

**ELITE SEMICONDUCTOR
MICROELECTRONICS TECHNOLOGY INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024**

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Elite Semiconductor Microelectronics Technology Inc. and its subsidiaries (the “Group”) as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(6), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Total assets of these subsidiaries (including the balance of investments accounted for using equity method) amounted to NT\$977,817 thousand and NT\$1,291,523 thousand, constituting 5.74% and 7.25% of the consolidated total assets as at June 30, 2025 and 2024, respectively, and total liabilities of these subsidiaries amounted to NT\$324,889 thousand and NT\$418,167 thousand, constituting 4.12% and 5.33% of the consolidated total liabilities as at June 30, 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\$80,152) thousand, (NT\$16,833) thousand, (NT\$96,218) thousand and (NT\$51,320) thousand, constituting 10.64%, (6.83%), 11.52% and (26.28%) of the consolidated total comprehensive (loss) income for the three-month and six-month periods then ended, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as described in the *Basis for Qualified Conclusion* paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Shu-Chien Pai

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

July 30, 2025

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

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets			June 30, 2025		December 31, 2024		June 30, 2024				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	4,436,602	26	\$	4,485,019	25	\$	4,263,228	24
1110	Financial assets at fair value	6(2)									
	through profit or loss - current			3,090	-		2,644	-		47,204	-
1150	Notes receivable, net			-	-		127	-		244	-
1170	Accounts receivable, net	6(4)		1,453,967	8		1,432,658	8		1,691,266	9
1200	Other receivables			161,223	1		98,174	1		115,732	1
1220	Current income tax assets			16,985	-		23,402	-		19,405	-
130X	Inventories	6(5)		7,772,952	46		7,936,970	45		6,802,775	38
1410	Prepayments			603,732	4		902,879	5		854,588	5
1470	Other current assets			510	-		263	-		1,432	-
11XX	Total current assets			14,449,061	85		14,882,136	84		13,795,874	77
Non-current assets											
1517	Financial assets at fair value	6(3)									
	through other comprehensive										
	income - non-current			50,718	-		67,742	-		19,738	-
1550	Investments accounted for	6(6)									
	using equity method			137,238	1		144,615	1		137,870	1
1600	Property, plant and equipment	6(7) and 8		1,839,126	11		1,834,088	10		1,880,926	11
1755	Right-of-use assets	6(8)		96,213	-		108,141	1		120,857	1
1760	Investment property, net	6(9)		13,337	-		13,822	-		14,306	-
1780	Intangible assets	6(10)		101,952	1		162,049	1		97,943	-
1840	Deferred income tax assets			133,794	1		123,032	1		183,308	1
1900	Other non-current assets	6(11) and 8		214,409	1		336,040	2		1,551,186	9
15XX	Total non-current assets			2,586,787	15		2,789,529	16		4,006,134	23
1XXX	Total assets		\$	17,035,848	100	\$	17,671,665	100	\$	17,802,008	100

(Continued)

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(12)	\$ 2,000,000	12	\$ 1,600,000	9	\$ 1,810,000	10
2110	Short-term notes and bills payable		99,984	1	-	-	-	-
2130	Contract liabilities - current	6(20)	25,774	-	16,354	-	35,968	-
2150	Notes payable		4,351	-	-	-	-	-
2170	Accounts payable		2,233,380	13	2,385,536	14	2,507,320	14
2200	Other payables	6(14)	1,050,668	6	772,953	5	998,816	6
2230	Current income tax liabilities		407	-	2,326	-	3,211	-
2250	Provisions for liabilities - current		-	-	-	-	403,208	3
2280	Lease liabilities - current		23,299	-	23,257	-	24,558	-
2320	Long-term liabilities, current portion	6(15)	258,008	1	231,200	1	-	-
2399	Other current liabilities, others		10,218	-	10,017	-	9,087	-
21XX	Total current liabilities		5,706,089	33	5,041,643	29	5,792,168	33
Non-current liabilities								
2530	Bonds payable	6(13)	972,713	6	962,721	5	952,669	5
2540	Long-term borrowings	6(15)	907,292	5	1,049,700	6	643,400	4
2550	Provisions for liabilities - non-current		23,470	-	21,781	-	21,418	-
2570	Deferred income tax liabilities		9,076	-	28,022	-	64,843	-
2580	Lease liabilities - non-current		74,357	1	87,085	1	98,045	1
2600	Other non-current liabilities		188,744	1	193,236	1	269,504	1
25XX	Total non-current liabilities		2,175,652	13	2,342,545	13	2,049,879	11
2XXX	Total Liabilities		7,881,741	46	7,384,188	42	7,842,047	44
Equity attributable to owners of parent								
	Share capital	6(17)						
3110	Common stock		2,861,722	17	2,861,722	16	2,861,722	16
	Capital surplus	6(18)						
3200	Capital surplus		510,465	2	503,985	3	500,172	3
	Retained earnings	6(19)						
3310	Legal reserve		2,169,006	13	2,118,375	12	2,118,375	12
3320	Special reserve		27,777	-	36,380	-	36,380	-
3350	Unappropriated retained earnings		3,902,121	23	5,033,456	29	4,715,350	27
	Other equity interest							
3400	Other equity interest		(60,177)	-	(27,776)	-	(28,662)	-
3500	Treasury shares	6(17)	(150,953)	(1)	(140,061)	(1)	(140,061)	(1)
31XX	Total equity attributable to owners of the parent		9,259,961	54	10,386,081	59	10,063,276	57
36XX	Non-controlling interests		(105,854)	-	(98,604)	(1)	(103,315)	(1)
3XXX	Total equity		9,154,107	54	10,287,477	58	9,959,961	56
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 17,035,848	100	\$ 17,671,665	100	\$ 17,802,008	100

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR (LOSSES) EARNINGS PER SHARE)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20)	\$ 3,288,429	100	\$ 3,579,848	100	\$ 6,191,364	100	\$ 6,917,810	100
5000 Operating costs	6(5)(25)(26)	(3,161,731)	(96)	(3,019,202)	(84)	(5,721,567)	(92)	(6,165,753)	(89)
5950 Gross profit		<u>126,698</u>	<u>4</u>	<u>560,646</u>	<u>16</u>	<u>469,797</u>	<u>8</u>	<u>752,057</u>	<u>11</u>
Operating expenses	6(25)(26)								
6100 Selling expenses		(76,575)	(3)	(79,876)	(3)	(148,499)	(3)	(144,827)	(2)
6200 General and administrative expenses		(69,670)	(2)	(77,989)	(2)	(130,430)	(2)	(131,210)	(2)
6300 Research and development expenses		(371,162)	(11)	(402,157)	(11)	(737,463)	(12)	(746,651)	(11)
6000 Total operating expenses		(517,407)	(16)	(560,022)	(16)	(1,016,392)	(17)	(1,022,688)	(15)
6900 Operating profit (loss)		(390,709)	(12)	<u>624</u>	<u>-</u>	(546,595)	(9)	(270,631)	(4)
Non-operating income and expenses									
7100 Interest income	6(21)	23,047	1	32,003	1	50,170	1	74,120	1
7010 Other income	6(22)	7,000	-	1,798	-	13,103	-	6,187	-
7020 Other gains and losses	6(23)	(359,193)	(11)	221,850	6	(304,240)	(5)	405,144	6
7050 Finance costs	6(24)	(22,031)	(1)	(16,470)	-	(41,212)	-	(35,775)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(6)	(12,322)	-	8,034	-	(2,908)	-	11,519	-
7000 Total non-operating income and expenses		(363,499)	(11)	<u>247,215</u>	<u>7</u>	(285,087)	(4)	<u>461,195</u>	<u>7</u>
7900 (Loss) profit before income tax		(754,208)	(23)	247,839	7	(831,682)	(13)	190,564	3
7950 Income tax (expense) benefit	6(27)	27,279	1	(1,569)	-	28,577	-	(3,009)	-
8200 (Loss) profit for the period		<u>(\$ 726,929)</u>	<u>(22)</u>	<u>\$ 246,270</u>	<u>7</u>	<u>(\$ 803,105)</u>	<u>(13)</u>	<u>\$ 187,555</u>	<u>3</u>
Components of other comprehensive (loss) income-net									
Other comprehensive (loss) income components that will not be reclassified to profit or loss									
8316 Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$ 8,070)	-	(\$ 1,322)	-	(\$ 17,024)	-	(\$ 3,182)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operation		(18,533)	(1)	1,458	-	(15,377)	-	10,900	-
8300 Other comprehensive (loss) income for the period-net		(\$ 26,603)	(1)	<u>\$ 136</u>	<u>-</u>	(\$ 32,401)	-	<u>\$ 7,718</u>	<u>-</u>
8500 Total comprehensive (loss) income for the period		(\$ 753,532)	(23)	<u>\$ 246,406</u>	<u>7</u>	(\$ 835,506)	(13)	<u>\$ 195,273</u>	<u>3</u>
(Loss) profit attributable to:									
8610 Owners of the parent		(\$ 726,945)	(22)	<u>\$ 246,166</u>	<u>7</u>	(\$ 803,135)	(13)	<u>\$ 188,207</u>	<u>3</u>
8620 Non-controlling interest		<u>\$ 16</u>	<u>-</u>	<u>\$ 104</u>	<u>-</u>	<u>\$ 30</u>	<u>-</u>	(\$ 652)	-
Total comprehensive (loss) income attributable to:									
8710 Owners of the parent		(\$ 753,548)	(23)	<u>\$ 246,302</u>	<u>7</u>	(\$ 835,536)	(13)	<u>\$ 195,925</u>	<u>3</u>
8720 Non-controlling interest		<u>\$ 16</u>	<u>-</u>	<u>\$ 104</u>	<u>-</u>	<u>\$ 30</u>	<u>-</u>	(\$ 652)	-
(Losses) earnings per share (in dollars)	6(28)								
9750 Basic (losses) earnings per share		(\$ 2.59)		<u>0.88</u>		(\$ 2.86)		<u>0.67</u>	
9850 Diluted (losses) earnings per share		(\$ 2.59)		<u>0.85</u>		(\$ 2.86)		<u>0.67</u>	

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
SIX-MONTH PERIODS ENDED JUNE 30, 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 SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Six-month periods ended June 30, 2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 831,682)	\$ 190,564
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(9)(25)	189,405	241,767
Amortisation	6(10)(25)	84,469	73,502
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(23)	(446)	12,874
Interest expense	6(24)	41,212	35,775
Interest income	6(21)	(50,170)	(74,120)
Share of profit of associates and joint ventures accounted for using equity method	6(6)	2,908	(11,519)
Gains on disposals of property, plant and equipment	6(23)	-	(56)
Gain on reversal of onerous contracts	6(23)	-	(151,230)
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		-	108,463
Notes receivable		127	(244)
Accounts receivable		(21,309)	(486,745)
Other receivables		(57,183)	(11,218)
Inventories		164,018	82,862
Prepayments		298,517	(454,921)
Other current assets		(247)	1,430
Other non-current assets		147,283	550,019
Changes in operating liabilities			
Contract liabilities		9,420	31,303
Notes payable		4,351	(2,178)
Accounts payable		(152,156)	224,830
Other payables		97,783	60,662
Provisions for liabilities		-	20,939
Other current liabilities		201	69
Other non-current liabilities		(5,145)	(1,063)
Cash (outflow) inflow generated from operations		(79,551)	441,765
Interest received		49,565	85,520
Interest paid		(29,258)	(26,644)
Income taxes refunded		3,367	295,125
Net cash flows (used in) from operating activities		(55,877)	795,766

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ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Six-month periods ended June 30,	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		\$ -	(\$ 33,886)
Proceeds from disposal of financial assets at amortised cost		-	65,677
Acquisition of property, plant and equipment	6(29)	(214,912)	(154,505)
Proceeds from disposal of property, plant and equipment		-	400
Acquisition of intangible assets	6(10)(29)	(111,580)	(53,886)
Increase in refundable deposits		(1,173)	(55,502)
Increase in prepayment for the investment		-	(48,563)
Net cash flows used in investing activities		(327,665)	(280,265)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(29)	400,000	(810,000)
Increase in short-term notes and bills payable	6(29)	99,102	-
Decrease in long-term borrowings	6(29)	(115,600)	-
Increase in guarantee deposits received	6(29)	653	137
Payments of lease liabilities	6(29)	(14,266)	(8,877)
Proceeds from sale of treasury shares		-	38,104
Purchase of treasury share		(26,015)	-
Expired cash dividends	6(18)	41	79
Net cash flows from (used in) financing activities		343,915	(780,557)
Effects of exchange rate changes		(8,790)	7,970
Net decrease in cash and cash equivalents		(48,417)	(257,086)
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)	\$ 4,436,602	\$ 4,263,228

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Elite Semiconductor Microelectronics Technology Inc. (the “Company”) was incorporated in May 1998 and commenced operations in December 1998. The Company and its subsidiaries (collectively referred 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 July 30, 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
			June 30, 2025	December 31, 2024	June 30, 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
			June 30, 2025	December 31, 2024	June 30, 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 3
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 June 30, 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 June 30, 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

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and revolving funds	\$ 141	\$ 158	\$ 137
Checking accounts and demand deposits	1,153,867	2,463,171	1,804,647
Time deposits	3,282,594	2,021,690	2,458,444
	<u>\$ 4,436,602</u>	<u>\$ 4,485,019</u>	<u>\$ 4,263,228</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	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 1,255	\$ 1,255	\$ 20,367
Unlisted stocks	8,113	8,113	8,113
Call options of convertible bonds	1,300	1,300	1,300
Subtotal	10,668	10,668	29,780
Valuation adjustment	(7,578)	(8,024)	17,424
Total	\$ 3,090	\$ 2,644	\$ 47,204

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

	Three-month periods ended June 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 486	(\$ 5,841)
Beneficiary certificates	-	1,099
Call options of convertible bonds	-	500
Total	\$ 486	(\$ 4,242)
	Six-month periods ended June 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 546	(\$ 16,009)
Beneficiary certificates	-	3,335
Call options of convertible bonds	(100)	(200)
Total	\$ 446	(\$ 12,874)

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

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

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

Items	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Equity instruments			
Unlisted stocks	\$ 107,862	\$ 107,862	\$ 59,300
Valuation adjustment	(57,144)	(40,120)	(39,562)
	<u>\$ 50,718</u>	<u>\$ 67,742</u>	<u>\$ 19,738</u>

- 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 \$50,718, \$67,742 and \$19,738 as at June 30, 2025, December 31, 2024 and June 30, 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 (\$8,070), (\$1,322), (\$17,024) and (\$3,182) for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.

(4) Accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable - general customers	\$ 1,453,967	\$ 1,432,658	\$ 1,691,266
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 1,453,967</u>	<u>\$ 1,432,658</u>	<u>\$ 1,691,266</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	\$ 1,453,869	\$ 1,432,658	\$ 1,691,265
Up to 30 days	49	-	1
31 to 90 days	49	-	-
91 to 180 days	-	-	-
Over 181 days	-	-	-
	<u>\$ 1,453,967</u>	<u>\$ 1,432,658</u>	<u>\$ 1,691,266</u>

The above aging analysis is based on past due date.

- B. As at June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$1,453,967, \$1,432,658 and \$1,691,266, respectively.
- C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

D. As at June 30, 2025, December 31, 2024 and June 30, 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

		June 30, 2025	
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 820,219	(\$ 2,314)	\$ 817,905
Work in process	5,970,111	(97,531)	5,872,580
Finished goods	1,251,007	(180,915)	1,070,092
Inventory in transit	12,375	-	12,375
	<u>\$ 8,053,712</u>	<u>(\$ 280,760)</u>	<u>\$ 7,772,952</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>
		June 30, 2024	
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 143,403	(\$ 3,160)	\$ 140,243
Work in process	5,207,151	(79,951)	5,127,200
Finished goods	1,681,690	(166,135)	1,515,555
Inventory in transit	19,777	-	19,777
	<u>\$ 7,052,021</u>	<u>(\$ 249,246)</u>	<u>\$ 6,802,775</u>

The cost of inventories recognised as expense for the periods:

		Three-month periods ended June 30,	
		2025	2024
Cost of goods sold	\$	3,102,925	\$ 3,128,838
Loss (gain) on reversal of decline in value		58,806	(109,636)
	<u>\$</u>	<u>3,161,731</u>	<u>\$ 3,019,202</u>

	Six-month periods ended June 30,	
	2025	2024
Cost of goods sold	\$ 5,660,650	\$ 6,382,695
Loss (gain) on reversal of decline in value	60,917	(216,942)
	<u>\$ 5,721,567</u>	<u>\$ 6,165,753</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 and six-month periods ended June 30, 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	(2,908)	11,519
Earnings distribution of investments accounted for using equity method	(5,261)	(8,350)
Changes in capital surplus	792	(409)
At June 30	<u>\$ 137,238</u>	<u>\$ 137,870</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	<u>\$ 137,238</u>	<u>\$ 144,615</u>	<u>\$ 137,870</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>
2025						
At January 1	\$ 562,898	\$ 568,922	\$ 219,358	\$ 221,436	\$ 261,474	\$ 1,834,088
Additions	-	3,819	36,135	9,468	125,867	175,289
Transfers (Note)	-	4,479	-	3,029	3,333	10,841
Depreciation charge	-	(18,064)	(25,939)	(25,499)	(106,631)	(176,133)
Net exchange difference	-	(4,708)	(5)	-	(246)	(4,959)
At June 30	<u>\$ 562,898</u>	<u>\$ 554,448</u>	<u>\$ 229,549</u>	<u>\$ 208,434</u>	<u>\$ 283,797</u>	<u>\$ 1,839,126</u>
At June 30, 2025						
Cost	\$ 562,898	\$ 1,078,630	\$ 495,919	\$ 411,485	\$ 1,014,436	\$ 3,563,368
Accumulated depreciation and impairment	-	(524,182)	(266,370)	(203,051)	(730,639)	(1,724,242)
	<u>\$ 562,898</u>	<u>\$ 554,448</u>	<u>\$ 229,549</u>	<u>\$ 208,434</u>	<u>\$ 283,797</u>	<u>\$ 1,839,126</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>
2024						
At January 1	\$ 562,898	\$ 567,615	\$ 252,750	\$ 259,923	\$ 313,891	\$ 1,957,077
Additions	-	6,550	2,667	612	107,564	117,393
Transfers (Note)	-	27,800	-	-	8,714	36,514
Disposals	-	-	-	-	(344)	(344)
Depreciation charge	-	(22,241)	(28,349)	(25,996)	(154,818)	(231,404)
Net exchange difference	-	1,535	4	-	151	1,690
At June 30	<u>\$ 562,898</u>	<u>\$ 581,259</u>	<u>\$ 227,072</u>	<u>\$ 234,539</u>	<u>\$ 275,158</u>	<u>\$ 1,880,926</u>
At June 30, 2024						
Cost	\$ 562,898	\$ 1,069,329	\$ 440,745	\$ 387,036	\$ 781,918	\$ 3,241,926
Accumulated depreciation and impairment	-	(488,070)	(213,673)	(152,497)	(506,760)	(1,361,000)
	<u>\$ 562,898</u>	<u>\$ 581,259</u>	<u>\$ 227,072</u>	<u>\$ 234,539</u>	<u>\$ 275,158</u>	<u>\$ 1,880,926</u>

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

A. For the six-month periods ended June 30, 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		
	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 46,506	\$ 50,763	\$ 52,551
Buildings and structures	44,833	55,504	64,837
Business vehicles	2,598	356	1,909
Printers	2,276	1,518	1,560
	<u>\$ 96,213</u>	<u>\$ 108,141</u>	<u>\$ 120,857</u>

		Depreciation charge	
		Three-month periods ended June 30,	
		2025	2024
Land	\$	850	\$ 893
Buildings and structures		4,752	3,393
Business vehicles		503	1,044
Printers		271	155
	\$	<u>6,376</u>	<u>\$ 5,485</u>

		Depreciation charge	
		Six-month periods ended June 30,	
		2025	2024
Land	\$	1,699	\$ 1,787
Buildings and structures		9,620	5,692
Business vehicles		1,007	2,088
Printers		461	311
	\$	<u>12,787</u>	<u>\$ 9,878</u>

C. For the six-month periods ended June 30, 2025 and 2024, the additions to right-of-use assets were \$4,468 and \$54,252, respectively.

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

		Three-month periods ended June 30,	
		2025	2024
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	440	\$ 287
Expense on short-term lease contracts	\$	<u>631</u>	<u>\$ 651</u>
Gains on lease modifications	\$	-	\$ -
		Six-month periods ended June 30,	
		2025	2024
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	830	\$ 558
Expense on short-term lease contracts	\$	<u>1,296</u>	<u>\$ 1,220</u>
Gains on lease modifications	\$	<u>907</u>	\$ -

E. For the six-month periods ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$16,392 and \$10,655, respectively.

(9) Investment property

	<u>2025</u>	<u>2024</u>
<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>
 <u>At January 1</u>	 \$ 13,822	 \$ 14,791
Depreciation charge	(485)	(485)
<u>At June 30</u>	<u>\$ 13,337</u>	<u>\$ 14,306</u>
 <u>At June 30</u>		
Cost	\$ 20,369	\$ 20,369
Accumulated depreciation and impairment	(7,032)	(6,063)
	<u>\$ 13,337</u>	<u>\$ 14,306</u>

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

	<u>Three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from investment property	<u>\$ 672</u>	<u>\$ 640</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 242</u>	<u>\$ 243</u>
	<u>Six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from investment property	<u>\$ 1,345</u>	<u>\$ 1,281</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 485</u>	<u>\$ 485</u>

B. The fair value of the investment property held by the Group as at June 30, 2025, December 31, 2024 and June 30, 2024 was \$12,031, \$11,991 and \$9,457, respectively, which was valued by income approach. Key assumptions are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Rate of net return on capital (Note)	<u>9.01%</u>	<u>9.87%</u>	<u>14.77%</u>

Note: Calculated based on the issuer's Weighted Average Cost of Capital (WACC).

C. For the six-month periods ended June 30, 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

	<u>Computer software</u>	
<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		24,372
Amortisation charge	(84,469)
At June 30	\$	<u>101,952</u>
<u>At June 30, 2025</u>		
Cost	\$	875,185
Accumulated amortisation and impairment	(773,233)
	\$	<u>101,952</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	-	-	-	53,886	53,886
Transfers (Note)	-	-	-	304	304
Amortisation charge	-	-	-	(73,502)	(73,502)
At June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,943</u>	<u>\$ 97,943</u>
<u>June 30, 2024</u>					
Cost	\$ 34,478	\$ 11,000	\$ 80,758	\$ 706,852	\$ 833,088
Accumulated amortisation and impairment	(34,478)	(11,000)	(80,758)	(608,909)	(735,145)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,943</u>	<u>\$ 97,943</u>

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

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

	<u>Three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 8	\$ 8
Selling expenses	-	39
General and administrative expenses	1,217	973
Research and development expenses	40,858	35,597
	<u>\$ 42,083</u>	<u>\$ 36,617</u>

	Six-month periods ended June 30,	
	2025	2024
Operating costs	\$ 16	\$ 16
Selling expenses	-	78
General and administrative expenses	2,355	1,873
Research and development expenses	82,098	71,535
	<u>\$ 84,469</u>	<u>\$ 73,502</u>

B. For the six-month periods ended June 30, 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

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments for equipment and construction costs	\$ 200,103	\$ 175,624	\$ 77,698
Refundable deposits (Note)	10,337	9,164	983,646
Pledged time deposits	3,969	3,969	3,969
Prepayment for investment	-	-	48,563
Prepayments for purchases	-	147,283	437,310
	<u>\$ 214,409</u>	<u>\$ 336,040</u>	<u>\$ 1,551,186</u>

Note : A portion of refundable deposits as at June 30, 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	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	<u>\$ 2,000,000</u>	1.8697%~1.95%	None
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	<u>\$ 1,600,000</u>	1.8951%~1.95%	None
Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	<u>\$ 1,810,000</u>	1.72%~1.85%	None

(13) Bonds payable

	June 30, 2025	December 31, 2024	June 30, 2024
Convertible bonds payable	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Less: Conversion of convertible bonds	(100)	(100)	(100)
Less: Discount on bonds payable	<u>(27,187)</u>	<u>(37,179)</u>	<u>(47,231)</u>
	<u>\$ 972,713</u>	<u>\$ 962,721</u>	<u>\$ 952,669</u>

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%, with a term of 3 years and a listing 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 June 30, 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 June 24, 2025 that in accordance with Article 11 of the Regulations Governing the Issuance and Conversion of the First Domestic Unsecured Convertible Bonds, the conversion price was adjusted from NT\$85.1 to NT\$83.6 starting from ex-dividend date (July 15, 2025).
- 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

	June 30, 2025	December 31, 2024	June 30, 2024
Accrued salaries and bonuses	\$ 575,160	\$ 517,959	\$ 677,467
Cash dividends payables	272,682	-	193,272
Payables on equipment	45,683	138,399	44,853
Accrued employees' compensation and directors' remuneration	11,014	10,875	4,107
Others	146,129	105,720	79,117
	<u>\$ 1,050,668</u>	<u>\$ 772,953</u>	<u>\$ 998,816</u>

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2025
Long-term bank borrowings				
Secured borrowings	Note 1	1.800%	Land, buildings and structures	\$ 643,400
Unsecured borrowings	Notes 2 and 3	2.036%~2.038%	None	521,900
				1,165,300
Less: Current portion				(258,008)
				<u>\$ 907,292</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
				1,280,900
Less: Current portion				(231,200)
				<u>\$ 1,049,700</u>
Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 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 June 30, 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, \$71, \$140 and \$142 for the three-month and six-month periods ended June 30, 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 and six-month periods ended June 30, 2025 and 2024 were \$12,692, \$11,960, \$25,322 and \$23,652, respectively.

(17) Share capital

- A. As at June 30, 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
Acquisition of parent company's share by subsidiary recognised as treasury share	(490)	-
Disposal of parent company's share by a subsidiary recognised as treasury shares	-	409
Conversion of convertible bonds	-	1
Outstanding ordinary shares at June 30	272,682	273,172
Treasury stocks at the end of the period	13,490	13,000
Issued ordinary shares at June 30	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 June 30, 2025, December 31, 2024 and June 30, 2024, were 13,490 thousand shares, 13,000 thousand shares and 13,000 thousand shares with carrying amounts of \$360,611, \$334,596 and \$334,596, respectively; the average carry amount per share were \$26.73 (in dollars), \$25.74 (in dollars) and \$25.74 (in dollars), and the fair values per share were \$54.6 (in dollars), \$62.0 (in dollars) and \$100.5 (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.

	2025					
	Changes in					
	Share	Treasury	ownership interests	Stock	Others	Total
	premium	share	in subsidiaries	options		
	transactions	and associates				
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	-	-	5,647	-	-	5,647
Change in equity of associates and joint ventures accounted for using equity method	-	-	792	-	-	792
Expired cash dividends transferred to capital surplus	-	-	-	-	41	41
At June 30	<u>\$ 23,574</u>	<u>\$ 61,834</u>	<u>\$ 210,014</u>	<u>\$ 210,801</u>	<u>\$ 4,242</u>	<u>\$ 510,465</u>

	2024					
	Changes in					
	Share	Treasury	ownership interests	Stock	Others	Total
	premium	share	in subsidiaries	options		
		transactions	and associates			
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	-	11,544	-	-	-	11,544
Recognition of changes in ownership interests in subsidiaries - cash dividends distributed by subsidiaries	-	-	1,601	-	-	1,601
Change in equity of associates and joint ventures accounted for using equity method	-	-	(409)	-	-	(409)
Expired cash dividends transferred to capital surplus	-	-	-	-	79	79
Conversion of convertible bonds	104	-	-	(21)	-	83
At June 30	<u>\$ 23,574</u>	<u>\$ 61,834</u>	<u>\$ 199,762</u>	<u>\$ 210,801</u>	<u>\$ 4,201</u>	<u>\$ 500,172</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:

- (a) Payment of all taxes and dues.
- (b) Offset previous year's operating losses, if any.
- (c) Setting aside 10% of remaining amount as legal reserve, unless the accumulated amount of the legal reserve has reached the total authorised capital of the Company.
- (d) Setting aside or reversing a special reserve according to relevant regulations.
- (e) The remainder from this year and prior years may be appropriated as dividends according to a resolution in the shareholders' meeting.

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

In accordance with Article 240 of the Company Act, the Board of Directors is authorized by the Company to approve the distribution of dividends and bonuses or legal reserve and capital reserve, in whole or in part, in accordance with Article 241 of the Company Act in the form of

cash by a resolution adopted by the majority vote at its meeting attended by 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:

	2024	2023
	February 26, 2025	February 27, 2024
As approved by the Board of Directors		
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 had been resolved at the shareholders' meeting 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 June 30,	
	2025	2024
Revenue from contracts with customers	\$ 3,288,429	\$ 3,579,848
	Six-month periods ended June 30,	
	2025	2024
Revenue from contracts with customers	\$ 6,191,364	\$ 6,917,810

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 periods ended June

<u>30,2025</u>	<u>Domestic area</u>	<u>Asia</u>	<u>Others</u>	<u>Total</u>
Integrated circuits	\$ 1,221,180	\$ 2,051,506	\$ 15,743	\$ 3,288,429

Three-month periods ended June

<u>30,2024</u>	<u>Domestic area</u>	<u>Asia</u>	<u>Others</u>	<u>Total</u>
Integrated circuits	\$ 1,425,982	\$ 2,132,982	\$ 20,884	\$ 3,579,848

Six-month periods ended June

<u>30,2025</u>	<u>Domestic area</u>	<u>Asia</u>	<u>Others</u>	<u>Total</u>
Integrated circuits	\$ 2,320,975	\$ 3,833,563	\$ 36,826	\$ 6,191,364

Six-month periods ended June

<u>30,2024</u>	<u>Domestic area</u>	<u>Asia</u>	<u>Others</u>	<u>Total</u>
Integrated circuits	\$ 2,899,887	\$ 3,971,924	\$ 45,999	\$ 6,917,810

B. Contract liabilities

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Contract liabilities- advance sales receipts	\$ 25,774	\$ 16,354	\$ 35,968	\$ 4,665

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

	<u>Three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Contract liabilities – advance sales receipts	\$ 3,120	\$ 1,244
	<u>Six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Contract liabilities – advance sales receipts	\$ 16,154	\$ 4,518

(21) Interest income

	Three-month periods ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 23,032	\$ 31,832
Interest income from financial assets at amortised cost	-	171
Other interest income	15	-
	<u>\$ 23,047</u>	<u>\$ 32,003</u>
	Six-month periods ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 50,140	\$ 73,532
Interest income from financial assets at amortised cost	-	588
Other interest income	30	-
	<u>\$ 50,170</u>	<u>\$ 74,120</u>

(22) Other income

	Three-month periods ended June 30, □	
	2025	2024
Rent income	\$ 1,514	\$ 1,363
Other income, others	5,486	435
	<u>\$ 7,000</u>	<u>\$ 1,798</u>
	Six-month periods ended June 30,	
	2025	2024
Rent income	\$ 2,943	\$ 2,747
Other income, others	10,160	3,440
	<u>\$ 13,103</u>	<u>\$ 6,187</u>

(23) Other gains and losses

	Three-month periods ended June 30,	
	2025	2024
Gains on disposals of property, plant and equipment	\$ -	\$ 56
Foreign exchange (losses) gains	(359,436)	75,254
Gains (losses) on financial assets at fair value through profit or loss	486	(4,242)
Gain on reversal of onerous contracts	-	151,230
Miscellaneous disbursements	(243)	(448)
	<u>(\$ 359,193)</u>	<u>\$ 221,850</u>
	Six-month periods ended June 30,	
	2025	2024
Gains on disposals of property, plant and equipment	\$ -	\$ 56
Gains arising from lease modifications	907	-
Foreign exchange (losses) gains	(305,108)	267,534
Gains (losses) on financial assets at fair value through profit or loss	446	(12,874)
Gain on reversal of onerous contracts	-	151,230
Miscellaneous disbursements	(485)	(802)
	<u>(\$ 304,240)</u>	<u>\$ 405,144</u>

(24) Finance costs

	Three-month periods ended June 30,	
	2025	2024
Interest expense:		
Bank borrowings	\$ 16,328	\$ 11,068
Provisions for liabilities-amortisation of discount	225	182
Lease liabilities	440	287
Amortisation of discount on bonds payable	5,036	4,933
Total interest expense	<u>22,029</u>	<u>16,470</u>
Others	<u>2</u>	<u>-</u>
	<u>\$ 22,031</u>	<u>\$ 16,470</u>

	Six-month periods ended June 30,	
	2025	2024
Interest expense:		
Bank borrowings	\$ 29,897	\$ 25,006
Provisions for liabilities-amortisation of discount	484	363
Lease liabilities	830	558
Amortisation of discount on bonds payable	9,992	9,840
Total interest expense	41,203	35,767
Others	9	8
	<u>\$ 41,212</u>	<u>\$ 35,775</u>

(25) Expenses by nature

	Three-month periods ended June 30,	
	2025	2024
Employee benefit expenses	\$ 373,356	\$ 423,415
Depreciation charges on property, plant and equipment	\$ 86,023	\$ 114,247
Depreciation charges on right-of-use assets	\$ 6,376	\$ 5,485
Depreciation charges on investment property	\$ 242	\$ 243
Amortisation charges on intangible assets	\$ 42,083	\$ 36,617

	Six-month periods ended June 30,	
	2025	2024
Employee benefit expenses	\$ 727,119	\$ 742,276
Depreciation charges on property, plant and equipment	\$ 176,133	\$ 231,404
Depreciation charges on right-of-use assets	\$ 12,787	\$ 9,878
Depreciation charges on investment property	\$ 485	\$ 485
Amortisation charges on intangible assets	\$ 84,469	\$ 73,502

(26) Employee benefit expenses

	Three-month periods ended June 30,	
	2025	2024
Wages and salaries	\$ 332,271	\$ 382,675
Labor and health insurance fees	17,896	16,408
Pension costs	12,762	12,031
Directors' remuneration	992	4,384
Other personnel expenses	9,435	7,917
	<u>\$ 373,356</u>	<u>\$ 423,415</u>
	Six-month periods ended June 30,	
	2025	2024
Wages and salaries	\$ 640,375	\$ 657,282
Labor and health insurance fees	40,160	39,202
Pension costs	25,462	23,794
Directors' remuneration	1,877	6,113
Other personnel expenses	19,245	15,885
	<u>\$ 727,119</u>	<u>\$ 742,276</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. For the three-month and six-month periods ended June 30, 2025 and 2024, employees' compensation was accrued at \$0, \$1,918, \$0 and \$1,918, respectively; directors' remuneration was accrued at \$0, \$1,918, \$0 and \$1,918, respectively. The amounts were recognised in wages and salaries.
- 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 June 30,	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 111	\$ 1,095
Prior year income tax under (over) estimation	389	(83,201)
Total current tax	500	(82,106)
Deferred tax:		
Origination and reversal of temporary differences	(27,779)	83,675
Income tax (benefit) expense	<u>(\$ 27,279)</u>	<u>\$ 1,569</u>
	Six-month periods ended June 30,	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 742	\$ 3,260
Prior year income tax under (over) estimation	389	(83,201)
Total current tax	1,131	(79,941)
Deferred tax:		
Origination and reversal of temporary differences	(29,708)	82,950
Income tax (benefit) expense	<u>(\$ 28,577)</u>	<u>\$ 3,009</u>

(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) earnings per share

Three-month period ended June 30, 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	(\$ 726,945)	280,667	(\$ 2.59)
Three-month period ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent company	\$ 246,166	280,720	\$ 0.88
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	19	
Convertible bonds	3,546	11,681	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	\$ 249,712	292,420	\$ 0.85
Six-month period ended June 30, 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	(\$ 803,135)	280,699	(\$ 2.86)

	Six-month period ended June 30, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent company	\$ 188,207	280,659	\$ 0.67
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	19	
Convertible bonds	8,032	11,681	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	\$ 196,239	292,359	\$ 0.67

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

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six-month periods ended June 30,	
	2025	2024
Purchase of property, plant and equipment (including transferred amount)	\$ 186,130	\$ 153,907
Add: Ending balance of prepayment for equipment	200,103	77,698
Less: Opening balance of prepayment for equipment	(175,624)	(45,969)
Add: Opening balance of payable on equipment	51,191	13,722
Less: Ending balance of payable on equipment	(45,683)	(44,853)
Less: Additions of decommissioning costs	(1,205)	-
Cash paid during the period	\$ 214,912	\$ 154,505

	Six-month periods ended June 30,	
	2025	2024
Purchase of intangible assets (including transferred amount)	\$ 24,372	\$ 54,190
Add: Opening balance of prepayment for equipment being transferred to intangible assets	87,208	-
Less: Opening balance of prepayment for equipment being transferred to intangible assets	-	(304)
Cash paid during the period	\$ 111,580	\$ 53,886

B. Financing activities with no cash flow effects:

	Six-month periods ended June 30,	
	2025	2024
Cash dividends	\$ 286,172	\$ 193,272
Less: Dividends on shares of the parent company held by the subsidiary should be eliminated	(13,490)	-
Less: Cash dividends payable	(272,682)	(193,272)
	<u>\$ -</u>	<u>\$ -</u>

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	400,000	99,102	-	(115,600)	(14,266)	653	369,889
Interest paid	-	-	-	-	(830)	-	(830)
Interest expense	-	882	9,992	-	830	-	11,704
Changes in other non-cash items	-	-	-	-	1,580	-	1,580
At June 30, 2025	<u>\$ 2,000,000</u>	<u>\$ 99,984</u>	<u>\$ 972,713</u>	<u>\$ 1,165,300</u>	<u>\$ 97,656</u>	<u>\$ 6,756</u>	<u>\$ 4,342,409</u>

	Short-term borrowings	Bonds payable	Long-term borrowings (including long-term borrowings due within one year)	Lease liabilities	Guarantee deposits received	Cash dividends payable	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	(810,000)	-	-	(8,877)	137	-	(818,740)
Interest paid	-	-	-	(558)	-	-	(558)
Interest expense	-	9,840	-	558	-	-	10,398
Changes in other non-cash items	-	(94)	-	54,799	-	-	54,705
Declaration of cash dividends	-	-	-	-	-	193,272	193,272
At June 30, 2024	<u>\$ 1,810,000</u>	<u>\$ 952,669</u>	<u>\$ 643,400</u>	<u>\$ 122,603</u>	<u>\$ 6,353</u>	<u>\$ 193,272</u>	<u>\$ 3,728,297</u>

7. RELATED PARTY TRANSACTIONS

Key management compensation

	Three-month periods ended June 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 6,610	\$ 14,420
Post-employment benefits	162	155
Total	<u>\$ 6,772</u>	<u>\$ 14,575</u>

	Six-month periods ended June 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 13,217	\$ 21,110
Post-employment benefits	321	290
Total	<u>\$ 13,538</u>	<u>\$ 21,400</u>

8. PLEDGED ASSETS

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

Assets item	Book value			Purposes
	June 30, 2025	December 31, 2024	June 30, 2024	
Land, buildings and structures	\$ 727,700	\$ 731,151	\$ 734,601	Long-term borrowings
Time deposits (shown as "other non-current assets")	3,969	3,969	3,969	Guarantee deposits for land leasing
	<u>\$ 731,669</u>	<u>\$ 735,120</u>	<u>\$ 738,570</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 characteristics of the current operating industry, the Company's future development, and changes in the external environment, the Group plans for future requirements of working capital, research and development expenditures, and dividend payments to shareholders in order to safeguard the Group's ability to continue as a going concern, to provide returns to shareholders, to balance the interests of other stakeholders, and to maintain an optimal capital structure so as to enhance shareholders' value in the long term.

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

The equity to assets ratios on June 30, 2025, December 31, 2024 and June 30, 2024 were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total assets	\$ 17,035,848	\$ 17,671,665	\$ 17,802,008
Total liabilities	(7,881,741)	(7,384,188)	(7,842,047)
Total equity	<u>\$ 9,154,107</u>	<u>\$ 10,287,477</u>	<u>\$ 9,959,961</u>
Equity to assets ratio	<u>54%</u>	<u>58%</u>	<u>56%</u>

(2) Financial instruments

A. Financial instruments by category

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 3,090</u>	<u>\$ 2,644</u>	<u>\$ 47,204</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 50,718</u>	<u>\$ 67,742</u>	<u>\$ 19,738</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,436,602	\$ 4,485,019	\$ 4,263,228
Notes receivable	-	127	244
Accounts receivable	1,453,967	1,432,658	1,691,266
Other receivables	161,223	98,174	115,732
Time deposits (shown as "Other non-current assets")	3,969	3,969	3,969
Refundable deposits (shown as "Other non-current assets")	10,337	9,164	983,646
	<u>\$ 6,066,098</u>	<u>\$ 6,029,111</u>	<u>\$ 7,058,085</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 2,000,000	\$ 1,600,000	\$ 1,810,000
Short-term notes and bills payable	99,984	-	-
Notes payable	4,351	-	-
Accounts payable	2,233,380	2,385,536	2,507,320
Other payables	1,050,668	772,953	998,816
Bonds payable (including current portion)	972,713	962,721	952,669
Long-term borrowings (including current portion)	1,165,300	1,280,900	643,400
Guarantee deposits received (shown as "Other non-current liabilities")	6,756	6,103	6,353
	<u>\$ 7,533,152</u>	<u>\$ 7,008,213</u>	<u>\$ 6,918,558</u>
Lease liabilities	<u>\$ 97,656</u>	<u>\$ 110,342</u>	<u>\$ 122,603</u>

B. Financial risk management policies

- (a) The Group adopts a comprehensive risk management and control system to clearly identify, assess, and control all types of risks, including market risk, credit risk, liquidity risk, and cash flow risk, enabling management to effectively control and assess such risks.
- (b) To effectively manage various market risks, the Group takes into consideration the economic environment, competitive conditions, and the impact of market value risk, in order to maintain an optimal risk position, preserve an appropriate liquidity position, and centrally manage all market risks.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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 the duration of the hedge, thereby effectively mitigating the impact of exchange rate fluctuations on the Group's overall financial position.

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

June 30, 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	\$ 99,649	29.300	\$ 2,919,716
RMB:NTD	126,278	4.091	516,603
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 43,855	29.300	\$ 1,284,952
RMB:NTD	9,771	4.091	39,973
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	54,627
<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

June 30, 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	\$ 166,357	32.450	\$ 5,398,285
RMB:NTD	136,806	4.445	608,103
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 63,050	32.450	\$ 2,045,973
4. The total exchange (losses) gains, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2025 and 2024, amounted to (\$359,436), \$75,254, (\$305,108) and \$267,534, respectively.			
5. Analysis of foreign currency market risk arising from significant foreign exchange variation:			

Six-month periods ended June 30, 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%	\$ 29,197	\$ -
RMB:NTD	1%	5,166	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(\$ 12,850)	\$ -
RMB:NTD	1%	(\$ 400)	-

Six-month periods ended June 30, 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%	\$	53,983	\$ -
RMB:NTD	1%		6,081	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$	20,460)	\$ -

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group mainly invests in equity instruments and open-end funds issued by domestic and foreign companies. The prices of these equity instruments are affected by the uncertainty regarding the future value of the underlying investments. Had the prices of these equity instruments increased or decreased by 10% while all other variables were held constant, for the six-month periods ended June 30, 2025 and 2024, net profit after tax would have increased or decreased by \$309 and \$4,530, respectively from the account of gains or losses on equity instruments at fair value through profit or loss; other comprehensive income would have increased or decreased by \$5,072 and \$1,974, respectively from the account of gains or losses on equity investments designated at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's cash flow interest rate risk arises from long-term and short-term borrowings issued at floating interest rates. For the six-month periods ended June 30, 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 six-month periods ended June 30, 2025 and 2024 would have decreased or increased by \$2,458 and \$515, respectively. This is mainly attributable to changes in interest expense resulting from the floating-rate borrowings.

(b) Credit risk

- i. Credit risk is the risk of financial loss to the Group arising from a client or counterparty of a financial instrument failing to discharge its contractual obligations. The principal exposure arises from counterparties' inability to settle accounts receivable in accordance with the agreed terms, as well as from the contractual cash flows of financial assets measured at amortised cost and debt instruments measured at fair value through profit or loss.
- ii. The Group manages its credit risk on a group-wide basis. For banks and financial institutions, only those with strong credit ratings are accepted as counterparties. In accordance with the Group's credit policy, each operating entity within the Group is required to manage and assess the credit risk of each new customer prior to setting standard payment and delivery terms. Internal risk control procedures evaluate the credit quality of customers by considering their financial position, past experience, and other relevant factors. Individual credit limits are established by management based on internal or external credit ratings, and the utilisation of credit limits is monitored on a regular basis.
- iii. The Group applies the presumption under IFRS 9 that default occurs when contractual payments are more than 90 days past due.
- iv. The Group also applies the presumption under IFRS 9 that there has been a significant increase in credit risk since initial recognition when contractual payments are more than 30 days past due.
- v. The following indicators are used to determine whether credit impairment of debt instruments has occurred:
 - (i) Significant financial difficulty of the issuer and a high probability of entering bankruptcy or other financial reorganisation;
 - (ii) The disappearance of an active market for the financial asset due to the issuer's financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments by the issuer;
 - (iv) Adverse changes in national or regional economic conditions that are expected to result in the issuer's default.
- vi. Financial assets that cannot be reasonably expected to be recovered are written off after the completion of collection procedures. Nevertheless, the Group continues to pursue legal recourse to preserve its rights.
- vii. Financial assets measured at amortised cost comprise time deposits and restricted time deposits with banks that possess strong credit ratings and no history of default. Considering also that there have been no significant changes in the overall economic environment, the risk of credit loss is assessed to be very low and the impact on the financial statements is considered immaterial.

viii. Information on the aging analysis of the Group's accounts receivable from customers is disclosed in Note 6(4). In assessing credit risk, the Group takes into account the counterparties' financial position, historical transaction experience, current economic conditions, and the Group's internal credit rating standards. Based on these risk factors, the Group may require prepayments, collateral, or other forms of guarantees. Accounts receivable are grouped according to risk characteristics, and the Group applies the simplified approach using the loss rate method to estimate expected credit losses. On the balance sheet date, the Group reviews the recoverable amount of accounts receivable on an individual basis to ensure that appropriate impairment losses have been recognised for uncollectible amounts. Based on this assessment, the provision for loss recognised by the Group as at June 30, 2025, December 31, 2024, and June 30, 2024 was considered immaterial.

(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
June 30, 2025	year	and 5 years	5 years
Short-term borrowings	\$ 2,005,331	\$ -	\$ -
Short-term notes and bills payable	100,000	-	-
Accounts payable	2,233,380	-	-
Other payables	1,050,668	-	-
Lease liabilities	23,379	46,934	33,574
Bonds payable (including current portion)	-	999,900	-
Long-term borrowings (including current portion)	275,846	547,884	429,821
Guarantee deposits received	-	-	6,756
<u>Derivative financial liabilities:</u> 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
<u>Derivative financial liabilities:</u> None.			
<u>Non-derivative financial liabilities:</u>	Less than 1	Between 1	Over
June 30, 2024	year	and 5 years	5 years
Short-term borrowings	\$ 1,813,977	\$ -	\$ -
Accounts payable	2,507,320	-	-
Other payables	998,816	-	-
Lease liabilities	26,227	65,348	38,913
Bonds payable (including current portion)	-	999,900	-
Long-term borrowings (including current portion)	10,978	229,711	491,460
Guarantee deposits received	-	-	6,353
<u>Derivative financial liabilities:</u> 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.

		June 30, 2025			
		<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:					
Bonds payable (including current portion)		<u>\$ 972,713</u>	<u>\$ -</u>	<u>\$ 975,202</u>	<u>\$ -</u>
		December 31, 2024			
		<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:					
Bonds payable (including current portion)		<u>\$ 962,721</u>	<u>\$ -</u>	<u>\$ 962,004</u>	<u>\$ -</u>
		June 30, 2024			
		<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities:					
Bonds payable (including current portion)		<u>\$ 952,669</u>	<u>\$ -</u>	<u>\$ 949,805</u>	<u>\$ -</u>

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

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

June 30, 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	\$ 1,546	\$ -	\$ 1,544	\$ 3,090
Call options of convertible bonds	-	-	-	-
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	50,718	50,718
	<u>\$ 1,546</u>	<u>\$ -</u>	<u>\$ 52,262</u>	<u>\$ 53,808</u>
<u>Financial liabilities:</u> 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>
<u>Financial liabilities:</u> None.				

June 30, 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	\$ 43,695	\$ -	\$ 1,609	\$ 45,304
Call options of convertible bonds	-	-	1,900	1,900
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	19,738	19,738
	<u>\$ 43,695</u>	<u>\$ -</u>	<u>\$ 23,247</u>	<u>\$ 66,942</u>

Financial liabilities: None.

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

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

- E. For the six-month periods ended June 30, 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 six-month periods ended June 30, 2025 and 2024:

	<u>2025</u>		<u>2024</u>	
	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	(16,428)	(100)	(2,390)	(200)
At June 30	<u>\$ 52,262</u>	<u>\$ -</u>	<u>\$ 21,347</u>	<u>\$ 1,900</u>

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

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,544	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Financial assets at fair value through profit or loss -call options of convertible bonds	-	Binary tree convertible evaluation model	Stock price volatility	43.32%	The higher the volatility, the lower the fair value
Unlisted shares	2,156	Market comparable companies	Discount for lack of marketability	45%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	48,562	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 June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,609	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	1,900	Binary tree convertible evaluation model	Stock price volatility	39%	The higher the volatility, the lower the fair value
Unlisted shares	19,738	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 in measuring fair value. However, the use of different valuation models or assumptions may result in different fair value measurements. The following table sets out the potential impact on profit or loss and other comprehensive income from financial assets classified as Level 3, arising from reasonably possible changes in significant unobservable inputs used in the valuation models:

		June 30, 2025					
				Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets	Discount for						
Equity instrument	lack of						
	marketability	± 10%	\$ 66	(\$ 66)	\$ 176	(\$ 176)	
			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	Discount for						
Equity instrument	lack of						
	marketability	± 10%	\$ 41	(\$ 41)	\$ 1,569	(\$ 1,569)	
			June 30, 2024				
				Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets	Discount for						
Equity instrument	lack of						
	marketability	± 10%	\$ 69	(\$ 69)	\$ 1,615	(\$ 1,615)	

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- Loans to others: None.
- Provision of endorsements and guarantees to others: None.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- 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.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- 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 June 30,	
	2025	2024
Revenue from external customers	\$ 3,288,429	\$ 3,579,848
Segment (loss) income before income tax	(\$ 754,208)	\$ 247,839
	Six-month periods ended June 30,	
	2025	2024
Revenue from external customers	\$ 6,191,364	\$ 6,917,810
Segment (loss) income before income tax	(\$ 831,682)	\$ 190,564
	June 30, 2025	June 30, 2024
Segment assets	\$ 17,035,848	\$ 17,802,008
Segment liabilities	\$ 7,881,741	\$ 7,842,047

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Holding of marketable securities at the end of the period

June 30, 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 June 30, 2025				Footnote
				Number of shares	Book value (Note 1)	Ownership (%)	Fair value (Note 1)	
Elite Semiconductor Microelectronics Technology Inc.	Turning Point Lasers Ltd, preferred stock	None	Financial assets at fair value through other comprehensive income	1,000,000	1,078	6.29	1,078	
Charng Feng Investment Ltd.	M2 Communication Inc. stock	None	Financial assets at fair value through profit or loss	100,542	1,544	0.99	1,544	
Charng Feng Investment Ltd.	Powership Semiconductor Manufacturing Corporation	None	Financial assets at fair value through profit or loss	100,426	1,546	0.00	1,546	
Charng Feng Investment Ltd.	Turning Point Lasers Ltd, preferred stock	None	Financial assets at fair value through other comprehensive income	1,000,000	1,078	6.29	1,078	
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	13,490,000	736,554	4.71	736,554	

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 six-month period ended June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions				Notes/accounts receivable(payable)	
			Transaction									
Purchase/seller	Counterparty	Relationship with the counterparty	Purchase (sales)	Amount	Percentage of total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	Ultimate parent company	Sales	\$ 515,462	8.33%	Monthly payment in 30 days	\$ -	-	\$ 163,600	11.25%		

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

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

June 30, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 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	\$ 163,600	4.81	\$ -	-	\$ 97,885	\$ -

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the six-month period ended June 30, 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	\$ 515,462	Note 4	8.33%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The transaction terms are decided by the mutual party through negotiation.

Note 5: The disclosure requirement for the above disclosed amount is 1% of the consolidated total assets for balance sheet accounts and 1% of the consolidated total revenue for income statement accounts.

Note 6: The transaction between parent company to subsidiary and subsidiaries were eliminated when preparing consolidated financial statements.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investees (exclude investees in Mainland China)

For the six-month period ended June 30, 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 June 30, 2025			Net profit (loss) of the investee for the six-month period ended June 30, 2025	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2025	Footnote
				Balance as at June 30, 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	\$ 17,719	(\$ 326)	(\$ 326)	
Elite Semiconductor Microelectronics Technology Inc.	Charng Feng Investment Ltd.	Taiwan	General investment	500,000	500,000	50,000,000	100	567,565	781	781	
Elite Semiconductor Microelectronics Technology Inc.	Elite Investment Services Ltd.	British Virgin Islands	General investment	29,300	29,300	1	100	51,694	1,955	1,955	
Elite Semiconductor Microelectronics Technology Inc.	Jie Yong Investment Ltd.	Taiwan	General investment	270,000	270,000	3,600,000	41.86	154,693	13,542	22	
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	157	1,612	1,612	
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	25,178	485	485	
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	137,238	(7,925)	(2,908)	
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	2,172	2,172	200	100	3,324	866	866	
Charng Feng Investment Ltd.	CHI Microelectronics Limited	Hong Kong	General trading	746	746	20,000	100	902	42	42	

Note 1: The foreign investment amount was translated at the exchange rate as at June 30, 2025.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investments in Mainland China

For the six-month period ended June 30, 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 six- month period ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 2025	Net income (loss) of investee for the six-month period ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six- month period ended June 30, 2025 (Note 2)	Book value of investment in Mainland China as at June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as at June 30, 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	\$ 89,057	(1)	\$ 89,057	\$ -	\$ -	\$ 89,057	\$ 118	100%	\$ 118	\$ 86,414	\$ -	Note 5
Elite Semiconductor Microelectronics Technology (Shanghai) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	5,860	(1)	5,860	-	-	5,860	(116)	100%	(116)	9,468	-	Note 6
Elite Semiconductor Microelectronics Technology (Xian) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	2,046	(3)	-	-	-	-	(235)	100%	(235)	1,156	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as at June 30, 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.	\$ 94,917	\$ 94,917	\$ 340,539										

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others.

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

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

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

Table 6