ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

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.

Representation Letter

The entities that are required to be included in the consolidated financial statements of Elite Semiconductor Microelectronics Technology Inc. as at and for the year ended December 31, 2024, under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the consolidated financial statements of affiliated enterprises is included in the consolidated financial statements. Consequently, Elite Semiconductor Microelectronics Technology Inc. and its subsidiaries do not prepare a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,
Elite Semiconductor Microelectronics Technology Inc.

By
Chairman
Ming-Chien Chang
February 26, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Elite Semiconductor Microelectronics Technology Inc. and its subsidiaries (the" Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of inventories. As at December 31, 2024, the Group's inventories and allowance for inventory valuation losses amounted to NT$8,156,813 thousand and NT$219,843 thousand, respectively.

The Group is primarily engaged in researching, developing, manufacturing, selling of integrated circuits. The Group recognises inventories at the lower of cost and net realisable value. An allowance for inventory valuation losses is provided for those inventories aged over a certain period and those individually identified as obsolete or damaged. As the estimation of net realisable value for individually obsolete or damaged inventories is subject to management's judgment, we considered the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter, including assessing the reasonability of the policies and procedures adopted to provide for inventory losses based on our understanding of the Group’s operations and industry, validating the appropriateness of relevant information in the inventory aging report utilised by the Group, and evaluating and testing the reasonability of estimation of net realisable value. We then evaluated the reasonableness of the allowance for inventory valuation losses provided by the Group.

Other matter–Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Elite Semiconductor Microelectronics Technology Inc. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Shu-Chien Pai	Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 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
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 4,485,019	25	$ 4,520,314	25
1110	Financial assets at fair value through profit or loss - current	6(2)	2,644	-	167,295	1
1136	Financial assets at amortised cost - current		-	-	31,791	-
1150	Notes receivable, net		127	-	-	-
1170	Accounts receivable, net	6(4)	1,432,658	8	1,204,521	7
1200	Other receivables		98,174	1	107,564	1
1220	Current income tax assets		23,402	-	232,673	1
130X	Inventories	6(5)	7,936,970	45	6,885,637	38
1410	Prepayments		902,879	5	399,667	2
1470	Other current assets		263	-	2,862	-
11XX	**Total current assets**		14,882,136	84	13,552,324	75
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	67,742	-	22,920	-
1550	Investments accounted for using equity method	6(6)	144,615	1	135,110	1
1600	Property, plant and equipment	6(7) and 8	1,834,088	10	1,957,077	11
1755	Right-of-use assets	6(8)	108,141	1	75,942	-
1760	Investment property, net	6(9)	13,822	-	14,791	-
1780	Intangible assets	6(10)	162,049	1	117,255	1
1840	Deferred income tax assets	6(28)	123,032	1	256,076	1
1900	Other non-current assets	6(11) and 8	336,040	2	1,965,715	11
15XX	**Total non-current assets**		2,789,529	16	4,544,886	25
1XXX	**Total assets**		$ 17,671,665	100	$ 18,097,210	100

(Continued)

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 1,600,000	9	$ 2,620,000	14
2130	Contract liabilities - current	6(21)	16,354	-	4,665	-
2150	Notes payable		-	-	2,178	-
2170	Accounts payable		2,385,536	14	2,282,490	13
2200	Other payables	6(14)	772,953	5	714,823	4
2230	Current income tax liabilities		2,326	-	1,295	-
2250	Provisions for liabilities - current		-	-	533,499	3
2280	Lease liabilities - current		23,257	-	13,914	-
2320	Long-term liabilities, current portion	6(15)	231,200	1	-	-
2399	Other current liabilities, others		10,017	-	9,018	-
21XX	**Total current liabilities**		5,041,643	29	6,181,882	34
	Non-current liabilities					
2530	Bonds payable	6(13)	962,721	5	942,923	5
2540	Long-term borrowings	6(15)	1,049,700	6	643,400	4
2550	Provisions for liabilities - non-current		21,781	-	21,055	-
2570	Deferred income tax liabilities	6(28)	28,022	-	54,661	-
2580	Lease liabilities - non-current		87,085	1	62,767	-
2600	Other non-current liabilities		193,236	1	270,430	2
25XX	**Total non-current liabilities**		2,342,545	13	1,995,236	11
2XXX	**Total Liabilities**		7,384,188	42	8,177,118	45
	Equity attributable to owners of parent					
	Share capital	6(18)				
3110	Common stock		2,861,722	16	2,861,711	16
	Capital surplus	6(19)				
3200	Capital surplus		503,985	3	487,274	2
	Retained earnings	6(20)				
3310	Legal reserve		2,118,375	12	2,118,375	12
3320	Special reserve		36,380	-	46,310	-
3350	Unappropriated retained earnings		5,033,456	29	4,688,916	26
	Other equity interest					
3400	Other equity interest		(27,776)	-	(36,380)	-
3500	Treasury shares	6(18)	(140,061)	(1)	(144,468)	(1)
31XX	**Total equity attributable to owners of the parent**		10,386,081	59	10,021,738	55
36XX	**Non-controlling interests**		(98,604)	(1)	(101,646)	-
3XXX	**Total equity**		10,287,477	58	9,920,092	55
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 17,671,665	100	$ 18,097,210	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
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS (LOSSES) PER SHARE)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21)	$ 13,485,168	100	$ 11,884,121	100
5000	Operating costs	6(5)(26)(27)	(11,852,549)	(88)	(11,559,380)	(97)
5950	Gross profit		1,632,619	12	324,741	3
	Operating expenses	6(26)(27)				
6100	Selling expenses		(296,963)	(2)	(271,256)	(3)
6200	General and administrative expenses		(279,748)	(2)	(233,329)	(2)
6300	Research and development expenses		(1,450,799)	(11)	(1,458,708)	(12)
6000	Total operating expenses		(2,027,510)	(15)	(1,963,293)	(17)
6900	Operating loss		(394,891)	(3)	(1,638,552)	(14)
	Non-operating income and expenses					
7100	Interest income	6(22)	116,541	1	170,490	2
7010	Other income	6(23)	15,325	-	32,713	-
7020	Other gains and losses	6(24)	847,583	6	259,145	2
7050	Finance costs	6(25)	(71,427)	-	(82,689)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	17,716	-	30,632	-
7000	Total non-operating income and expenses		925,738	7	410,291	4
7900	**Profit (loss) before income tax**		530,847	4	(1,228,261)	(10)
7950	Income tax (expense) benefit	6(28)	(26,208)	-	19,300	-
8200	**Profit (loss) for the year**		$ 504,639	4	($ 1,208,961)	(10)
	Components of other comprehensive income (loss)-net					
	Other comprehensive income (loss) components that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(16)	$ 1,198	-	$ 101	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(3,740)	-	9,930	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operation		12,344	-	-	-
8300	**Other comprehensive income for the year-net**		$ 9,802	-	$ 10,031	-
8500	**Total comprehensive income (loss) for the year**		$ 514,441	4	($ 1,198,930)	(10)
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 505,115	4	($ 1,222,845)	(10)
8620	Non-controlling interest		($ 476)	-	$ 13,884	-
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 514,917	4	($ 1,212,814)	(10)
8720	Non-controlling interest		($ 476)	-	$ 13,884	-
	Earnings (losses) per share (in dollars)	6(29)				
9750	Basic earnings (losses) per share		$ 1.80		($ 4.36)	
9850	Diluted earnings (losses) per share		$ 1.79		($ 4.36)	

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
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent										
				Retained earnings			Other equity interest					
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation difference of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
2023												
Balance at January 1, 2023		$ 2,861,570	$ 255,317	$ 2,014,288	$ 23,906	$ 6,553,259	$ -	($ 46,310)	($ 147,700)	$ 11,514,330	($ 76,454)	$ 11,437,876
Profit (loss) for the year		-	-	-	-	(1,222,845)	-	-	-	(1,222,845)	13,884	(1,208,961)
Other comprehensive income for the year		-	-	-	-	101	-	9,930	-	10,031	-	10,031
Total comprehensive income (loss) for the year		-	-	-	-	(1,222,744)	-	9,930	-	(1,212,814)	13,884	(1,198,930)
Distribution of 2022 earnings	6(20)											
Legal reserve appropriated		-	-	104,087	-	(104,087)	-	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	(515,108)	-	-	-	(515,108)	-	(515,108)
Special reserve appropriated		-	-	-	22,404	(22,404)	-	-	-	-	-	-
Disposal of parent company's share by a subsidiary recognised as treasury share	6(19)	-	8,540	-	-	-	-	-	3,232	11,772	16,349	28,121
Recognition of changes in ownership interests in subsidiaries - cash dividends distributed by subsidiaries	6(19)	-	989	-	-	-	-	-	-	989	(55,425)	(54,436)
Adjustment of capital surplus due to cash dividends that subsidiaries received from parent	6(19)	-	10,329	-	-	-	-	-	-	10,329	-	10,329
Changes in equity of associates and joint ventures accounted for using equity method	6(19)	-	621	-	-	-	-	-	-	621	-	621
Issuance of new shares due to employee stock options exercised	6(17)(18)(19)	141	611	-	-	-	-	-	-	752	-	752
Expired cash dividends transferred to capital surplus	6(19)	-	45	-	-	-	-	-	-	45	-	45
Issuance of convertible bonds	6(13)(19)	-	210,822	-	-	-	-	-	-	210,822	-	210,822
Balance at December 31, 2023		$ 2,861,711	$ 487,274	$ 2,118,375	$ 46,310	$ 4,688,916	$ -	($ 36,380)	($ 144,468)	$ 10,021,738	($ 101,646)	$ 9,920,092
2024												
Balance at January 1, 2024		$ 2,861,711	$ 487,274	$ 2,118,375	$ 46,310	$ 4,688,916	$ -	($ 36,380)	($ 144,468)	$ 10,021,738	($ 101,646)	$ 9,920,092
Profit (loss) for the year		-	-	-	-	505,115	-	-	-	505,115	(476)	504,639
Other comprehensive income (loss) for the year		-	-	-	-	1,198	12,344	(3,740)	-	9,802	-	9,802
Total comprehensive income (loss) for the year		-	-	-	-	506,313	12,344	(3,740)	-	514,917	(476)	514,441
Distribution of 2023 earnings	6(20)											
Cash dividends of ordinary shares		-	-	-	-	(171,703)	-	-	-	(171,703)	-	(171,703)
Reversal of special reserve		-	-	-	(9,930)	9,930	-	-	-	-	-	-
Disposal of parent company's share by a subsidiary recognised as treasury share	6(19)	-	11,544	-	-	-	-	-	4,407	15,951	22,153	38,104
Recognition of changes in ownership interests in subsidiaries - cash dividends distributed by subsidiaries	6(19)	-	1,601	-	-	-	-	-	-	1,601	(23,170)	(21,569)
Adjustment of capital surplus due to cash dividends that subsidiaries received from parent	6(19)	-	3,265	-	-	-	-	-	-	3,265	4,535	7,800
Changes in equity of associates and joint ventures accounted for using equity method	6(19)	-	139	-	-	-	-	-	-	139	-	139
Expired cash dividends transferred to capital surplus	6(19)	-	79	-	-	-	-	-	-	79	-	79
Conversion of convertible bonds	6(13)(18)(19)	11	83	-	-	-	-	-	-	94	-	94
Balance at December 31, 2024		$ 2,861,722	$ 503,985	$ 2,118,375	$ 36,380	$ 5,033,456	$ 12,344	($ 40,120)	($ 140,061)	$ 10,386,081	($ 98,604)	$ 10,287,477

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

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		$ 530,847	($ 1,228,261)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(9)(26)	458,971	538,796
Amortisation	6(10)(26)	153,445	167,413
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(24)	30,574	(9,172)
Interest expense	6(25)	71,427	82,689
Interest income	6(22)	(116,541)	(170,442)
Dividend income	6(23)	-	(17,380)
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(17,716)	(30,632)
Gains on disposals of property, plant and equipment	6(24)	(56)	(281,765)
Gain on reversal of onerous contracts	6(24)	(530,888)	-
Gains on lease modifications	6(24)	(24)	(67)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit and loss		135,542	48,687
Notes receivable		(127)	9
Accounts receivable		(228,137)	(243,620)
Accounts receivable - related parties		-	1,482
Other receivables		(3,359)	(16,749)
Inventories		(1,051,333)	1,483,588
Prepayments		(503,212)	44,894
Other current assets		2,599	(2,041)
Other non-current assets		840,046	195,621
Changes in operating liabilities			
Contract liabilities		11,689	(1,431)
Notes payable		(2,178)	(221)
Accounts payable		103,046	(43,171)
Other payables		7,912	(635,111)
Provisions for liabilities		(2,611)	2,611
Other current liabilities		999	(412)
Other non-current liabilities		(150,198)	255,933
Cash (outflow) inflow generated from operations		(259,283)	141,248
Interest received		129,290	164,100
Interest paid		(50,953)	(79,918)
Income taxes refund (paid)		290,499	(38,505)
Net cash flows from operating activities		109,553	186,925

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ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 33,886)	($ 31,791)
Proceeds from disposal of financial assets at amortised cost		65,677	-
Acquisition of financial assets at fair value through other comprehensive income		(48,562)	-
Acquisition of property, plant and equipment	6(30)	(402,065)	(516,581)
Proceeds from disposal of property, plant and equipment		400	281,765
Dividends received	6(6)(23)	8,350	17,380
Acquisition of intangible assets	6(10)(30)	(110,727)	(233,258)
Decrease in refundable deposits		918,980	609
Net cash flows from (used in) investing activities		398,167	(481,876)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(30)	(1,020,000)	(555,000)
Increase in long-term debt	6(30)	680,000	-
Decrease in long-term debt	6(30)	(42,500)	-
Increase in short-term notes and bills payable	6(30)	-	1,723
Payments of lease liabilities	6(30)	(22,491)	(14,742)
Decrease in guarantee deposits received	6(30)	(113)	(1)
Issuance of convertible bonds	6(30)	-	1,148,901
Proceeds from exercise of employee stock options		-	752
Cash dividends paid	6(20)	(163,903)	(504,779)
Cash dividends paid by subsidiaries to non-controlling interests		(21,569)	(54,436)
Expired cash dividends	6(19)	79	45
Proceeds from sale of treasury shares		38,104	28,121
Net cash flows (used in) from financing activities		(552,393)	50,584
Effects of exchange rate changes		9,378	-
Net decrease in cash and cash equivalents		(35,295)	(244,367)
Cash and cash equivalents at beginning of year	6(1)	4,520,314	4,764,681
Cash and cash equivalents at end of year	6(1)	$ 4,485,019	$ 4,520,314

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
YEARS ENDED DECEMBER 31, 2024 AND 2023
(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 February 26, 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 and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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
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.

(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 applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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").

(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 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:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Description
Elite Semiconductor Microelectronics Technology Inc.	Elite Semiconductor Memory Technology Inc.	Research and development, production,sales and related consulting services of integrated circuit	100	100	
Elite Semiconductor Microelectronics Technology Inc.	Charng Feng Investment Ltd.	General investment	100	100	
Elite Semiconductor Microelectronics Technology Inc.	Jie Yong Investment Ltd.	General investment	41.86	41.86	Note 1
Elite Semiconductor Microelectronics Technology Inc.	Elite Investment Services Ltd.	General investment	100	100	
Elite Semiconductor Microelectronics Technology Inc.	Eon Silicon Solutions, Inc. USA	Product design, development and test	100	100	
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	
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	
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	
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	
Charng Feng Investment Ltd.	CHI Microelectronics Limited	General trading	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Description
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	-	Note 2

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.

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) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a). Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b). Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c). All resulting exchange differences are recognised in other comprehensive income.

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) <u>Cash equivalents</u>

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) <u>Financial assets at fair value through profit or loss</u>

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment.

Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) <u>Financial assets at amortised cost</u>

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3~50 years
Machinery and equipment	3~ 8 years
Testing equipment	3~ 8 years
Others	3~15 years

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term.

Starting from the lease date, the Group assesses whether it can reasonably determine its option to extend the lease or purchase the underlying asset, or not to terminate the lease. The Group considers all relevant facts and circumstances that will generate economic incentives to exercise or not exercise the options. Such circumstances include all expected changes in facts and situations from the start of the lease to the day when the option is exercised. Main factors to consider include contractual terms and conditions within the period of options and the importance of the underlying asset to the lessee's operations, etc. The lease term will be reassessed if a significant change or a major change in circumstances occurs within the Company's control range.

The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost. The cost is the amount of the initial measurement of lease liability. The right -of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(18) Intangible assets

A. Patents, professional technology, and customer relationship

Separately acquired patent is stated at historical cost. Patents, professional technology, and customer relationship acquired in a business combination are recognised at fair value at the acquisition date, and amortised on a straight-line basis over their estimated useful lives of 3 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Other intangible assets, mainly computer software, are stated at cost and amortised on a straight-line basis over their estimated useful lives of 1 ~ 3 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amount of goodwill is evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, for short-term accounts payable without bearing interest, as the effect of discounting is insignificant, they are measured subsequently at original invoice amount.

(22) Convertible bonds payable

A. Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares) and call options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

(A) The embedded call options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

(B) The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

(C) The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

(D) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

(E) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(24) Provisions

Provisions (including decommissioning liabilities and onerous contracts) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

I. Net obligation under a defined benefit plan is defined a s the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds at the balance sheet date of a currency and term consistent with the currency and term of the employment benefit obligations.

II. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as other equity.

III. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(27) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(28) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. The Group manufactures and sells integrated circuit. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. The Group accepts sales orders from customers. Sales revenue is recognised according to the contract price, and the Group transfers the promised goods or services to customers. Since the customer's payment period does not exceed one year, the Group has not adjusted the monetary time value of the transaction price.

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As at December 31, 2024, the carrying amount of inventories was $7,936,970.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 158	$ 137
Checking accounts and demand deposits	2,463,171	1,324,622
Time deposits	2,021,690	3,195,555
	$ 4,485,019	$ 4,520,314

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	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 1,255	$ 20,367
Emerging stocks	-	38,134
Unlisted stocks	8,113	8,113
Beneficiary certificates	-	75,141
Call options of convertible bonds	1,300	1,300
Subtotal	10,668	143,055
Valuation adjustment	(8,024)	24,240
Total	$ 2,644	$ 167,295

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

	Years ended December 31,	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	($ 31,909)	$ 9,025
Beneficiary certificates	3,335	(227)
Call options of convertible bonds	(2,000)	800
Debt instruments	-	(426)
Total	($ 30,574)	$ 9,172

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	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Unlisted stocks	$ 107,862	$ 59,300
Valuation adjustment	(40,120)	(36,380)
	$ 67,742	$ 22,920

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 $67,742 and $22,920 as at December 31, 2024 and 2023, 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 ($3,740) and $9,930, respectively.

(4) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable - general customers	$ 1,432,658	$ 1,204,521
Less: Allowance for uncollectible accounts	-	-
	$ 1,432,658	$ 1,204,521

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

	December 31, 2024	December 31, 2023
Not past due	$ 1,432,658	$ 1,198,010
Up to 30 days	-	6,511
31 to 90 days	-	-
91 to 180 days	-	-
Over 181 days	-	-
	$ 1,432,658	$ 1,204,521

The above aging analysis is based on past due date.

B. As at December 31, 2024 and 2023, 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 $1,432,658 and $1,204,521, respectively.

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

D. As at December 31, 2024 and 2023, accounts receivable were all from contracts with customers. As at January 1, 2023, the balance of receivables from contracts with customers amounted to $962,392.

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

(5) Inventories

	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
	$ 8,156,813	($ 219,843)	$ 7,936,970

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 84,520	($ 1,232)	$ 83,288
Work in process	6,091,559	(243,709)	5,847,850
Finished goods	1,172,084	(221,247)	950,837
Inventory in transit	3,662	-	3,662
	$ 7,351,825	($ 466,188)	$ 6,885,637

The cost of inventories recognised as expense for the periods:

	Years ended December 31,	
	2024	2023
Cost of goods sold	$ 12,098,894	$ 11,958,631
Gain on reversal of decline in value	(246,345)	(399,251)
	$ 11,852,549	$ 11,559,380

Due to the market recovery and the disposal of inventories previously written down, the Group recognised reversal gains of inventory valuation losses for the years ended December 31, 2024 and 2023.

(6) Investments accounted for using equity method

	2024	2023
At January 1	$ 135,110	$ 103,857
Share of profit or loss of investments accounted for using equity method	17,716	30,632
Earnings distribution of investments accounted for using equity method	(8,350)	-
Changes in capital surplus	139	621
At December 31	$ 144,615	$ 135,110

	December 31, 2024	December 31, 2023
Associates	$ 144,615	$ 135,110

(7) Property, plant and equipment

	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)
	$ 562,898	$ 567,615	$ 252,750	$ 259,923	$ 313,891	$ 1,957,077
2024						
At January 1	$ 562,898	$ 567,615	$ 252,750	$ 259,923	$ 313,891	$ 1,957,077
Additions	-	12,918	16,406	6,279	225,343	260,946
Transfers (Note)	-	27,800	5,474	6,945	8,714	48,933
Disposals	-	-	-	-	(344)	(344)
Depreciation charge	-	(41,367)	(55,277)	(51,711)	(286,315)	(434,670)
Net exchange difference	-	1,956	5	-	185	2,146
At December 31	$ 562,898	$ 568,922	$ 219,358	$ 221,436	$ 261,474	$ 1,834,088
At December 31, 2024						
Cost	$ 562,898	$ 1,076,188	$ 459,867	$ 399,753	$ 891,035	$ 3,389,741
Accumulated depreciation and impairment	-	(507,266)	(240,509)	(178,317)	(629,561)	(1,555,653)
	$ 562,898	$ 568,922	$ 219,358	$ 221,436	$ 261,474	$ 1,834,088

	Land	Buildings and structures	Machinery equipment	Test equipment	Others	Total
January 1, 2023						
Cost	$ 562,898	$ 1,085,790	$ 757,193	$ 378,316	$ 2,320,503	$ 5,104,700
Accumulated depreciation and impairment	-	(476,457)	(470,637)	(229,128)	(1,875,486)	(3,051,708)
	$ 562,898	$ 609,333	$ 286,556	$ 149,188	$ 445,017	$ 2,052,992
2023						
At January 1	$ 562,898	$ 609,333	$ 286,556	$ 149,188	$ 445,017	$ 2,052,992
Additions	-	3,730	9,369	151,702	238,747	403,548
Transfers (Note)	-	435	14,958	2,549	6,614	24,556
Depreciation charge	-	(44,661)	(58,116)	(43,516)	(376,363)	(522,656)
Net exchange difference	-	(1,222)	(17)	-	(124)	(1,363)
At December 31	$ 562,898	$ 567,615	$ 252,750	$ 259,923	$ 313,891	$ 1,957,077
December 31, 2023						
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)
	$ 562,898	$ 567,615	$ 252,750	$ 259,923	$ 313,891	$ 1,957,077

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

A. For the years ended December 31, 2024 and 2023, 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	
	December 31, 2024	December 31, 2023
Land	$ 50,763	$ 54,338
Buildings and structures	55,504	15,736
Business vehicles	356	3,997
Printers	1,518	1,871
	$ 108,141	$ 75,942

	Depreciation charge	
	Years ended December 31,	
	2024	2023
Land	$ 3,575	$ 3,574
Buildings and structures	15,369	6,989
Business vehicles	3,641	3,984
Printers	747	623
	$ 23,332	$ 15,170

C. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $56,545 and $777, respectively.

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

	Years ended December 31,	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,457	$ 943
Expense on short-term lease contracts	$ 2,661	$ 6,191
Gains on lease modifications	$ 24	$ -

E. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were $26,609 and $21,876, respectively.

(9) Investment property

	2024	2023
At January 1		
Cost	$ 20,369	$ 20,369
Accumulated depreciation and impairment	(5,578)	(4,608)
	$ 14,791	$ 15,761
At January 1	$ 14,791	$ 15,761
Depreciation charge	(969)	(970)
At December 31	$ 13,822	$ 14,791
At December 31		
Cost	$ 20,369	$ 20,369
Accumulated depreciation and impairment	(6,547)	(5,578)
	$ 13,822	$ 14,791

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

	Years ended December 31,	
	2024	2023
Rental income from investment property	$ 2,594	$ 2,562
Direct operating expenses arising from the investment property that generated rental income during the period	$ 969	$ 970

B. The fair value of the investment property held by the Group as at December 31, 2024 and 2023 was $11,991 and $8,707, respectively, which was valued by income approach. Key assumptions are as follows:

	December 31, 2024	December 31, 2023
Rate of net return on capital (Note)	9.87%	17.45%

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

C. For the years ended December 31, 2024 and 2023, 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

	Patents and professional technology	Customer relationship	Goodwill	Computer software	Total
At January 1, 2024					
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)
	$ -	$ -	$ -	$ 117,255	$ 117,255
2024					
At January 1	$ -	$ -	$ -	$ 117,255	$ 117,255
Additions	-	-	-	197,935	197,935
Transfers (Note)	-	-	-	304	304
Amortisation charge	-	-	-	(153,445)	(153,445)
At December 31	$ -	$ -	$ -	$ 162,049	$ 162,049
At December 31, 2024					
Cost	$ -	$ -	$ -	$ 850,910	$ 850,910
Accumulated amortisation and impairment	-	-	-	(688,861)	(688,861)
	$ -	$ -	$ -	$ 162,049	$ 162,049

	Patents and professional technology	Customer relationship	Goodwill	Computer software	Total
At January 1, 2023					
Cost	$ 34,478	$ 11,000	$ 80,758	$ 639,003	$ 765,239
Accumulated amortisation and impairment	(34,478)	(11,000)	(80,758)	(587,593)	(713,829)
	$ -	$ -	$ -	$ 51,410	$ 51,410
2023					
At January 1	$ -	$ -	$ -	$ 51,410	$ 51,410
Additions	-	-	-	233,258	233,258
Amortisation charge	-	-	-	(167,413)	(167,413)
At December 31	$ -	$ -	$ -	$ 117,255	$ 117,255
At December 31, 2023					
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)
	$ -	$ -	$ -	$ 117,255	$ 117,255

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

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

	Years ended December 31, 2024	Years ended December 31, 2023
Operating costs	$ 32	$ 16
Selling expenses	90	151
General and administrative expenses	3,776	3,114
Research and development expenses	149,547	164,132
	$ 153,445	$ 167,413

B. For the years ended December 31, 2024 and 2023, 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

	December 31, 2024	December 31, 2023
Prepayments for equipment	$ 175,624	$ 46,273
Prepayments for purchases	147,283	987,329
Refundable deposits (Note)	9,164	928,144
Pledged time deposits	3,969	3,969
	$ 336,040	$ 1,965,715

Note： A portion of refundable deposits 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, therefore, gain of reversal (shown as “other gains and losses”) were recognised.

(12) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 1,600,000	1.8951%~1.95%	None

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 2,620,000	1.65%~1.87%	None

(13) Bonds payable

		December 31, 2024		December 31, 2023
Convertible bonds payable	$	1,000,000	$	1,000,000
Less: Conversion of convertible bonds	(	100)		-
Less: Discount on bonds payable	(	37,179)	(	57,077)
	$	962,721	$	942,923

A. The issuance of domestic convertible bonds:

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

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

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are th he 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 December 31, 2024, the Company's first domestic unsecured convertible bonds with a face value of $100 were converted into 1 thousand ordinary shares. The Company's Board of Director resolved on May 30, 2024 that in accordance with Article 11 of the Regulations Governing the Issuance and Conversion of the First Domestic Unsecured Convertible Bonds, the conversion price was adjusted from NT$85.6 to NT$85.1 starting from ex-dividend date (July 10, 2024).

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $210,801 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

(14) Other payables

	December 31, 2024	December 31, 2023
Accrued salaries and bonuses	$ 517,959	$ 581,256
Accrued employees' compensation and directors' remuneration	10,875	261
Payables on equipment	138,399	13,722
Others	105,720	119,584
	$ 772,953	$ 714,823

(15) Long-term borrowings

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%~1.80%	Land, buildings and structures	$	643,400
Unsecured borrowing	Notes 2 and 3	2.008%~2.036%	None		637,500
					1,280,900
Less: Current portion				(	231,200)
				$	1,049,700

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		December 31, 2023
Long-term bank borrowings					
Secured borrowings	Note 1	1.55%~1.675%	Land, buildings and structures	$	643,400
Less: Current portion					-
				$	643,400

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 August, 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 December 31, 2024, 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) The amounts recognised in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 8,394	($ 9,235)
Fair value of plan assets	(2,146)	812
Net defined benefit liability	$ 6,248	($ 8,423)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2024			
At January 1	$ 9,235	($ 812)	$ 8,423
Current servise cost	182	-	182
Interest (expense) income	111	(10)	101
	9,528	(822)	8,706
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(64)	(64)
Change in financial assumptions	(263)	-	(263)
Experience adjustments	(871)	-	(871)
	(1,134)	(64)	(1,198)
Pension fund contribution	-	(1,260)	(1,260)
At December 31	$ 8,394	($ 2,146)	$ 6,248

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
At January 1	$ 8,817	($ 435)	$ 8,382
Current servise cost	178	-	178
Interest (expense) income	115	(6)	109
	9,110	(441)	8,669
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(226)	(226)
Change in financial assumptions	79	-	79
Experience adjustments	46	-	46
	125	(226)	(101)
Pension fund contribution	-	(145)	(145)
At December 31	$ 9,235	($ 812)	$ 8,423

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund 's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund " (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as at December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2024	2023
Discount rate	1.60%	1.20%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on the sixth life experience table in Taiwan for the years ended December 31, 2024 and 2023.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 159)	$ 163	$ 140	($ 137)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 197)	$ 202	$ 176	($ 172)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methodology and assumptions used in preparing the sensitivity analysis are same as prior year.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to $115.

(g) As at December 31, 2024, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 463
1-2 years	188
2-5 years	612
Over 5 years	8,252
	$ 9,516

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 Technology (Shanghai) 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 years ended December 31, 2024 and 2023 were $49,215 and $45,484, respectively.

(17) Share-based payment

A. For the year ended December 31, 2023, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Succeeding of 2013 Eon Silicon Solution Inc.'s employee stock options	August 19, 2013	7,500 thousand shares (Note 2)	10 years	Note 1

Note 1: The accumulative proportion of the new shares that can be vested and exercised after fulfilling two years of service, three years of service, and four years of service are 50%, 75% and 100%, respectively.

Note 2: The quantities granted by the Company from the succeeding of Eon Silicon Solution Inc. employee stock option plan was the same quantities granted on the grant date of the original plan. After the merger, the succeeding of Eon Silicon Solution Inc.'s 2013 employee stock option plans were 688 thousand shares.

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

B. Details of the share-based payment arrangements are as follows:

Succeeding of Eon Silicon Solution Inc.'s employee stock options:

	2023	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	14	$ 53.3
Options exercised	(14)	53.3
Option outstanding at December 31	-	$ -
Option exercisable at December 31	-	

C. The weighted-average share price of the stock options at the exercise date from January 1 to December 31, 2023 was NT$85.65. There were no outstanding stock options as at December 31, 2023.

D. There were no expenses incurred on share-based payment transactions for the year ended December 31, 2023.

E. For the year ended December 31, 2024, there was no share-based payment agreements.

(18) Share capital

A. As at December 31, 2024, 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

	2024	2023
Outstanding ordinary shares at January 1	272,762	272,448
Conversion of convertible bonds	1	-
Employee stock options exercised	-	14
Disposal of parent company's share by a subsidiary recognised as treasury shares	409	300
Outstanding ordinary shares at December 31	273,172	272,762
Treasury stocks at the end of the year	13,000	13,409
Issued ordinary shares at December 31	286,172	286,171

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 December 31, 2024 and 2023, were thousand shares 13,000 and 13,409 thousand shares with carrying amounts of $334,596 and $345,123, respectively; the average carrying amount per share was $25.74 (in dollars), and the fair values per share were $62.0 (in dollars) and $98.0 (in dollars), respectively.

(19) 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.

	2024					
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries and associates	Stock options	Others	Total
At January 1	$ 23,470	$ 50,290	$ 198,570	$210,822	$4,122	$487,274
Disposal of company's share by a subsidiary recognised as treasury share transaction	-	11,544	-	-	-	11,544
Recognition of changes in ownership interests in subsidiaries - cash dividends distributed by subsidiaries	-	-	1,601	-	-	1,601
Adjustment of capital surplus due to cash dividends that subsidiaries received from parent	-	-	3,265	-	-	3,265
Change in equity of associates and joint ventures accounted for using equity method	-	-	139	-		139
Expired cash dividends transferred to capital surplus	-	-	-	-	79	79
Conversion of convertible bonds	104	-	-	(21)	-	83
At December 31	$ 23,574	$ 61,834	$ 203,575	$210,801	$4,201	$503,985

	2023						
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries and associates	Employee stock options	Stock options	Others	Total
At January 1	$20,162	$ 41,750	$ 186,631	$ 2,697	$ -	$4,077	$255,317
Disposal of company's share by a subsidiary recognised as treasury share transaction	-	8,540	-	-	-	-	8,540
Recognition of changes in ownership interests in subsidiaries - cash dividends distributed by subsidiaries	-	-	989	-	-	-	989
Adjustment of capital surplus due to cash dividends that subsidiaries received from parent	-	-	10,329	-	-	-	10,329
Change in equity of associates and joint ventures accounted for using equity mothod	-	-	621	-	-	-	621
Issuance of new shares due to employee stock options exercised	3,308	-	-	(2,697)	-	-	611
Expired cash dividends transferred to capital surplus	-	-	-	-	-	45	45
Issuance of convertible bonds	-	-	-	-	210,822	-	210,822
At December 31	$23,470	$ 50,290	$ 198,570	$ -	$210,822	$4,122	$487,274

(20) 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.

B. Dividend policy

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.

If all or part of the Company's earnings distribution, legal reserve, or capital reserve is distributed in form of cash, the Board of Directors is authorised to approve and report to the shareholders' meeting, while in accordance with Articles 240 and 241 of the Company Act, in a meeting where two-thirds of directors shall be present, and more than half of the directors present shall agree.

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

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

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

	Years ended December 31,		
	2024	2023	2022
As approved by the Board of Directors	114.2.26	113.2.27	112.2.23
Provision for legal reserve	$ 50,631	$ -	$ 104,087
Provision for (Reversal of) special reserve	$ (8,603)	$ (9,930)	$ 22,404
Cash dividends	$ 286,172	$ 171,703	$ 515,108
Cash dividends per share (in dollars)	$ 1.0	$ 0.6	$ 1.8

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.

(21) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts with customers	$ 13,485,168	$ 11,884,121

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:

Year ended December 31, 2024	Domestic area	Asia	Others	Total
Integrated circuits	$ 5,190,827	$ 8,209,282	$ 85,059	$ 13,485,168
Year ended December 31, 2023	Domestic area	Asia	Others	Total
Integrated circuits	$ 5,258,025	$ 6,512,981	$ 113,115	$ 11,884,121

B. Contract liabilities

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

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities-advance sales receipts	$ 16,354	$ 4,665	$ 6,096

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

	Years ended December 31,	
	2024	2023
Contract liabilities – advance sales receipts	$ 4,862	$ 5,752

(22) Interest income

	Years ended December 31,	
	2024	2023
Interest income from bank deposits	$ 115,894	$ 168,398
Interest income from financial assets at amortised cost	588	524
Other interest income	59	1,568
	$ 116,541	$ 170,490

(23) Other income

	Years ended December 31,	
	2024	2023
Rent income	$ 5,513	$ 6,423
Dividend income	-	17,380
Other income, others	9,812	8,910
	$ 15,325	$ 32,713

(24) Other gains and losses

	Years ended December 31, 2024	Years ended December 31, 2023
Gains on disposals of property, plant and equipment	$ 56	$ 281,765
Gains arising from lease modifications	24	67
Foreign exchange gains	349,089	12,043
(Losses) gains on financial assets at fair value through profit or loss	(30,574)	9,172
Gain on reversal of onerous contracts	530,888	-
Miscellaneous disbursements	(1,900)	(43,902)
	$ 847,583	$ 259,145

(25) Finance costs

	Years ended December 31, 2024	Years ended December 31, 2023
Interest expense:		
Bank borrowings	$ 49,344	$ 75,265
Provisions for liabilities-amortisation of discount	726	1,205
Lease liabilities	1,457	943
Amortisation of discount on bonds payable	19,892	3,544
Total interest expense	71,419	80,957
Others	8	1,732
	$ 71,427	$ 82,689

(26) Expenses by nature

	Years ended December 31, 2024	Years ended December 31, 2023
Employee benefit expenses	$ 1,489,637	$ 1,370,963
Depreciation charges on property, plant and equipment	$ 434,670	$ 522,656
Depreciation charges on right-of-use assets	$ 23,332	$ 15,170
Depreciation charges on investment property	$ 969	$ 970
Amortisation charges on intangible assets	$ 153,445	$ 167,413

(27) Employee benefit expenses

	Years ended December 31,	
	2024	2023
Wages and salaries	$ 1,316,656	$ 1,208,364
Labor and health insurance fees	78,352	79,130
Pension costs	49,498	45,771
Directors' remuneration	11,111	7,859
Other personnel expenses	34,020	29,839
	$ 1,489,637	$ 1,370,963

A. According to the Company's Articles of Incorporation, the Company shall allocate employees' compensation and director's remuneration not less than 1% and not more than 1% of annual profits during the period, respectively.

B. For the year ended December 31, 2024, employees' compensation of the Company was accrued at $5,391; directors' remuneration of the Company was accrued at $5,391. The aforementioned amounts were recognised in wages and salaries. For the year ended December 31, 2023, the Company did not accrue employees' compensation and directors' remuneration, due to net loss.

C. The information about the employees' compensation and director's remuneration as resolved by the Board of Director is available at the Market Observation Post System(MOPS) website.

(28) Income tax

A. Income tax expense (benefit)

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

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax on profit for the year	$ 3,004	$ 2,374
Prior year income tax (overestimation) underestimation	(83,201)	21,757
Total current tax	(80,197)	24,131
Deferred tax:		
Origination and reversal of temporary differences	106,405	(43,431)
Income tax expense (benefit)	$ 26,208	($ 19,300)

(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. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2024	2023
Tax calculated based on profit (loss) before tax and statutory tax rate	$ 108,618	($ 236,572)
Effect from items not recognised by tax regulation	(5,267)	(34)
Expenses disallowed by tax regulation	-	17,351
Effect from alternative minimum tax	1,492	1,086
Prior year income tax (overestimation) underestimation	(83,201)	21,757
Taxable loss not recognised as deferred tax assets	-	181,481
Effect from temporary differences	-	1,385
Effect from taxable loss	(65,017)	(469)
Assessment of realisation of investment tax credits	-	(98,082)
Assessment of realisation of deferred tax assets	69,583	92,797
Income tax expense (benefit)	$ 26,208	($ 19,300)

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Unrealised exchange losses	$ 1,068	($ 1,068)	$ -	$ -
Loss on market value decline and obsolete and slow-moving inventories	55,943	(38,355)	-	17,588
Pension liabilities	3	10	-	13
Others	3,247	259	-	3,506
- Loss carryforward	97,733	(52,680)	-	45,053
- Investment tax credits	98,082	(41,210)	-	56,872
Subtotal	256,076	(133,044)	-	123,032
Deferred tax liabilities:				
Unrealised exchange gains	(51,627)	23,700	-	(27,927)
Others	(3,034)	2,939	-	(95)
Subtotal	(54,661)	26,639	-	(28,022)
Total	$ 201,415	($ 106,405)	$ -	$ 95,010

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Unrealised exchange losses	$ 116	$ 952	$ -	$ 1,068
Loss on market value decline and obsolete and slow-moving inventories	103,853	(47,910)	-	55,943
Pension liabilities	71	(68)	-	3
Onerous contract losses	106,178	(106,178)	-	-
Others	2,974	273	-	3,247
- Loss carryforward	-	97,733	-	97,733
- Investment tax credits	-	98,082	-	98,082
Subtotal	213,192	42,884	-	256,076
Deferred tax liabilities:				
Unrealised exchange gains	(55,208)	3,581	-	(51,627)
Others	-	(3,034)	-	(3,034)
Subtotal	(55,208)	547	-	(54,661)
Total	$ 157,984	$ 43,431	$ -	$ 201,415

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

	December 31, 2024		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets tax amount	Expiry year
Expenditure of research and development	$ 226,085	$ 169,213	2026

	December 31, 2023		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets tax amount	Expiry year
Expenditure of research and development	$ 122,603	$ 24,521	2025

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount estimated	Unused amount	Unrecognised deferred tax assets amount	Expiry year
2023	$ 1,396,187	$ 1,331,955	$ 1,106,690	2033

December 31, 2023				
Year incurred	Amount estimated	Unused amount	Unrecognised deferred tax assets amount	Expiry year
2023	$ 1,396,187	$ 1,396,187	$ 907,522	2033

F. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	$ 469,264	$ 602,536

G. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As at December 31, 2024 and 2023, there were no temporary difference unrecognised as deferred tax liabilities.

H. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(29) Earnings (losses) per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 505,115	280,704	$ 1.80
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	87	
Convertible bonds	17,514	11,750	
Profit attributable to ordinary shareholders of the parent company plus assumed conversion of all dilutive potential ordinary shares	$ 522,629	292,541	$ 1.79

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Losses per share (in dollars)
Basic and dilulted losses per share (note)			
Loss attributable to ordinary shareholders of the parent company	($ 1,222,845)	280,432	($ 4.36)

Note: As the convertible bonds payable in 2023 had an anti-dilutive effect, it was not included in the calculation of diluted losses per share.

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2024	2023
Purchase of property, plant and equipment (including transferred amount)	$ 309,879	$ 426,741
Add: Ending balance of prepayment for equipment	175,624	46,273
Add: Opening balance of prepayment for equipment being transferred to intangible assets	304	-
Less: Opening balance of prepayment for equipment	(46,273)	(32,800)
Add: Opening balance of payable on equipment	13,722	90,089
Less: Ending balance of payable on equipment	(51,191)	(13,722)
Cash paid during the year	$ 402,065	$ 516,581

	Years ended December 31,	
	2024	2023
Purchase of intangible assets (including transferred amount)	$ 198,239	$ 233,258
Less: Opening balance of prepayment for equipment being transferred to intangible assets	(304)	-
Less: Ending balance of payable on intangible assets	(87,208)	-
Cash paid during the year	$ 110,727	$ 233,258

B. Changes in liabilities from financing activities:

	Short-term borrowings	Bonds payable	Long-term borrowings (including long-term borrowings due within one year)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	$ 2,620,000	$ 942,923	$ 643,400	$ 76,681	$ 6,216	$4,289,220
Changes in cash flow from financing activities	(1,020,000)	-	637,500	(22,491)	(113)	(405,104)
Interest paid	-	-	-	(1,457)	-	(1,457)
Interest expense	-	19,892	-	1,457	-	21,349
Changes in other non-cash items	-	(94)	-	56,152	-	56,058
At December 31, 2024	$ 1,600,000	$ 962,721	$ 1,280,900	$ 110,342	$ 6,103	$3,960,066

	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2023	$ 3,175,000	$ -	$ -	$ 643,400	$ 75,302	$ 6,216	$3,899,918
Changes in cash flow from financing activities	(555,000)	1,723	1,148,901	637,500	(14,742)	(113)	1,218,269
Interest paid	-	-	-	-	(943)	-	(943)
Interest expense	-	-	-	-	943	-	943
Changes in other non-cash items	-	(1,723)	(205,978)	-	16,188	-	(191,513)
Change from lease modifications	-	-	-	-	(67)	-	(67)
At December 31, 2023	$ 2,620,000	$ -	$ 942,923	$ 1,280,900	$ 76,681	$ 6,103	$4,926,607

7. RELATED PARTY TRANSACTIONS

A. Names of related parties and relationship with the Group

Names of related parties	Relationship with the Group
Canyon Semiconductor Inc.	Associates
ESMT Educational Foundation	Substantial related party

B. Key management compensation

	Years ended December 31, 2024	2023
Salaries and other short-term employee benefits	$ 45,908	$ 29,925
Post-employment benefits	587	594
Total	$ 46,495	$ 30,519

8. PLEDGED ASSETS

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

Assets item	Book value December 31, 2024	Book value December 31, 2023	Purposes
Land, buildings and structures	$ 731,151	$ 738,052	Long-term borrowings
Time deposits (shown as "other non-current assets")	3,969	3,969	Guarantee deposits for land leasing
	$ 735,120	$ 742,021	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

The Company entered into capacity reservation agreements with suppliers. According to the agreements, the supplier shall provide agreed production capacity with the Company after prepayment made by the Company.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. On January 15, 2025, the Company's Board of Directors resolved to enter into a syndicated borrowing agreement with a syndicated banking group consisting of Taishin International Bank Co., Ltd., Taipei Fubon Commercial Bank Co., Ltd. and others, with a credit line of NT$3 billion. The credit term is 5 years from the first drawing date. The syndicated borrowing would be used to fulfill its working capital and repay financial liabilities.

B. The appropriations of 2024 earnings had been approved by the Board of Directors on February 26, 2025. Please refer to Note 6(20).

12. OTHERS

(1) Capital management

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

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

The equity to assets ratios on December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Total assets	$ 17,671,665	$ 18,097,210
Total liabilities	(7,384,188)	(8,177,118)
Total equity	$ 10,287,477	$ 9,920,092
Equity to assets ratio	58%	55%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets mandatorily measured at fair value through profit or loss	$ 2,644	$ 167,295
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 67,742	$ 22,920
Financial assets at amortised cost		
Cash and cash equivalents	$ 4,485,019	$ 4,520,314
Financial assets at amortised cost-current	-	31,791
Notes receivable	127	-
Accounts receivable	1,432,658	1,204,521
Other receivables	98,174	107,564
Time deposits (shown as "Other non-current assets")	3,969	3,969
Refundable deposits (shown as "Other non-current assets")	9,164	928,144
	$ 6,029,111	$ 6,796,303

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 1,600,000	$ 2,620,000
Notes payable	-	2,178
Accounts payable	2,385,536	2,282,490
Other payables	772,953	714,823
Bonds payable (including current portion)	962,721	942,923
Long-term borrowings (including current portion)	1,280,900	643,400
Guarantee deposits received (shown as "Other non-current liabilities")	6,103	6,216
	$ 7,008,213	$ 7,212,030
Lease liabilities	$ 110,342	$ 76,681

B. Financial risk management policies

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

1. The Group operates internationally and is exposed to foreign exchange risk arising from the various currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments of foreign operations.
2. The foreign exchange risk management strategy involves regularly reviewing the net positions of assets and liabilities in various currencies and conducting risk control for the net positions. In addition to achieving natural hedge, the hedging costs and hedging period should be considered when selecting appropriate hedging instruments to effectively reduce the impact of foreign exchange variation on overall financial performance.
3. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through deposits denominated in the relevant foreign currencies (see Note 6(1)).

4. The Group’s business involves some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other certain subsidiaries’ functional currency: USD, JPY, HKD, and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 141,271	32.785	$ 4,631,570
RMB:NTD	121,246	4.478	542,940
RMB:USD	12,199	7.321	89,309
Financial liabilities			
Monetary items			
USD:NTD	$ 51,218	32.785	$ 1,679,182
RMB:NTD	9,280	4.478	41,556

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 219,183	30.705	$ 6,730,014
RMB:NTD	158,028	4.327	683,787
Financial liabilities			
Monetary items			
USD:NTD	$ 50,689	30.705	$ 1,556,406

5. The total exchange gains, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to $349,089 and $12,043, respectively.

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

	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 46,316	$ -
RMB:NTD	1%	5,429	-
RMB:USD	1%	893	
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 16,792)	$ -
RMB:NTD	1%	(416)	-

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 67,300	$ -
RMB:NTD	1%	6,838	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 15,564)	$ -

Price risk

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

ii. The Group's investments in equity securities comprise equity securities and open-end funds issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the yaers ended December 31, 2024 and 2023 would have increased/decreased by $254 and $16,520, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $6,774 and $2,292, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's cash flow interest rate risk arises from long-term and short-term borrowings with variable rate. During the years ended December 31, 2024 and 2023, the Group's borrowings at variable rate were denominated in the NTD.

ii. If the borrowing interest rate had increased/decreased by 0.2% with all other variables held constant, profit net of tax for the years ended December 31, 2024 and 2023 would have decreased/increased by $4,915 and $1,829, respectively. The main factor is that the floating-rate borrowings resulted in changes in interest expense.

(b) Credit risk

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

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

iii. The Group adopts the assumption under IFRS 9, the default occurs when the contract payments are past due over 90 days .

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

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

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

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

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

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

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

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

vii. The financial assets at amortised cost include time deposits and restricted time deposits. The banks have good rating and have no past due before. In addition to the above, the whole economic environment has not changed significantly, so the risk of credit risk is low and the effect to the financial statements is insignificant.

viii. The information regarding the aging analysis of the group's accounts receivable from customers is detailed in Note 6(4). The Group comprehensively considers factors such as the financial status of transaction counterparties, historical transaction experiences, the current economic environment, and the Group's internal rating standards to adopt measures such as prepayment, providing collateral, or other guarantees based on the risk. The Group categorises accounts receivable from customers according to the nature of the risk and uses a simplified approach based on the loss rate method to estimate expected credit losses. On the balance sheet date, the Group individually reviews the recoverable amount of accounts receivable to ensure that appropriate impairment losses have been recognised for uncollectible receivables. Based on this assessment, the provision for loss to be recognised by the Group as at December 31, 2024 and 2023, was considered minimal.

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

	2024	2023
	Accounts receivable	Accounts receivable
At January 1	$ -	$ -
Provision of impairment loss	-	682
Reversal of impairment loss	-	(682)
At December 31	$ -	$ -

(c) Liquidity risk

i. The Company effectively manages and maintains sufficient cash and cash equivalents by forecasting and continuously monitoring requirements of liquidity capital in order to ensure that the Group has sufficient working capital and reduce the impact of cash flow variation on business operations.

ii. Surplus cash held by the operating entities over and above balance required for working capital management should be invested in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

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

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

Derivative financial liabilities: None.

Non-derivative financial liabilities: December 31, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 2,627,204	$ -	$ -
Notes payable	2,178	-	-
Accounts payable	2,282,490	-	-
Other payables	714,823	-	-
Lease liabilities	14,828	27,221	40,907
Bonds payable (including current portion)	-	1,000,000	-
Long-term borrowings (including current portion)	10,777	201,409	520,023
Guarantee deposits received	-	-	6,216

Derivative financial liabilities: None.

(3) Fair value information

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

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

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

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

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

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

	December 31, 2024			
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	$ 962,721	$ -	$ 962,004	$ -

	December 31, 2023			
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	$ 942,923	$ -	$ 946,900	$ -

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:

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
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
	$ 1,596	$ -	$ 68,790	$ 70,386

Financial liabilities: None.

December 31, 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through profit or loss				
Equity securities	$ 76,993	$ -	$ 817	$ 77,810
Beneficiary certificates	87,385	-	-	87,385
Call options of convertible bonds	-	-	2,100	2,100
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	22,920	22,920
	$ 164,378	$ -	$ 25,837	$ 190,215

Financial liabilities: None.

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

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

	Listed and emerging stocks	Open-end fund
Market quoted price	Closing price	Net asset value

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

E. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

F. The following table is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	2024		2023	
	Equity instrumer	Call options of convertible bonds	Equity instrument	Call options of convertible bonds
At January 1	$ 23,737	$ 2,100	$ 13,404	$ -
Acquired in the year	48,562	-	-	-
Convertible bonds issued for the year	-	-	-	1,300
Valuation adjustment	(3,609)	(2,000)	10,333	800
At December 31	$ 68,690	$ 100	$ 23,737	$ 2,100

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

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

	Fair value at 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 December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 817	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	2,100	Binary tree convertible evaluation model	Stock price volatility	40.36%	The higher the volatility, the lower the fair value
Unlisted shares	22,920	Market comparable companies	Discount for lack of marketability	45%	The higher the discount for lack of marketability, the lower the fair value

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

			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets Equity instrument	Discount for lack of marketability	± 10%	$ 41	($ 41)	$ 1,569	($ 1,569)
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	± 1%	$ -	$ -	$ -	$ -

	Input	Change	December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets Equity instrument	Discount for lack of marketability	± 10%	$ 35	($ 35)	$ 1,876	($ 1,876)
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	± 1%	$ 400	$ 100	$ -	$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

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

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

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. 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.

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

I. Trading in derivative instruments undertaken during the reporting period: None.

J. 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.

(4) Major shareholders information

As at December 31, 2024, the Company had no shareholders who hold over 5% (including 5%) of the Company's shares.

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:

	Years ended December 31, 2024	Years ended December 31, 2023
Revenue from external customers	$ 13,485,168	$ 11,884,121
Segment income (loss) before income tax	$ 530,847	($ 1,228,261)

	December 31, 2024	December 31, 2023
Segment assets	$ 17,671,665	$ 18,097,210
Segment liabilities	$ 7,384,188	$ 8,177,118

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

(4) Information on products and services

For the years ended December 31, 2024 and 2023, the net operating revenue of integrated circuit and electronic materials is $13,485,168 and $11,884,121, respectively.

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Years ended December 31,			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Domestic	$ 5,190,827	$ 2,041,183	$ 5,258,025	$ 2,088,990
Asia	8,209,282	67,934	6,512,981	62,559
Others	85,059	8,983	113,115	13,516
Total	$ 13,485,168	$ 2,118,100	$ 11,884,121	$ 2,165,065

(6) Major customer information

	Years ended December 31,	
	2024	2023
	Revenue	Revenue
A Company	$ 2,845,965	$ 3,215,734
B Company	1,747,319	1,422,720

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Holding of marketable securities at the end of the period

December 31, 2024

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 December 31, 2024 Number of shares	Book value (Note 1)	Ownership (%)	Fair value (Note 1)	Footnote
Elite Semiconductor Microelectronics Technology Inc.	Turning Point Lasers Ltd, preferred stock	None	Financial assets at fair value through other comprehensive income	1,000,000	9,590	6.29	9,590	
Charng Feng Investment Ltd.	M2 Communication Inc. stock	None	Financial assets at fair value through profit or loss	100,542	948	0.67	948	
Charng Feng Investment Ltd.	Powership Semiconductor Manufacturing Corporation	None	Financial assets at fair value through profit or loss	100,426	1,596	0.00	1,596	
Charng Feng Investment Ltd.	Turning Point Lasers Ltd, preferred stock	None	Financial assets at fair value through other comprehensive income	1,000,000	9,590	6.29	9,590	
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	2.14	48,562	
Jie Yong Investment Ltd.	Elite Semiconductor Microelectronics Technology Inc. stock	Parent Company	Financial assets at fair value through other comprehensive income	13,000,000	806,000	4.54	806,000	

Note 1: Valuation adjustments of financial assets included.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

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

For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable(payable)		
Purchase/seller	Counterparty	Relationship with the counterparty	Purchase (sales)	Amount	Percentage of total purchase (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	Ultimate parent company	Sales	$ 1,076,138	7.98%	Monthly payment in 30 days	$ -	-	$ 265,413	18.52%	

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

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

December 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	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	$ 265,413	7.05	$ -	-	$ 265,413	$ -

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	(2)	Sales	$	1,076,138	Note 4	7.98%
1	CHI Microelectronics Limited	Elite Semiconductor Microelectronics Technology Inc.	(2)	Accounts Receivable		265,413	Note 4	1.50%

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 year ended December 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2024					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the the year ended December 31, 2024	Footnote
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	$ 21,267	$ 3,580	$ 3,580	
Elite Semiconductor Microelectronics Technology Inc.	Charng Feng Investment Ltd.	Taiwan	General investment	500,000	500,000	50,000,000	100	583,818	(3,553)	(3,553)	
Elite Semiconductor Microelectronics Technology Inc.	Elite Investment Services Ltd.	British Virgin Islands	General investment	32,785	491,775	1	100	55,831	(1,070)	(1,070)	
Elite Semiconductor Microelectronics Technology Inc.	Jie Yong Investment Ltd.	Taiwan	General investment	270,000	270,000	3,600,000	41.86	163,007	6,981	(343)	
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	(1,483)	176	176	
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	24,693	3,132	3,132	
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	144,615	48,013	17,716	
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	2,430	2,430	200	100	2,583	1,338	1,338	
Charng Feng Investment Ltd.	CHI Microelectronics Limited	Hong Kong	General trading	844	844	20,000	100	977	(114)	(114)	

Note 1: The foreign investment amount was translated at the exchange rate as at December 31, 2024.

ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC. AND SUBSIDIARIES

Information on investments in Mainland China

For the year ended December 31, 2024

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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2024	Net income (loss) of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company forfor the year ended December 31, 2024 (Note 2)	Book value of investment in Mainland China as at December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as at December 31, 2024	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	$ 99,650	(1)	$ 99,650	$ -	$ -	$ 99,650	$ 483	100	$ 483	$ 94,468	$ -	Note 5
Elite Semiconductor Microelectronics Technology (Shanghai) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	6,557	(1)	6,557	-	-	6,557	512	100	512	10,483	-	Note 6
Elite Semiconductor Microelectronics Technology (Xian) Inc.	Product design, wholesale and retail of electronic materials, information software services and international trade	2,239	(3)	-	-	-	-	(729)	100	(729)	1,506	-	Note 7

Company name	Accumulated amount of remittance from Taiwan to Mainland China as at December 31, 2024	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.	$ 106,207	$ 106,207	$ 350,291

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 audited 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 December 31, 2024.

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.

Note 7: The Company’s subsidiary, Elite Semiconductor Microelectronics Technology (Xian) Inc., completed the registration of incorporation on September 29, 2024.