 2025</u>	
Cost	\$ 852,188
Accumulated amortisation and impairment	( 731,270)
	<u>\$ 120,918</u>

	Patents and professional technology	Customer relationship	Goodwill	Computer software	Total
<u>At January 1, 2024</u>					
Cost	\$ 34,478	\$ 11,000	\$ 80,758	\$ 872,261	\$ 998,497
Accumulated amortisation and impairment	( 34,478)	( 11,000)	( 80,758)	( 755,006)	( 881,242)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,255</u>	<u>\$ 117,255</u>
<u>2024</u>					
At January 1	\$ -	\$ -	\$ -	\$ 117,255	\$ 117,255
Additions	-	-	-	23,810	23,810
Amortisation charge	-	-	-	( 36,885)	( 36,885)
Net exchange differences	-	-	-	( 16)	( 16)
At March 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,164</u>	<u>\$ 104,164</u>
<u>March 31, 2024</u>					
Cost	\$ 34,478	\$ 11,000	\$ 80,758	\$ 676,447	\$ 802,683
Accumulated amortisation and impairment	( 34,478)	( 11,000)	( 80,758)	( 572,283)	( 698,519)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,164</u>	<u>\$ 104,164</u>

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

	Three-month periods ended March 31,	
	2025	2024
Operating costs	\$ 8	\$ 8
Selling expenses	-	39
General and administrative expenses	1,138	900
Research and development expenses	41,240	35,938
	<u>\$ 42,386</u>	<u>\$ 36,885</u>

B. For the three-month periods ended March 31, 2025 and 2024, 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

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments for equipment and construction costs	\$ 234,947	\$ 175,624	\$ 56,886
Refundable deposits (Note)	10,669	9,164	968,782
Pledged time deposits	3,969	3,969	3,969
Prepayments for purchases	-	147,283	976,937
	<u>\$ 249,585</u>	<u>\$ 336,040</u>	<u>\$ 2,006,574</u>

Note : A portion of refundable deposits as at March 31, 2024 of the Group is a capacity reservation agreement with the supplier. According to the agreement, the Group promises to purchase wafer production capacity within the agreed period and quantities after the Group has paid the guaranty fund in advance, the supplier will then provide the agreed production capacity to the Group. If the Group's actual purchased quantities

does not meet the agreed requirements, the prepaid guaranty fund will be forfeited based on the agreement, and the agreement cannot be terminated. In response to the recent fluctuations in the overall market economic environment affecting market demand, the Group made provision for onerous contracts liabilities (shown as “provisions for liabilities”). As at December 31, 2024, the Group’s actual purchased quantities had met the agreed requirements, and the prepaid deposits had been fully recovered.

(12) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 1,700,000	1.849%~1.910%	None
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 1,600,000	1.8951%~1.95%	None
Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 2,010,000	1.65%~1.83%	None

(13) Bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Convertible bonds payable	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Less: Conversion of convertible bonds	( 100)	( 100)	( 100)
Less: Discount on bonds payable	( 32,223)	( 37,179)	( 52,164)
	\$ 967,677	\$ 962,721	\$ 947,736

A. The issuance of domestic convertible bonds:

- (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%, covering a 3-year period of issuance and a circulation period from October 27, 2023 to October 27, 2026. The convertible bonds will be 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 ask for conversion of the bonds into common shares of the Company during the period from three months after the bonds 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 common shares.



- iii. The conversion price of the convertible bonds was set at NT\$85.6 (in 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) common shares.
  - (ii) The conversion price should 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 common 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 common 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) As at March 31, 2025, the Company's first domestic unsecured convertible bonds with a face value of \$100 were converted into 1 thousand ordinary shares. The Company's Board of Director resolved on May 30, 2024 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\$85.6 to NT\$85.1 starting from ex-dividend date (July 10, 2024).
- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$210,801 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 contracts.

(14) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Accrued salaries and bonuses	\$ 506,834	\$ 517,959	\$ 542,513
Cash dividends payables	273,172	-	171,703
Payables on equipment	52,827	138,399	36,688
Accrued employees' compensation and directors' remuneration	11,010	10,875	265
Others	81,923	105,720	80,465
	<u>\$ 925,766</u>	<u>\$ 772,953</u>	<u>\$ 831,634</u>

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 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	579,700
				<u>1,223,100</u>
Less: Current portion				( 244,604)
				<u>\$ 978,496</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	Note 1	1.675%~1.800%	Land, buildings and structures	\$ 643,400
Unsecured borrowings	Notes 2 and 3	2.008%~2.036%	None	637,500
				<u>1,280,900</u>
Less: Current portion				( 231,200)
				<u>\$ 1,049,700</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2024
Long-term bank borrowings				
Secured borrowings	Note 1	1.675%~1.800%	Land, buildings and structures	\$ 643,400
Less: Current portion				-
				<u>\$ 643,400</u>

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 March 31, 2025, 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 \$70 and \$71 for the three-month periods ended March 31, 2025 and 2024, respectively.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's subsidiaries, Eon Silicon Solutions, Inc. USA has established a 401(K) pension plan in accordance with Section 401(K) of the Internal Revenue Code (IRC) of the U.S. Local employees may raise a certain amount of salary to the employee's individual pension account each month within the upper limit; while the Company's subsidiary may provide a matching contribution to the above account based on its policies of rewarding or comforting employees.
- (c) The Company's mainland China subsidiaries, Elite Semiconductor Microelectronics Technology (shenzhen) Inc., Elite Semiconductor Microelectronics (Shanghai) Technology Inc., and Elite Semiconductor Microelectronics Technology (Xian) Inc., have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees'

monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024 were \$12,630 and \$11,692, respectively.

(17) Share capital

A. As at March 31, 2025, 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 \$2,861,722 with a par value of \$10 (in dollars) per share.

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

	Unit : Thousands of shares	
	2025	2024
Outstanding ordinary shares at January 1	273,172	272,762
Disposal of parent company's share by a subsidiary recognised as treasury shares	-	385
Conversion of convertible bonds	-	1
Outstanding ordinary shares at March 31	273,172	273,148
Treasury stocks at the end of the period	13,000	13,024
Issued ordinary shares at March 31	286,172	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 March 31, 2025, December 31, 2024 and March 31, 2024, were 13,000 thousand shares, 13,000 thousand shares and 13,024 thousand shares with carrying amounts of \$334,596, \$334,596 and \$335,214, respectively; the average carry amount per share was \$25.74 (in dollars), and the fair values per share were \$55.9 (in dollars), \$62.0 (in dollars) and \$86.9 (in dollars), 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 common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	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
Adjustment of capital surplus due to cash dividends that subsidiaries received from parent	-	-	5,442	-	-	5,442
Change in equity of associates and joint ventures accounted for using equity method	-	-	386	-	-	386
At March 31	<u>\$ 23,574</u>	<u>\$ 61,834</u>	<u>\$ 209,403</u>	<u>\$ 210,801</u>	<u>\$ 4,201</u>	<u>\$ 509,813</u>

	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries and associates	Stock options	Others	Total
At January 1	\$ 23,470	\$ 50,290	\$ 198,570	\$ 210,822	\$ 4,122	\$ 487,274
Disposal of company's share by a subsidiary recognised as treasury share transaction	-	10,779	-	-	-	10,779
Change in equity of associates and joint ventures accounted for using equity method	-	-	( 518)	-	-	( 518)
Expired cash dividends transferred to capital surplus	-	-	-	-	79	79
Conversion of convertible bonds	104	-	-	( 21)	-	83
At March 31	<u>\$ 23,574</u>	<u>\$ 61,069</u>	<u>\$ 198,052</u>	<u>\$ 210,801</u>	<u>\$ 4,201</u>	<u>\$ 497,697</u>

(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:
- Payment of all taxes and dues.
  - Offset previous year's operating losses, if any.
  - 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 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:

	Three-month periods ended March 31,	
	2025	2024
As approved by the Board of Directors	February 26, 2025	February 27, 2024
Provision for legal reserve	\$ 50,631	\$ -
Provision for (Reversal of) special reserve	(\$ 8,603)	(\$ 9,930)
Cash dividends	\$ 286,172	\$ 171,703
Cash dividends per share (in dollars)	\$ 1.0	\$ 0.6

The Company's earnings distribution of 2024 is pending resolution at the shareholders' general meeting to be held on June 10, 2025.

Cash dividends per share may subsequently be affected by the number of outstanding shares, the final actual distributed amount per share will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Operating revenue

	Three-month periods ended March 31,	
	2025	2024
Revenue from contracts with customers	\$ 2,902,935	\$ 3,337,962

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

March 31, 2025	Domestic area	Asia	Others	Total
Integrated circuits	\$ 1,099,795	\$ 1,782,057	\$ 21,083	\$ 2,902,935

Three-month period ended

March 31, 2024	Domestic area	Asia	Others	Total
Integrated circuits	\$ 1,473,905	\$ 1,838,942	\$ 25,115	\$ 3,337,962

B. Contract liabilities

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

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Contract liabilities- advance sales receipts	\$ 15,737	\$ 16,354	\$ 37,856	\$ 4,665

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

	Three-month periods ended March 31,	
	2025	2024
Contract liabilities – advance sales receipts	\$ 13,034	\$ 3,274

(21) Interest income

	Three-month periods ended March 31,	
	2025	2024
Interest income from bank deposits	\$ 27,108	\$ 41,700
Interest income from financial assets at amortised cost	-	417
Other interest income	15	-
	\$ 27,123	\$ 42,117

(22) Other income

	Three-month periods ended March 31,	
	2025	2024
Rent income	\$ 1,429	\$ 1,384
Other income, others	4,674	3,005
	\$ 6,103	\$ 4,389

(23) Other gains and losses

	Three-month periods ended March 31,	
	2025	2024
Gains arising from lease modifications	\$ 907	\$ -
Foreign exchange gains	54,328	192,280
Losses on financial assets at fair value through profit or loss	( 40)	( 8,632)
Miscellaneous disbursements	( 242)	( 354)
	<u>\$ 54,953</u>	<u>\$ 183,294</u>

(24) Finance costs

	Three-month periods ended March 31,	
	2025	2024
Interest expense:		
Bank borrowings	\$ 13,569	\$ 13,938
Provisions for liabilities-amortisation of discount	259	181
Lease liabilities	390	271
Amortisation of discount on bonds payable	4,956	4,907
Total interest expense	<u>19,174</u>	<u>19,297</u>
Others	<u>7</u>	<u>8</u>
	<u>\$ 19,181</u>	<u>\$ 19,305</u>

(25) Expenses by nature

	Three-month periods ended March 31,	
	2025	2024
Employee benefit expenses	<u>\$ 353,763</u>	<u>\$ 318,861</u>
Depreciation charges on property, plant and equipment	<u>\$ 90,110</u>	<u>\$ 117,157</u>
Depreciation charges on right-of-use assets	<u>\$ 6,411</u>	<u>\$ 4,393</u>
Depreciation charges on investment property	<u>\$ 243</u>	<u>\$ 242</u>
Amortisation charges on intangible assets	<u>\$ 42,386</u>	<u>\$ 36,885</u>

(26) Employee benefit expenses

	Three-month periods ended March 31,	
	2025	2024
Wages and salaries	\$ 308,104	\$ 274,607
Labor and health insurance fees	22,264	22,794
Pension costs	12,700	11,763
Directors' remuneration	885	1,729
Other personnel expenses	9,810	7,968
	<u>\$ 353,763</u>	<u>\$ 318,861</u>



- A. According to the Company's Articles of Incorporation, the Company shall allocate employees' compensation and directors' remuneration not less than 1% and not more than 1% of annual profits during the period.
- B. Due to net losses for the three-month periods ended March 31, 2025 and 2024, the estimated compensation for employees and directors was \$0.
- C. The employees' compensation and directors' remuneration for 2024 amounting to \$5,391 and \$5,391, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2024 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 (benefit) expense

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

	Three-month periods ended March 31,	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 631	\$ 2,165
Deferred tax:		
Origination and reversal of temporary differences	( 1,929)	( 725)
Income tax (benefit) expense	(\$ 1,298)	\$ 1,440

(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) Losses per share

	Three-month period ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in dollars)
<u>Basic and diluted losses per share (note)</u>			
Loss attributable to ordinary shareholders of the parent company	(\$ 76,190)	280,730	(\$ 0.27)
	Three-month period ended March 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in dollars)
<u>Basic and diluted losses per share (note)</u>			
Loss attributable to ordinary shareholders of the parent company	(\$ 57,959)	280,634	(\$ 0.21)

Note: As the convertible bonds payable has anti-dilutive effect for the three-month periods ended March 31, 2025 and 2024, it is not included in the calculation of diluted losses per share.

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Three-month periods ended March 31,	
	2025	2024
Purchase of property, plant and equipment (including transferred amount)	\$ 67,721	\$ 66,019
Add: Ending balance of prepayment for equipment	234,947	56,886
Less: Opening balance of prepayment for equipment	( 175,624)	( 46,273)
Add: Opening balance of payable on equipment	51,191	13,722
Less: Ending balance of payable on equipment	( 52,827)	( 36,688)
Cash paid during the period	<u>\$ 125,408</u>	<u>\$ 53,666</u>
	Three-month periods ended March 31,	
	2025	2024
Purchase of intangible assets (including transferred amount)	\$ 1,255	\$ 23,810
Add: Opening balance of prepayment for equipment being transferred to intangible assets	87,208	-
Cash paid during the period	<u>\$ 88,463</u>	<u>\$ 23,810</u>

B. Financing activities with no cash flow effects:

	Three-month periods ended March 31,	
	2025	2024
Cash dividends	\$ 286,172	\$ 171,703
Less: Dividends on shares of the parent company held by the subsidiary should be eliminated	( 13,000)	-
Less: Cash dividends payable	( 273,172)	( 171,703)
	\$ -	\$ -

C. Changes in liabilities from financing activities:

	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings (including long-term borrowings due within one year)	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	100,000	99,541	-	( 57,800)	( 7,222)	1,258	135,777
Interest paid	-	-	-	-	( 390)	-	( 390)
Interest expense	-	407	4,956	-	390	-	5,753
Changes in other non-cash items	-	-	-	-	1,079	-	1,079
At March 31, 2025	<u>\$ 1,700,000</u>	<u>\$ 99,948</u>	<u>\$967,677</u>	<u>\$ 1,223,100</u>	<u>\$ 104,199</u>	<u>\$ 7,361</u>	<u>\$ 4,102,285</u>

	Short-term borrowings	Bonds payable	Long-term borrowings (including long-term borrowings due within one year)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	\$ 2,620,000	\$ 942,923	\$ 643,400	\$ 76,681	\$ 6,216	\$ 4,289,220
Changes in cash flow from financing activities	( 610,000)	-	-	( 4,251)	60	( 614,191)
Interest paid	-	-	-	( 271)	-	( 271)
Interest expense	-	4,907	-	271	-	5,178
Changes in other non-cash items	-	( 94)	-	11,860	-	11,766
At March 31, 2024	<u>\$ 2,010,000</u>	<u>\$ 947,736</u>	<u>\$ 643,400</u>	<u>\$ 84,290</u>	<u>\$ 6,276</u>	<u>\$ 3,691,702</u>

7. RELATED PARTY TRANSACTIONS

Key management compensation

	Three-month periods ended March 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 6,607	\$ 6,690
Post-employment benefits	159	135
Total	<u>\$ 6,766</u>	<u>\$ 6,825</u>

## 8. PLEDGED ASSETS

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

Assets item	Book value			Purposes
	March 31, 2025	December 31, 2024	March 31, 2024	
Land, buildings and structures	\$ 729,425	\$ 731,151	\$ 736,327	Long-term borrowings
Time deposits (shown as "other non-current assets")	3,969	3,969	3,969	Guarantee deposits for land leasing
	<u>\$ 733,394</u>	<u>\$ 735,120</u>	<u>\$ 740,296</u>	

## 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 current industry environment, future operating development, and changes in the external environment, the Group plans the future requirement of working capital, expenditure of research and development and dividends paid to shareholders to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders, to take care of the benefit of stakeholders, and to maintain an optimal capital structure, so as to promote the shareholders' value in the future.

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

The equity to assets ratios on March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total assets	\$ 17,541,857	\$ 17,671,665	\$ 17,763,161
Total liabilities	( 7,609,140)	( 7,384,188)	( 8,030,590)
Total equity	<u>\$ 9,932,717</u>	<u>\$ 10,287,477</u>	<u>\$ 9,732,571</u>
Equity to assets ratio	<u>57%</u>	<u>58%</u>	<u>55%</u>

## (2) Financial instruments

### A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>2,604</u>	\$ <u>2,644</u>	\$ <u>155,077</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ <u>58,788</u>	\$ <u>67,742</u>	\$ <u>21,060</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,078,479	\$ 4,485,019	\$ 4,240,227
Financial assets at amortised cost-current	-	-	33,697
Notes receivable	44	127	202
Accounts receivable	1,462,635	1,432,658	1,414,406
Other receivables	96,137	98,174	106,326
Time deposits (shown as "Other non-current assets")	3,969	3,969	3,969
Refundable deposits (shown as "Other non-current assets")	<u>10,669</u>	<u>9,164</u>	<u>968,782</u>
	\$ <u>5,651,933</u>	\$ <u>6,029,111</u>	\$ <u>6,767,609</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 1,700,000	\$ 1,600,000	\$ 2,010,000
Short-term notes and bills payable	99,948	-	-
Notes payable	-	-	2,178
Accounts payable	2,315,776	2,385,536	2,549,019
Other payables	925,766	772,953	831,634
Bonds payable (including current portion)	967,677	962,721	947,736
Long-term borrowings (including current portion)	1,223,100	1,280,900	643,400
Guarantee deposits received (shown as "Other non-current liabilities")	<u>7,361</u>	<u>6,103</u>	<u>6,276</u>
	\$ <u>7,239,628</u>	\$ <u>7,008,213</u>	\$ <u>6,990,243</u>
Lease liabilities	\$ <u>104,199</u>	\$ <u>110,342</u>	\$ <u>84,290</u>

### B. Financial risk management policies

- (a) The Group implements a comprehensive system of risk management and control to identify, measure and monitor a variety of financial risks, including market risk, credit risk, liquidity risk, and risk of cash flow so that management can effectively control and measure market risk, credit risk, liquidity risk, and risk of cash flow.

- (b) The Group's objective in managing the market risk is to reach optimisation, maintain the proper liquidity and manage all market risks collectively by taking into account the economic environment, competitive edge and risk of market value.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

1. 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.
2. 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 durations, thereby effectively mitigating the impact of exchange rate fluctuations on overall financial performance.
3. The Group's business involves some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, JPY, HKD, and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2025			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 118,173	33.205	\$ 3,923,934
RMB:NTD	130,740	4.573	597,874
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 45,705	33.205	\$ 1,517,635

December 31, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 141,271	32.785	\$ 4,631,570
RMB:NTD	121,246	4.478	542,940
RMB:USD	12,199	7.321	89,309
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 51,218	32.785	\$ 1,679,182
RMB:NTD	9,280	4.478	41,556
March 31, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 183,681	32.000	\$ 5,877,792
RMB:NTD	138,423	4.408	610,169
USD:RMB	12,092	0.1378	53,302
USD:HKD	4,415	7.8259	141,280
<u>Non-monetary items</u>			
USD:NTD	\$ 1,756	32.000	\$ 56,192
RMB:NTD	23,252	4.408	102,495
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 73,137	32.000	\$ 2,340,384
RMB:NTD	7,423	4.408	32,721
USD:HKD	4,389	7.8259	140,448

4. The total exchange gains, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024, amounted to \$54,328 and \$192,280, respectively.

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

Three-month period ended March 31, 2025				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	39,239	\$ -
RMB:NTD	1%		5,979	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$	15,176)	\$ -
Three-month period ended March 31, 2024				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	58,778	\$ -
RMB:NTD	1%		6,102	
RMB:USD	1%		533	
USD:HKD	1%		1,413	-
<u>Non-monetary items</u>				
USD:NTD	1%		562	-
RMB:NTD	1%		1,025	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$	23,404)	\$ -
RMB:NTD	1%	(	327)	-
USD:HKD	1%	(	1,404)	-

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's investments in equity securities comprise equity securities and open-end funds issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2025 and 2024 would have increased/decreased by \$260 and \$15,368, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$5,879 and \$2,106, respectively, as a result of other comprehensive income/loss classified as equity investment at fair value through other comprehensive income/loss.

#### 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. For the three-month periods ended March 31, 2025 and 2024, 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 three-month periods ended March 31, 2025 and 2024 would have decreased or increased by \$1,181 and \$1,183, respectively. This is mainly attributable to changes in interest expense resulting from the floating-rate borrowings.

#### **(b) Credit risk**

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial instruments stated at amortised cost and debt instruments at fair value through profit or loss.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only these with good rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new customers before standard payment, delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, the default occurs when the contract payments are past due over 90 days.

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

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

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

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

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

vii. The financial assets at amortised cost include time deposits and restricted time deposits.

The banks have good rating and have no past due before. In addition to the above, the whole economic environment has not changed significantly, so the risk of credit risk is low and the effect to the financial statements is insignificant.

viii. The information regarding the aging analysis of the group's accounts receivable from customers is detailed in Note 6(4). The Group comprehensively considers factors such as the financial status of transaction counterparts, historical transaction experiences, the current economic environment, and the Group's internal rating standards to adopt measures such as prepayment, providing collateral, or other guarantees based on the risk. The Group categorizes accounts receivable from customers according to the nature of the risk and uses a simplified approach based on the loss rate method to estimate expected credit losses. On the balance sheet date, the Group individually reviews the recoverable amount of accounts receivable to ensure that appropriate impairment losses have been recognized for uncollectible receivables. Based on this assessment, the provision for loss to be recognized by the group as at March 31, 2025, December 31, 2024, and March 31, 2024, was considered minimal.

(c) Liquidity risk

i. The Company 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.

<u>Non-derivative financial liabilities:</u>	Less than 1	Between 1	Over
March 31, 2025	year	and 5 years	5 years
Short-term borrowings	\$ 1,702,615	\$ -	\$ -
Short-term notes and bills payable	100,058	-	-
Accounts payable	2,315,776	-	-
Other payables	925,766	-	-
Lease liabilities	24,795	50,849	34,532
Bonds payable (including current portion)	-	999,900	-
Long-term borrowings (including current portion)	263,586	608,477	445,136
Guarantee deposits received	-	-	7,361

Derivative financial liabilities: None.

<u>Non-derivative financial liabilities:</u>	Less than 1	Between 1	Over
December 31, 2024	year	and 5 years	5 years
Short-term borrowings	\$ 1,603,522	\$ -	\$ -
Accounts payable	2,385,536	-	-
Other payables	772,953	-	-
Lease liabilities	24,783	88,675	36,011
Bonds payable (including current portion)	-	999,900	-
Long-term borrowings (including current portion)	253,955	669,364	460,514
Guarantee deposits received	-	-	6,103

Derivative financial liabilities: None.

<u>Non-derivative financial liabilities:</u>	Less than 1	Between 1	Over
March 31, 2024	year	and 5 years	5 years
Short-term borrowings	\$ 2,013,864	\$ -	\$ -
Notes payable	2,178	-	-
Accounts payable	2,549,019	-	-
Other payables	831,634	-	-
Lease liabilities	18,176	32,476	39,910
Bonds payable (including current portion)	-	999,900	-
Long-term borrowings (including current portion)	10,777	217,037	507,029
Guarantee deposits received	-	-	6,276

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.

March 31, 2025				
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$ 967,677	\$ -	\$ 969,503	\$ -
December 31, 2024				
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$ 962,721	\$ -	\$ 962,004	\$ -
March 31, 2024				
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$ 947,736	\$ -	\$ 950,005	\$ -

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:

March 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,526	\$ -	\$ 1,078	\$ 2,604
Call options of convertible bonds	-	-	-	-
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	58,788	58,788
	<u>\$ 1,526</u>	<u>\$ -</u>	<u>\$ 59,866</u>	<u>\$ 61,392</u>

Financial liabilities: None.

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,596	\$ -	\$ 948	\$ 2,544
Call options of convertible bonds	-	-	100	100
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	67,742	67,742
	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ 68,790</u>	<u>\$ 70,386</u>

Financial liabilities: None.

March 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 61,701	\$ -	\$ 1,010	\$ 62,711
Beneficiary certificates	90,966	-	-	90,966
Call options of convertible bonds	-	-	1,400	1,400
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	21,060	21,060
	<u>\$ 152,667</u>	<u>\$ -</u>	<u>\$ 23,470</u>	<u>\$ 176,137</u>

Financial liabilities: None.

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

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

	<u>Listed and emerging stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- 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 three-month periods ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- F. The following table is the movement of Level 3 for the three-month periods ended March 31, 2025 and 2024:

	2025		2024	
	Equity instrument	Call options of convertible bonds	Equity instrument	Call options of convertible bonds
At January 1	\$ 68,690	\$ 100	\$ 23,737	\$ 2,100
Valuation adjustment	( 8,824)	( 100)	( 1,667)	( 700)
At March 31	<u>\$ 59,866</u>	<u>\$ -</u>	<u>\$ 22,070</u>	<u>\$ 1,400</u>

- G. The valuation procedures for fair value measurements are categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently 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 is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,078	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	37.75%	The higher the volatility, the lower the fair value
Unlisted shares	10,226	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	The latest transaction price	None	None	None

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 948	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	100	Binary tree convertible evaluation model	Stock price volatility	35.72%	The higher the volatility, the lower the fair value
Unlisted shares	19,180	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	The latest transaction price	None	None	None
	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,010	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	1,400	Binary tree convertible evaluation model	Stock price volatility	39.69%	The higher the volatility, the lower the fair value
Unlisted shares	21,060	Market comparable companies	Discount for lack of marketability	45%	The higher the discount for lack of marketability, the lower the fair value



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

			March 31, 2025			
			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%	\$ 46	(\$ 46)	\$ 837	(\$ 837)
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	± 1%	\$ -	\$ -	\$ -	\$ -
			December 31, 2024			
			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%	\$ 41	(\$ 41)	\$ 1,569	(\$ 1,569)
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	± 1%	\$ -	\$ -	\$ -	\$ -
			March 31, 2024			
			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%	\$ 43	(\$ 43)	\$ 1,724	(\$ 1,724)
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	± 1%	\$ 100	(\$ 400)	\$ -	\$ -

### 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 \$100 million or 20% of paid-in capital or more: Please refer to table 2.
- E. Receivables from related parties reaching \$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 segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Three-month periods ended March 31,	
	2025	2024
Revenue from external customers	\$ 2,902,935	\$ 3,337,962
Segment loss before income tax	(\$ 77,474)	(\$ 57,275)
	March 31, 2025	March 31, 2024
Segment assets	\$ 17,541,857	\$ 17,763,161
Segment liabilities	\$ 7,609,140	\$ 8,030,590

(3) Reconciliation for segment income (loss): None.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Holding of marketable securities at the end of the period

March 31, 2025

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	General ledger account	As at March 31, 2025				
				Number of shares	Book value (Note 1)	Ownership (%)	Fair value (Note 1)	Footnote
Elite Semiconductor Microelectronics Technology Inc.	Turning Point Lasers Ltd, preferred stock	None	Financial assets at fair value through other comprehensive income	1,000,000	5,113	6.29	5,113	
Charng Feng Investment Ltd.	M2 Communication Inc. stock	None	Financial assets at fair value through profit or loss	100,542	1,078	0.99	1,078	
Charng Feng Investment Ltd.	Powership Semiconductor Manufacturing Corporation	None	Financial assets at fair value through profit or loss	100,426	1,526	0.00	1,526	
Charng Feng Investment Ltd.	Turning Point Lasers Ltd, preferred stock	None	Financial assets at fair value through other comprehensive income	1,000,000	5,113	6.29	5,113	
Charng Feng Investment Ltd.	StorArt Technology Co. Ltd, common stock	None	Financial assets at fair value through other comprehensive income	1,000,000	48,562	1.98	48,562	
Jie Yong Investment Ltd.	Elite Semiconductor Microelectronics Technology Inc. stock	Parent Company	Financial assets at fair value through other comprehensive income	13,000,000	726,700	4.54	726,700	

Note 1: Valuation adjustments of financial assets included.

Table 1

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 three-month period ended March 31, 2025

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchase/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable(payable)		Footnote
			Purchase (sales)	Amount	Percentage of total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	Ultimate parent company	Sales	\$ 206,522	7.11%	Monthly payment in 30 days	\$ -	-	\$ 167,739	11.47%	

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

March 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025	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	\$ 167,739	3.81	\$ -	-	\$ 61,977	\$ -

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting period  
For the three-month period ended March 31, 2025

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	(2)	Sales	\$ 206,522	Note 4	7.11%

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 three-month period ended March 31, 2025

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Elite Semiconductor Microelectronics Technology Inc.	Elite Semiconductor Memory Technology Inc.	Taiwan	Research and development, production, sales and related consulting services of integrated circuit	\$ 272	\$ 272	100,000	100	\$ 18,957	\$ 912	\$ 912	
Elite Semiconductor Microelectronics Technology Inc.	Charng Feng Investment Ltd.	Taiwan	General investment	500,000	500,000	50,000,000	100	594,249	12,087	12,087	
Elite Semiconductor Microelectronics Technology Inc.	Elite Investment Services Ltd.	British Virgin Islands	General investment	33,205	33,205	1	100	57,413	858	858	
Elite Semiconductor Microelectronics Technology Inc.	Jie Yong Investment Ltd.	Taiwan	General investment	270,000	270,000	3,600,000	41.86	168,459	13,025	10	
Elite Semiconductor Microelectronics Technology Inc.	Eon Silicon Solutions, Inc. USA	U.S.A.	Product design, development and test	13,304	13,304	200,000	100	276	1,761	1,761	
Charng Feng Investment Ltd.	Elite Memory Technology Inc.	Taiwan	Product design, wholesale and retail of electronic materials, manufacturing of electronic compenents, information software services and international trade	69,407	69,407	10,000,000	100	25,316	623	623	
Charng Feng Investment Ltd.	Canyon Semiconductor Inc.	Taiwan	International trade, manufacturing of electronic components, product design and information software services	80,337	80,337	8,350,000	36.69	154,415	25,658	9,414	
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	2,461	2,461	200	100	4,097	1,313	1,313	
Charng Feng Investment Ltd.	CHI Microelectronics Limited	Hong Kong	General trading	854	854	20,000	100	992	4	4	

Note 1: The foreign investment amount was translated at the exchange rate as at March 31, 2025.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investments in Mainland China  
For the three-month period ended March 31, 2025

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, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as at March 31, 2025	Net income (loss) of investee for the three-month period ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company forfor the three- month period ended March 31, 2025 (Note 2)	Book value of investment in Mainland China as at March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as at March 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Elite Semiconductor Microelectronics Technology (shenzhen) Inc.	Trading of goods or technical services, develop and sale products of networking system, storage, and peripherals, technical consulting services of integrated circuit, and after - sales services	\$ 100,926	(1)	\$ 100,926	\$ -	\$ -	\$ 100,926	\$ 92	100%	\$ 92	\$ 96,565	\$ -	Note 5
Elite Semiconductor Microelectronics Technology (Shanghai) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	6,641	(1)	6,641	-	-	6,641	( 272)	100% (	( 272)	10,430	-	Note 6
Elite Semiconductor Microelectronics Technology (Xian) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	2,287	(3)	-	-	-	-	( 320)	100% (	( 320)	1,214	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as at March 31, 2025	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.	\$ 107,567	\$ 107,567	\$ 356,549										

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 March 31, 2025.

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.