Stock Code: 2436

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

For the Six Months Ended June 30, 2025 and 2024

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Independent Auditor's Review Report

To Weltrend Semiconductor, Inc. and Its Subsidiaries,

Introduction

We have reviewed the accompanying consolidated balance sheets of Weltrend Semiconductor, Inc. (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2024 and 2025, the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024, and for the six months ended June 30, 2024 and 2025, the consolidated statements of changes in equity and cash flows for the six months then ended, as well as relevant notes to the consolidated statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Statement 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except for those described in the paragraph of basis of a qualified conclusion, we conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standard No. 2410. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified conclusion

As mentioned in Note 12 to the consolidated financial statements, the non-material subsidiaries' financial statements for the same period included in the above consolidated financial statements have not been reviewed by us, and their total assets as at June 30, 2024 and 2025 were NT$442,420 thousand and NT$420,834 thousand, respectively, accounting for 8% and 7% of the total consolidated assets, respectively; total liabilities were NT$1,027 thousand and NT$5,493 thousand, respectively, representing 0.1% and 0.3% of the total consolidated liabilities, respectively; total consolidated comprehensive income for the three months ended June 30, 2024 and 2025 and for the six months ended June 30, 2024 and 2025 was NT$18,226 thousand, NT$16,693 thousand, NT$2,891 thousand, and NT$36,840 thousand respectively, accounting for 2036%, 11%,(15)%, and 14% of the total consolidated comprehensive income, respectively.

Qualified conclusion

According to our review results, except that the financial statements of non-material subsidiaries described in the Basis of qualified conclusion paragraph may result in adjustment to the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, with a fair presentation of the Group's consolidated financial position as of June 30, 2025 and 2024 as well as consolidated financial performance and consolidated cash flows for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2025 and 2024.

The engagement partners on the audits resulting in this independent auditors' report are Cheng-Chih, Lin and Chih-yuan Wen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2025

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Balance Sheet

As of June 30, 2025, December 31, 2024, and June 30, 2024

Unit: NT$ thousand

		June 30, 2025		December 31, 2024		June 30, 2024	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes 6 and 31)	$ 909,235	16	$ 874,562	15	$1,024,192	17
1110	Financial assets at fair value through profit or loss - current (Notes 7, 31, and 33)	571,295	10	771,858	13	956,185	16
1120	Financial assets at fair value through other comprehensive income - current (Notes 8 and 31)	502,344	9	550,956	9	542,951	9
1136	Financial assets at amortized cost - current (Notes 9 and 31)	249,115	4	314,285	5	390,821	6
1150	Notes receivable (Notes 10 and 31)	12,049	-	13,026	-	10,441	-
1170	Accounts receivable, net (Notes 10, 26 and 31)	1,070,165	18	1,013,048	17	913,025	15
1200	Other receivables (Notes 10 and 31)	75,664	1	76,015	1	77,530	1
1220	Current tax assets (Note 28)	7,152	-	14,826	-	14,826	-
130X	Inventory (Note 11)	962,254	16	820,449	14	657,817	11
1410	Prepayments (Note 18)	39,219	1	32,602	1	30,313	-
11XX	Total current assets	4,398,492	75	4,481,627	75	4,618,101	75
	Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current (Notes 7 and 31)	66,587	1	82,771	1	97,219	2
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 31)	65,278	1	70,289	1	69,201	1
1535	Financial assets at amortized cost - non-current (Notes 9, 31, and 33)	15,411	-	15,405	-	10,405	-
1600	Property, plant and equipment (Notes 13 and 33)	200,320	4	198,070	3	205,162	3
1755	Right-of-use assets (Note 15)	44,761	1	49,200	1	42,352	1
1760	Investment property (Note 14)	45,431	1	47,023	1	48,616	1
1780	Intangible assets (Note 17)	529,919	9	570,765	10	597,749	10
1805	Goodwill (Note 16)	447,603	8	447,603	8	447,603	7
1840	Deferred tax assets (Notes 4 and 28)	6,678	-	1,534	-	1,731	-
1915	Prepayments for equipment	1,170	-	1,440	-	1,322	-
1920	Guarantee deposits paid (Note 31)	8,635	-	6,585	-	6,529	-
1990	Other non-current assets	954	-	2,012	-	3,056	-
15XX	Total non-current assets	1,432,747	25	1,492,697	25	1,530,945	25
1XXX	Total assets	$5,831,239	100	$5,974,324	100	$6,149,046	100

		June 30, 2025		December 31, 2024		June 30, 2024	
Code	Liabilities and equity	Amount	%	Amount	%	Amount	%
	Current liabilities						
2100	Short-term borrowings (Notes 19, 31 and 33)	$ 88,000	2	$ 135,618	2	$ 138,251	2
2120	Financial liabilities at fair value through profit or loss - current (Notes 7, 20, and 31)	-	-	2,310	-	2,750	-
2150	Notes payable (Notes 21 and 31)	3,399	-	579	-	2,052	-
2170	Accounts payable (Notes 21 and 31)	452,388	8	329,682	6	325,987	6
2206	Remuneration payable to employees and directors and supervisors (Note 27)	42,221	1	71,487	1	59,360	1
2209	Other payables (Notes 22 and 31)	53,094	1	176,900	3	74,056	1
2216	Dividends payable (Note 25)	262,469	4	-	-	212,528	4
2230	Current tax liabilities (Notes 4 and 28)	32,499	1	26,622	1	28,882	1
2110	Corporate bonds payable due within one year (Notes 20 and 31)	1,073,308	18	1,062,505	18	-	-
2250	Liabilities - current (Note 23)	8,737	-	8,634	-	12,616	-
2280	Lease liabilities - current (Notes 15 and 31)	20,749	-	18,570	-	15,708	-
2300	Other current liabilities (Notes 22 and 26)	6,505	-	6,976	-	8,557	-
21XX	Total current liabilities	2,043,369	35	1,839,883	31	880,747	15
	Non-current liabilities						
2530	Corporate bonds payable (Notes 20 and 31)	-	-	-	-	1,051,623	17
2570	Deferred tax liabilities (Note 4 and 28)	101,440	2	116,845	2	128,935	2
2580	Lease liabilities - non-current (Notes 15 and 31)	24,818	-	31,321	1	27,280	-
2640	Net defined benefit liability - non-current (Notes 4 and 24)	28,230	1	30,564	-	39,454	1
2670	Other non-current liabilities (Notes 22 and 31)	440	-	440	-	440	-
25XX	Total non-current liabilities	154,928	3	179,170	3	1,247,732	20
2XXX	Total liabilities	2,198,297	38	2,019,053	34	2,128,479	35
	Equity attributable to owners of the Company (Notes 20, 25 and 29)						
3110	Common stock	1,780,116	31	1,780,116	30	1,780,116	29
3200	Capital surplus	266,971	5	266,971	4	266,965	4
	Retained earnings						
3310	Legal reserve	691,304	12	658,536	11	658,536	11
3320	Special reserve	104,997	2	24,855	1	24,855	-
3350	Unappropriated earnings	625,759	10	974,154	16	843,608	14
3300	Total retained earnings	1,422,060	24	1,657,545	28	1,526,999	25
3400	Other equity	(149,458)	(3)	(104,997)	(2)	34,193	-
3500	Treasury stock	(206,993)	(4)	(206,993)	(3)	(144,082)	(2)
31XX	Total equity attributable to owners of the Parent	3,112,696	53	3,392,642	57	3,464,191	56
36XX	Non-controlling interests (Note 25)	520,246	9	562,629	9	556,376	9
3XXX	Total equity	3,632,942	62	3,955,271	66	4,020,567	65
	Total liabilities and equity	$5,831,239	100	$5,974,324	100	$6,149,046	100

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report by Deloitte Taiwan dated August 7, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended June 30, 2025 and 2024 and for the Six Months Ended June 30, 2025 and 2024

Unit: Thousands of NTD; except for earnings per share in NTD

		April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue, net (Note 26)	$ 928,711	100	$ 745,942	100	$ 1,724,013	100	$ 1,410,951	100
5000	Operating costs (Notes 11 and 27)	663,432	71	520,785	70	1,203,075	70	997,488	71
5900	Operating gross margins	265,279	29	225,157	30	520,938	30	413,463	29
	Operating expenses (Note 27)								
6100	Selling expenses	43,936	5	49,710	7	94,068	5	96,378	7
6200	Administrative expenses	29,121	3	28,848	4	57,863	3	56,385	4
6300	Research and Development expenses	98,934	11	107,643	14	201,910	12	222,978	15
6450	Expected credit impairment losses (Note 10)	885	-	39	-	939	-	3	-
6000	Total operating expenses	172,876	19	186,240	25	354,780	20	375,744	26
6900	Net operating profits	92,403	10	38,917	5	166,158	10	37,719	3
	Non-operating income and expenses (Note 27)								
7100	Interest income	6,646	1	14,482	2	12,582	1	30,010	2
7010	Other income	12,816	1	4,493	1	13,982	1	7,441	1
7020	Other profits and losses	(105,079)	(11)	60,158	8	(134,376)	(8)	160,081	11
7050	Financial costs	(5,743)	(1)	(6,301)	(1)	(11,449)	(1)	(12,541)	(1)
7000	Total non-operating income and expenses	(91,360)	(10)	72,832	10	(119,261)	(7)	184,991	13
7900	Net profit before taxation	1,043	-	111,749	15	46,897	3	222,710	16
7950	Income tax benefit (expense) (Notes 4 and 28)	15,100	2	(18,081)	(2)	2,130	-	(32,537)	(3)
8200	Net profits for the period	16,143	2	93,668	13	49,027	3	190,173	13
	Other comprehensive income								
8310	Items not reclassified to profit or loss:								
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	(11,957)	(1)	53,714	7	(64,804)	(4)	78,337	6
8360	Items that may subsequently be reclassified to profit or loss:								
8361	Exchange differences on the translation of financial statements of foreign operations	(3,291)	(1)	232	-	(2,929)	-	1,284	-
8300	Other comprehensive income for the period	(15,248)	(2)	53,946	7	(67,733)	(4)	79,621	6
8500	Total comprehensive income for the period	$ 895	-	$ 147,614	20	($ 18,706)	(1)	$ 269,794	19
	Net profits (losses) attributable to:								
8610	Owners of the parent	$ 25,891	3	$ 89,959	12	$ 50,234	3	$ 177,020	12
8620	Non-controlling interests	(9,748)	(1)	3,709	1	(1,207)	-	13,153	1
8600		$ 16,143	2	$ 93,668	13	$ 49,027	3	$ 190,173	13
	Comprehensive income attributable to:								
8710	Owners of the parent	$ 10,581	1	$ 143,675	19	($ 17,477)	(1)	$ 256,179	18
8720	Non-controlling interests	(9,686)	(1)	3,939	1	(1,229)	-	13,615	1
8700		$ 895	-	$ 147,614	20	($ 18,706)	(1)	$ 269,794	19
	Earnings per share (Note 29)								
9750	Basic	$ 0.15		$ 0.51		$ 0.29		$ 1.00	
9850	Diluted	$ 0.15		$ 0.48		$ 0.29		$ 0.95	

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

(Please refer to the review report by Deloitte Taiwan dated August 7, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Statements of Changes in Equity

For the Six Months Ended June 30, 2025 and 2024

Unit: In NT$ thousand unless otherwise specified

		Equity attributable to owners of the Parent											
		Common stock			Retained earnings			Other equity					
Code		Number of Shares (in thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	Treasury stock	Total	Non-controlling interests	Total equity
A1	Balance at January 1, 2024	178,011	$ 1,780,116	$ 266,965	$ 640,592	$ 167,949	$ 733,853	($ 1,982)	($ 22,871)	($ 83,400)	$ 3,481,222	$ 572,157	$ 4,053,379
	Earnings distribution for 2023												
B1	Legal reserve	-	-	-	17,944	-	(17,944)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	(143,094)	143,094	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(212,528)	-	-	-	(212,528)	-	(212,528)
D1	Net profits from January 1 to June 30, 2024	-	-	-	-	-	177,020	-	-	-	177,020	13,153	190,173
D3	Other comprehensive income from January 1 to June 30, 2024	-	-	-	-	-	-	1,284	77,875	-	79,159	462	79,621
D5	Total comprehensive income from January 1 to June 30, 2024	-	-	-	-	-	177,020	1,284	77,875	-	256,179	13,615	269,794
L1	Purchase of treasury shares	-	-	-	-	-	-	-	-	(60,682)	(60,682)	-	(60,682)
O1	Cash dividends from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(29,396)	(29,396)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	20,113	-	(20,113)	-	-	-	-
Z1	Balance at June 30, 2024	178,011	$ 1,780,116	$ 266,965	$ 658,536	$ 24,855	$ 843,608	($ 698)	$ 34,891	($ 144,082)	$ 3,464,191	$ 556,376	$ 4,020,567
A1	Balance at January 1, 2025	178,011	$ 1,780,116	$ 266,971	$ 658,536	$ 24,855	$ 974,154	($ 629)	($ 104,368)	($ 206,993)	$ 3,392,642	$ 562,629	$ 3,955,271
	Earnings distribution for 2024												
B1	Legal reserve	-	-	-	32,768	-	(32,768)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	80,142	(80,142)	-	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(262,469)	-	-	-	(262,469)	-	(262,469)
D1	Net profits from January 1 to June 30, 2025	-	-	-	-	-	50,234	-	-	-	50,234	(1,207)	49,027
D3	Other comprehensive income from January 1 to June 30, 2025	-	-	-	-	-	-	(2,929)	(64,782)	-	(67,711)	(22)	(67,733)
D5	Total comprehensive income from January 1 to June 30, 2025	-	-	-	-	-	50,234	(2,929)	(64,782)	-	(17,477)	(1,229)	(18,706)
O1	Cash dividends from non-controlling interests	-	-	-	-	-	-	-	-	-	-	(41,154)	(41,154)
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(23,250)	-	23,250	-	-	-	-
Z1	Balance at June 30, 2025	178,011	$ 1,780,116	$ 266,971	$ 691,304	$ 104,997	$ 625,759	($ 3,558)	($ 145,900)	($ 206,993)	$ 3,112,696	$ 520,246	$ 3,632,942

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

(Please refer to the review report by Deloitte Taiwan dated August 7, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries

Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2025 and 2024

Unit: NT$ thousand

Code		January 1 to June 30, 2025	January 1 to June 30, 2024
	Cash flows from operating activities		
A10000	Net profits before tax for the period	$ 46,897	$ 222,710
A20010	Income and expenses:		
A20100	Depreciation expenses	34,024	34,182
A20200	Amortization expenses	46,548	55,222
A20300	Expected credit impairment losses	939	3
A20400	Net loss (gain) on financial assets at fair value through profit or loss	(12,158)	(49,663)
A20900	Financial costs	11,449	12,541
A21200	Interest income	(12,582)	(30,010)
A21300	Dividend income	(11,016)	(4,522)
A22500	Gain on disposal of property, plant and equipment	-	(134)
A23700	Inventory valuation loss and obsolescence (gains on inventory value recovery)	(6,405)	(457)
A24100	Foreign exchange losses (gains) – net	13,630	(78,824)
A29900	Lease modification gain	-	(13)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	982	3,136
A31150	Accounts receivable	(57,117)	59,189
A31180	Other receivables	3,980	(2,262)
A31200	Inventory	(135,400)	132,298
A31230	Prepayments	(5,559)	5,626
A32130	Notes payable	2,820	1,422
A32150	Accounts payable	163,792	81,475
A32990	Remuneration payable to employees and directors and supervisors	(29,266)	8,274
A32180	Other payables	(32,727)	(23,210)
A32200	Provisions	103	409
A32230	Other current liabilities	(471)	1,660
A32240	Net defined benefit liability	(2,334)	(12,831)
A33000	Cash inflow from operations	20,129	416,221
A33100	Interest received	11,547	30,839
A33300	Interests paid	(1,075)	(1,861)
A33500	Income tax paid	(4,868)	(3,250)
AAAA	Net cash inflow from operating activities	25,733	441,949

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Code		January 1 to June 30, 2025	January 1 to June 30, 2024
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 136,353)	($ 406,157)
B00020	Sale of financial assets at fair value through other comprehensive income	147,599	376,669
B00100	Acquisition of financial assets at fair value through profit or loss	(137,165)	(634,231)
B00200	Sale of financial assets at fair value through profit or loss	301,299	209,702
B00040	Acquisition of financial assets at amortized cost	(193,662)	(382,330)
B00050	Disposal of financial assets at amortized cost	258,826	268,638
B02700	Purchase of property, plant, and equipment	(23,228)	(15,401)
B02800	Proceeds from disposal of property, plant and equipment	-	873
B03700	Increase in refundable deposits	(2,050)	-
B03800	Decrease in refundable deposits	-	36
B04500	Acquisition of intangible assets	(5,707)	(11,492)
B07600	Dividend received	(42,339)	3,464
BBBB	Net cash inflow (outflow) from investing activities	167,220	(590,229)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(50,473)	(9,999)
C04020	Principal repayment of lease liabilities	(11,060)	(10,419)
C04900	Repurchase of treasury shares	-	(60,682)
C05800	Cash dividends paid to non-controlling interests	(41,154)	(29,396)
CCCC	Net cash outflow from financing activities	(102,687)	(110,496)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	(55,593)	40,893
EEEE	Net (decrease) increase in cash and cash equivalents for this period	34,673	(217,883)
E00100	Balance of cash and cash equivalents at the beginning of period	874,562	1,242,075
E00200	Balance of cash and cash equivalents at the end of period	$ 909,235	$ 1,024,192

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the review report by Deloitte Taiwan dated August 7, 2025)

Weltrend Semiconductor, Inc. and Its Subsidiaries

Notes to Consolidated Financial Statements

For the Six Months Ended June 30, 2025 and 2024

(In thousand NTD, unless otherwise specified)

1. Company History

Weltrend Semiconductor, Inc. (the "Company") was incorporated in Hsinchu Science Park in July 1989 and entered operations in September of the same year, mainly engaging in research, development, production, testing, and sales of digital and analog hybrid special application integrated circuits, as well as digital and analog integrated circuits.

The Company's stock has been listed on the Taiwan Stock Exchange Corporation (TWSE) since September 2000.

The consolidated financial statements are presented in the Company's functional currency – New Taiwan dollar.

2. Date and Procedures for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on August 7, 2025.

3. Application of New, Amended and Revised Standards and Interpretations

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

1. Amendments to IAS 21 "Lack of Exchangeability"

The application of the amended to IAS 21 "Lack of Exchangeability" does not have material impact on the accounting policies of the Company and subsidiaries of the Company (hereinafter collectively referred to as the "Group").

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amended to IAS 21 "Lack of Exchangeability" does not have material impact on the accounting policies of the Group.

2. Amendments to IFRS 9 and IFRS 7 "Amendments to Financial Instruments: Classification and Measurement" regarding the revised application guidance on the classification of financial assets.

(2) Application of IFRSs endorsed by FSC in 2026

The new/amended/revised standards and interpretation	Effective date of IASB publication
Amendments to IFRS 9 and IFRS 7 “Amendments to Financial Instruments: Classification and Measurement” regarding the revised application guidance on the classification of financial assets.	January 1, 2026 (Note 1)
Amendment to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   (1) Regarding the revised application guidance on the classification of financial assets.

   The amendments mainly revise the classification of financial assets, including:

   A. If the financial asset includes a contingent event that changes the timing or amount of the contractual cash flows, and the nature of the contingent event is not directly related to changes in basic loan risk and cost (such as whether the debtor achieves a specific carbon emission reduction target),the contractual cash flows of such financial assets are still fully comprised of principal and interest on the outstanding principal amount when the following two conditions are met:

   - Contractual cash flows generated from all possible scenarios (whether events occur before or after) are solely for the payment of principal and interest on the outstanding principal amount.
   - There is no significant difference between the contractual cash flows arising under all possible scenarios and the cash flows of financial instruments with the same contractual terms but lacking contingent features.

   B. Financial assets without recourse rights refer to the enterprise’s ultimate right to receive cash flows, limited to those generated by a specific asset as stipulated in the contract.

   C. Clarify that contract-linked instruments are structured using a waterfall payment structure to create multiple tiers of securities, establishing a prioritized sequence for payments to financial asset holders. This generates credit risk concentration and can lead to a disproportionate allocation of cash shortfalls from the underlying pool among the different security tiers.

As of the date the consolidated financial statements were authorized for issue, the consolidated company continues to evaluate the impact that the amendments have on its financial position and performance.

(3) The IFRSs Accounting Standards in issue by the IASB but not yet endorsed and issued into effect by the FSC

The new/amended/revised standards and interpretation	Effective date of IASB publication
Amendment to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture."	To be determined
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without public Accountability: Disclosures"	January 1, 2027

Note 1: Unless otherwise specified, the aforementioned new/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective effective dates.

1. IFRS 18 "Presentation and Disclosures of Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements" and the main changes include:

- The income and loss items shall be divided into business, investment, financing, income tax, and discontinued operations.
- The income statement shall present operating profit or loss, profit or loss before financing and income tax, as well as subtotal and total profit and loss.
- Provide guidance to strengthen the requirements of aggregation and segmentation: The Group must identify assets, liabilities, equity, revenues, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them on the basis of common characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with non-similarity characteristics in the main financial statements and notes should be divided. The Group only marks such items as "others" when no more informative mark can be found.
- Increasing the disclosure of the performance measurement defined by management: When the Group has opened communication outside the financial statements, and when management's view of the Group's overall financial performance on a certain aspect is communicated with the users of the financial statements, it shall be disclosed in a separate note to the financial statements on performance measurements defined by management, including descriptions of the measurements, how to calculate them, reconciliations between them and any subtotals or totals specified in IFRS, and the impact of relevant adjustments on income tax and non-controlling interests, etc.

In addition to the above effects, as of the date of approving the consolidated financial statements for release, the Group had continued to evaluate the effect of the amendments to the other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. The consolidated financial statements do not include all IFRSs disclosures required for the complete set of annual financial statements.

(2) Basis of preparation

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

The assessment of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the assessment (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Level 3 input value: the unobservable input value of asset or liability.

(3) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The subsidiaries' financial statements have been properly adjusted to make the accounting policies consistent with the accounting policies of the Group. In preparing the consolidated financial statements, all inter-company transactions, account balances, gains and losses have been eliminated. The total comprehensive income of the subsidiaries is attributable to owners of the parent and non-controlling interests, even if the non-controlling interests become a loss balance as a result.

See Note 12 and Tables 3 and 4 for more information on subsidiaries' statements, shareholding ratios, and main business.

(4) Other significant accounting policies

In addition to the information below, please refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

1. Defined benefit retirement benefit

The pension cost for the interim period is calculated using the actuarially determined pension cost rate as of the end of the previous fiscal year and is based on the beginning of the year to the end of the current period, adjusted for significant market fluctuations and significant plan amendments, settlements or other significant one-time events during the period.

2. Income tax expense

Income tax expense is the sum of the current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis, and is calculated using the tax rate applicable to the expected total profits for the whole year on the interim pre-tax profits.

5. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When adopting accounting policies, the Group is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from the estimates.

The Group, when developing significant accounting estimates, has included inflation, market interest rate fluctuations and U.S. Reciprocal Tariff Measures in cash flows estimation, growth rates, discount rates, and profitability. The management team will continue to review such estimates and underlying assumptions.

The key sources of uncertainty in the principal accounting judgments, estimates, and assumptions adopted in these consolidated financial statements are the same as those in the 2024 consolidated financial statements.

6. Cash and Cash Equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and working capital	$ 249	$ 347	$ 360
Bank checking accounts and demand deposits	460,831	531,562	852,688
Cash equivalent			
Bank time deposits	263,700	213,176	136,290
Repurchase agreements collateralized by bonds	109,049	-	-
Commercial paper	75,406	129,477	34,854
	$ 909,235	$ 874,562	$ 1,024,192

The market interest rate ranges of cash in banks and cash equivalents at the balance sheet date are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Cash in banks	0.001%~1.050%	0.001%~1.450%	0.635%~1.450%
Time deposits	1.225%~5.650%	1.225%~5.650%	1.575%~5.450%
Commercial paper	4.300%~4.450%	1.340%~4.850%	5.450%
Repurchase agreements collateralized by bonds	4.500%	-	-

7. Financial Instruments Measured at Fair Value Through Profit or Loss

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets – current			
Mandatorily at fair value through profit			
Non-derivative financial assets			
- Domestic listed stocks	$ 571,185	$ 771,858	$ 580,941
- Fund beneficiary certificates	-	-	375,244
Derivatives (not designated as hedging)			
- Value of right to redeem convertible corporate bonds (Note 20)	110	-	-
	$ 571,295	$ 771,858	$ 956,185
Financial assets – non-current			
Mandatorily at fair value through profit			
Non-derivative financial assets			
- Privately offered funds	$ 64,054	$ 79,352	$ 96,772
- Domestic non-listed stocks	2,533	3,419	447
	$ 66,587	$ 82,771	$ 97,219
Financial liabilities-current			
Held for trading			
Derivatives (not designated as hedging)			
- Value of right to redeem convertible corporate bonds (Note 20)	$ -	$ 2,310	$ 2,750

Please refer to Note 33 for information on investments in financial instruments at fair value through profit or loss pledged.

8. Financial assets measured at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Domestic Investment			
Listed stocks	$ 502,344	$ 550,956	$ 542,951
Non-current			
Domestic Investment			
Non-listed stocks	$ 36,755	$ 38,379	$ 37,612
Foreign investment			
Non-listed stocks	28,523	31,910	31,589
	$ 65,278	$ 70,289	$ 69,201

The Group invests in domestic companies' ordinary shares for medium- and long-term strategic purposes and expects to make profits in the long-term. The management of the Group holds that the short-term fluctuation in the fair value of these investments shall be recognized as income or loss and is not congruent with the aforementioned long-term investment plan; therefore, they chose to designate these investments as financial assets measured at fair value through other comprehensive income.

9. Financial assets at amortized cost

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Time deposits with the initial duration of more than 3 months	$ 87,900	$ 111,850	$ 213,375
Commercial paper	161,215	202,435	177,446
	$ 249,115	$ 314,285	$ 390,821
Non-current			
Domestic Investment			
Certificates of deposit pledged	$ 15,411	$ 15,405	$ 10,405

(1) As of June 30, 2025, December 31, 2024, and June 30, 2024, the interest rate ranges of time deposits with the initial duration of more than three months, commercial paper, and certificate of deposit pledged are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits with the initial duration of more than 3 months	4.180%~4.960%	1.700%~4.906%	1.575%~5.500%
Commercial paper	4.200%~4.480%	1.360%~4.900%	5.150%~5.550%
Certificates of deposit pledged	1.650%~1.700%	1.450%~1.700%	1.575%~1.700%

(2) Please refer to Note 31 for information on credit risk management and impairment assessment related to financial assets measured at amortized cost.

(3) Please refer to Note 33 for information on financial assets measured at amortized cost pledged.

10. Notes receivable, accounts receivable and other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable			
Notes receivable - from operations	$ 12,052	$ 13,034	$ 10,444
Less: Allowance for losses	(3)	(8)	(3)
	$ 12,049	$ 13,026	$ 10,441
Accounts receivable			
Measured at amortized cost			
Total book value	$ 1,071,617	$ 1,013,556	$ 913,486
Less: Allowance for losses	(1,452)	(508)	(461)
	$ 1,070,165	$ 1,013,048	$ 913,025
Other receivables			
Stock dividends receivable	$ 53,615	$ 260	$ 1,148
Receivable from disposal of investments	10,027	60,575	68,160
Tax refund receivable	9,718	13,714	5,548
Others	2,304	1,466	2,674
	$ 75,664	$ 76,015	$ 77,530

The Group's average credit period for commodity sales is net 15 to 150 days after the end of each month, without interest accrued on accounts receivable. To reduce the credit risk, the Group, before working with each new client, fills out a credit application form through a business unit, and the responsible reviews the form and has the form countersigned by relevant units, while evaluating the potential client's credit quality to set its credit limit. The client's credit limit and rating are reviewed or updated from time to time every year with reference to its operating performance, transaction amount, time, and other factors. In addition, the Group will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. As such, the Company's management believes that the Group's credit risk has been significantly reduced.

The Group recognizes an allowance for losses on accounts receivable based on expected credit loss over the duration of the receivables. Lifetime expected credit losses are calculated using a provision matrix based on each client's past default record, current financial position, economic situation in the industry, and industry outlook. Since the Group's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, therefore, instead of further differentiating the customer groups, the provision matrix only sets the expected credit loss rate based on the number of days overdue on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Group cannot reasonably expect to recover the amount, the Group shall directly write off the related accounts receivable but shall engage in recourse activities and recognize the amount recovered in profit or loss as a result of the recourse.

The allowance for losses on notes and accounts receivable measured by the Group as per the provision matrix is as follows:

June 30, 2025

	Not overdue	Past due by 1–30 days	Past due by 31–60 days	Past due by 61–90 days	Past due by 91–120 days	Past due by 121 days or more	Total
Total book value	$ 1,059,089	$ 20,896	$ 779	$ 2,155	$ 697	$ 53	$ 1,083,669
Allowance for loss (expected credit loss of the given duration)	(772)	(274)	-	(409)	-	-	(1,455)
Measured at amortized cost	$ 1,058,317	$ 20,622	$ 779	$ 1,746	$ 697	$ 53	$ 1,082,214

December 31, 2024

	Not overdue	Past due by 1–30 days	Past due by 31–60 days	Past due by 61–90 days	Past due by 91–120 days	Past due by 121 days or more	Total
Total book value	$ 1,003,705	$ 11,291	$ 11,575	$ 6	$ 13	$ -	$ 1,026,590
Allowance for loss (expected credit loss of the given duration)	(479)	(33)	(4)	-	-	-	(516)
Measured at amortized cost	$ 1,003,226	$ 11,258	$ 11,571	$ 6	$ 13	$ -	$ 1,026,074

June 30, 2024

	Not overdue	Past due by 1–30 days	Past due by 31–60 days	Past due by 61–90 days	Past due by 91–120 days	Past due by 121 days or more	Total
Total book value	$ 889,224	$ 31,651	$ -	$ 2,788	$ 156	$ 111	$ 923,930
Allowance for loss (expected credit loss of the given duration)	(440)	(18)	-	(2)	(1)	(3)	(464)
Measured at amortized cost	$ 888,784	$ 31,633	$ -	$ 2,786	$ 155	$ 108	$ 923,466

The information on the movement in the allowances for losses on notes and accounts receivable is as follows:

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of year	$ 516	$ 461
Add: Impairment loss recognized in this period	939	3
Balance, end of period	$ 1,455	$ 464

11. Inventory

	June 30, 2025	December 31, 2024	June 30, 2024
Merchandise	$ 221,063	$ 172,632	$ 157,081
Finished goods	328,765	296,704	234,429
Work in process	326,889	310,159	234,565
Raw materials	85,537	40,954	31,742
	$ 962,254	$ 820,449	$ 657,817

The components of operating costs related to inventories are as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating costs	$ 663,432	$ 520,785	$ 1,203,075	$ 997,488
Inventory valuation loss (gains on inventory value recovery)	($ 2,600)	($ 8,295)	($ 6,405)	($ 457)

The gain from the reversal of inventory devaluation and obsolescence was due to the active elimination of inventory for which the consolidated company had previously recognized impairment losses.

12. Subsidiary

(1) Subsidiaries included in the consolidated financial statements

Entities covered by the consolidated financial statements are as follows:

			Shareholding			
Investor name	Subsidiary name	Business nature	June 30, 2025	December 31, 2024	June 30, 2024	Description
The Company	Weltrend International Co., (BVI) Ltd.	Investment	100%	100%	100%	Note 1, 2 and 5
	Yingquan Investment Co., Ltd.	Investment	98%	98%	98%	Note 1 and 2
	Sentelic Corporation	Integrated circuit development and design, analog circuit design, digital signal processing, application software development, and import and export of electronic components.	51%	51%	51%	Note 1, 3 and 4
Weltrend International Co., (BVI) Ltd.	Dongguan Prosil Electronics Co., Ltd.	Import and export of electronic parts and general import and export	100%	100%	100%	Note 1 and 2
Sentelic Corporation	Sentelic Holding Co., Ltd.	Investment	100%	100%	100%	Note 1 and 2

Note 1: Except for the Q2 of 2025 and 2024 financial statements of Weltrend International Co., (BVI) Ltd., Sentelic Corporation, and Sentelic Holding Co., Ltd., subsidiaries' Q2 financial statements have not been reviewed by a CPA.

Note 2: It is a non-material subsidiary.

Note 3: The Company acquired 51% equity of Sentelic Corporation in August 2022 and therefore gained control over it.

Note 4: The Company's Board of Directors approved the merger with the subsidiary Sentelic Corporation through a share swap arrangement on March 7, 2025. The Company will issue new shares in exchange for 1.60 common shares of the Company for 1 common share of Sentelic Corporation, and acquire all the outstanding shares of the Company. After the completion of the share transfer, Sentelic Corporation will become a 100% owned subsidiary of the Company. The aforementioned share conversion was submitted for approval at the shareholders' meeting of Sentelic Corporation on May 26, 2025, and the record date for the share conversion will be set after obtaining approval from the relevant competent authorities.

Note 5: On March 7, 2025, the Board of Directors of the subsidiary, Weltrend International Co., Ltd. (BVI), passed a resolution to reduce its capital by US$6,164 thousand in cash. On June 10, 2025, the Company had fully recovered the capital reduction refund.

(2) Information on subsidiaries with material non-controlling interests

	Shareholding and percentage of voting rights held by non-controlling interests		
Subsidiary name	June 30, 2025	December 31, 2024	June 30, 2024
Sentelic Corporation	49%	49%	49%

Please refer to Table 3 for the information on the principal places of business and countries of incorporation.

	Non-controlling interests		
Subsidiary name	June 30, 2025	December 31, 2024	June 30, 2024
Sentelic Corporation	$ 514,057	$ 556,454	$ 549,999

	Profit or loss allocated to non-controlling interests	
Subsidiary name	January 1 to June 30, 2025	January 1 to June 30, 2024
Sentelic Corporation	($ 1,241)	$ 12,965

The summarized financial information of the subsidiaries below is prepared based on the transactions between companies before the elimination of the information and is adjusted according to the impacts arising from the acquisition method when the Company made acquisitions:

Sentelic Corporation

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 711,879	$ 804,097	$ 727,943
Non-current assets	1,004,801	1,038,340	1,059,343
Current liabilities	(114,972)	(138,646)	(97,671)
Non-current liabilities	(108,949)	(124,447)	(123,471)
Equity	$ 1,492,759	$ 1,579,344	$ 1,566,144
Equity attributable to:			
Owners of the parent	$ 978,702	$ 1,022,890	$ 1,016,145
Non-controlling interest in Sentelic Corporation	514,057	556,454	549,999
	$ 1,492,759	$ 1,579,344	$ 1,566,144

	January 1 to June 30, 2025	January 1 to June 30, 2024
Operating revenues	$324,991	$209,766
Net income (loss) in this period	($ 2,521)	$ 26,497
Other comprehensive income	(1)	1
Total comprehensive income	($ 2,522)	$ 26,498
Net profits (losses) attributable to:		
Owners of the parent	($ 1,280)	$ 13,532
Non-controlling interest in Sentelic Corporation	(1,241)	12,965
	($ 2,521)	$ 26,497
Comprehensive income attributable to:		
Owners of the parent	($ 1,280)	$ 13,532
Non-controlling interest in Sentelic Corporation	(1,242)	12,966
	($ 2,522)	$ 26,498
Cash flows		
Operating activities	($ 17,477)	$ 65,397
Investing activities	58,866	(106,173)
Financing activities	(121,601)	(27,647)
Net cash outflow	($ 80,212)	($ 68,423)

13. Property, plant, and equipment

	Self-owned land	Buildings	Machinery equipment	Transportation equipment	Leasehold improvements	Miscellaneous equipment	Total
Costs							
Balance at January 1, 2025	$ 94,720	$ 94,714	$ 292,550	$ 26,937	$ 58,262	$ 28,492	$ 595,675
Addition	-	-	16,403	-	2,300	4,795	23,498
Disposal	-	-	(7,747)	-	-	(102)	(7,849)
Net exchange differences	-	-	-	-	-	(121)	(121)
Balance at June 30, 2025	$ 94,720	$ 94,714	$ 301,206	$ 26,937	$ 60,562	$ 33,064	$ 611,203
Accumulated depreciation							
Balance at January 1, 2025	$ -	$ 49,771	$ 257,412	$ 18,045	$ 51,162	$ 21,215	$ 397,605
Depreciation expenses	-	1,141	14,596	1,691	2,198	1,583	21,209
Disposal	-	-	(7,747)	-	-	(102)	(7,849)
Net exchange differences	-	-	-	-	-	(82)	(82)
Balance at June 30, 2025	$ -	$ 50,912	$ 264,261	$ 19,736	$ 53,360	$ 22,614	$ 410,883
Net amount as of June 30, 2025	$ 94,720	$ 43,802	$ 36,945	$ 7,201	$ 7,202	$ 10,450	$ 200,320
Net amount as at December 31, 2024 and January 1, 2025	$ 94,720	$ 44,943	$ 35,138	$ 8,892	$ 7,100	$ 7,277	$ 198,070
Costs							
Balance at January 1, 2024	$ 94,720	$ 94,714	$ 284,649	$ 30,925	$ 62,073	$ 24,943	$ 592,024
Addition	-	-	8,754	3,997	-	1,328	14,079
Reclassified as investment property	-	-	(387)	-	-	(475)	(862)
Disposal	-	-	(5,781)	(4,409)	-	(38)	(10,228)
Net exchange differences	-	-	-	-	-	49	49
Balance at June 30, 2024	$ 94,720	$ 94,714	$ 287,235	$ 30,513	$ 62,073	$ 25,807	$ 595,062

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	Self-owned land	Buildings	Machinery equipment	Transportation equipment	Leasehold improvements	Miscellaneous equipment	Total
Accumulated depreciation							
Balance at January 1, 2024	$ -	$ 47,489	$ 239,910	$ 20,284	$ 50,175	$ 20,260	$ 378,118
Depreciation expenses	-	1,141	15,378	2,066	2,452	1,058	22,095
Reclassified as investment property	-	-	(387)	-	-	(475)	(862)
Disposal	-	-	(5,781)	(3,670)	-	(38)	(9,489)
Net exchange differences	-	-	-	-	-	38	38
Balance at June 30, 2024	$ -	$ 48,630	$ 249,120	$ 18,680	$ 52,627	$ 20,843	$ 389,900
Net as of June 30, 2024	$ 94,720	$ 46,084	$ 38,115	$ 11,833	$ 9,446	$ 4,964	$ 205,162

As there was no sign of impairment during the six months ended June 30, 2025 and 2024, the Group did not conduct an impairment assessment.

Depreciation expenses are calculated and recognized on a straight-line basis as per the useful lives below:

Buildings	
Plant main building	35 to 50 years
Interior design and network engineering	5 years
Machinery equipment	2 to 6 years
Transportation equipment	5 to 6 years
Leasehold improvements	5 to 10 years
Miscellaneous equipment	3 to 6 years

14. Investment property

	Buildings
Costs	
Balance at January 1 and June 30, 2025	$ 60,120
Accumulated depreciation	
Balance at January 1, 2025	$ 13,097
Depreciation expenses	1,592
Balance at June 30, 2025	$ 14,689
Net amount as of June 30, 2025	$ 45,431
Net amount as at December 31, 2024 and January 1, 2025	$ 47,023
Costs	
Balance at January 1 and June 30, 2024	$ 60,120
Accumulated depreciation	
Balance at January 1, 2024	$ 9,912
Depreciation expenses	1,592
Balance at June 30, 2024	$ 11,504
Net as of June 30, 2024	$ 48,616

The lease term for investment property is three years. The lessee does not have the preferential right to purchase the investment property at the end of the lease term.

The lease commitments during the lease term starting after the balance sheet date are as follows:

	June 30, 2025	June 30, 2024
The 1st year	$ -	$ 1,320
The 2nd year	1,980	2,640
The 3rd year	1,100	1,760
Commitment to lease of investment property	$ 3,080	$ 5,720

Investment property is depreciated on a straight-line basis over the following useful lives:

Buildings and equipment	
Plant main building	35 to 50 years
Interior design and network engineering	5 years

The fair value of investment property is not valuated by an independent valuator and only measured by the Company's management using Level 3 inputs with a valuation model commonly used by market participants. Regarding the valuation, a cash flow approach is adopted, and the important unobservable inputs used include the discount rates; the fair value from the valuation is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value	$ 81,771	$ 82,352	$ 82,928

15. Lease agreements

(1) Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Buildings	$ 44,761	$ 49,200	$ 42,352

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Addition of right-of-use assets			$ 6,950	$ 5,068
Depreciation expenses of right-of-use assets				
Buildings	$ 5,599	$ 5,287	$ 11,223	$ 10,495

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

(2) Lease liability

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of lease liability			
Current	$ 20,749	$ 18,570	$ 15,708
Non-current	$ 24,818	$ 31,321	$ 27,280

The discount rate range for lease liabilities is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	1.7576%~2.25%	1.7576%~2.25%	1.7576%~2.25%

(3) Major lease activities and terms

The Company leased buildings from the Hsinchu Science Park of the Ministry of Science and Technology as plants, and the lease period is from 2023 to 2027. As per the lease agreement of the plants located in the science park, the lessee may have the amount of the rent adjusted at any time at the announced land price of the site where the plants are located or the adjusted rent rate of state-owned land approved by the Executive Yuan. The Company has no bargain purchase option for the leased buildings at the end of the lease term.

(4) Other lease information

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term lease expenses	$ 125	$ 89	$ 250	$ 170
Total cash (outflow) from lease	($ 5,866)	($ 5,569)	($ 11,821)	($ 11,050)

The Group has elected to apply the recognition exemptions to the leases of buildings that qualify as short-term leases and does not recognize the relevant right-of-use assets and lease liabilities for such leases.

16. Goodwill

	January 1 to June 30, 2025	January 1 to June 30, 2024
Opening and ending balances	$447,603	$447,603

The Group acquired Sentelic Corporation in August 2022 with 51% of its equity acquired, leading to goodwill of NT$447,603 thousand, mainly due to the benefits brought about by the expected growth of operating income from the product. There was no significant impairment measured based on fair value.

17. Intangible assets

	Computer software	Technology licensing	Patents	Customer relations	Total
Costs					
Balance at January 1, 2025	$ 265,655	$ 86,686	$ 588,467	$ 137,783	$ 1,078,591
Acquired separately	5,707	-	-	-	5,707
Disposal	(4,605)	(1,414)	-	-	(6,019)
Net exchange differences	(17)	-	-	-	(17)
Balance at June 30, 2025	$ 266,740	$ 85,272	$ 588,467	$ 137,783	$ 1,078,262
Accumulated amortization					
Balance at January 1, 2025	$ 242,990	$ 84,100	$ 147,736	$ 33,000	$ 507,826
Amortization expenses	8,516	2,217	28,743	7,072	46,548
Disposal	(4,605)	(1,414)	-	-	(6,019)
Net exchange differences	(12)	-	-	-	(12)
Balance at June 30, 2025	$ 246,889	$ 84,903	$ 176,479	$ 40,072	$ 548,343
Net amount as of June 30, 2025	$ 19,851	$ 369	$ 411,988	$ 97,711	$ 529,919
Net amount as at December 31, 2024 and January 1, 2025	$ 22,665	$ 2,586	$ 440,731	$ 104,783	$ 570,765
Costs					
Balance at January 1, 2024	$ 257,600	$ 79,316	$ 588,467	$ 137,783	$ 1,063,166
Acquired separately	7,052	4,440	-	-	11,492
Disposal	(11,618)	-	-	-	(11,618)
Net exchange differences	8	-	-	-	8
Balance at June 30, 2024	$ 253,042	$ 83,756	$ 588,467	$ 137,783	$ 1,063,048
Accumulated amortization					
Balance at January 1, 2024	$ 235,865	$ 78,176	$ 88,792	$ 18,857	$ 421,690
Amortization expenses	16,205	2,230	29,715	7,072	55,222
Disposal	(11,618)	-	-	-	(11,618)
Net exchange differences	5	-	-	-	5
Balance at June 30, 2024	$ 240,457	$ 80,406	$ 118,507	$ 25,929	$ 465,299
Net as of June 30, 2024	$ 12,585	$ 3,350	$ 469,960	$ 111,854	$ 597,749

Except for the amortization expenses recognized, the Group did not have any significant additions, disposal, or impairment of the intangible assets during the six months ended June 30, 2025 and 2024. Amortization expense is provided for based on a straight-line method over the following useful lives:

Computer software	1 to 5 years
Technology licensing	1 year
Patents	7 to 10 years
Customer relations	5 to 10 years

18. Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Prepayments for reticles	$ 13,020	$ 21,004	$ 21,497
Tax overpaid retained for offsetting the future tax payable	8,155	6,435	4,872
Prepayments to suppliers	7,597	605	126
Prepayments for salary and wages	1,190	1,250	1,310
Others	9,257	3,308	2,508
	$ 39,219	$ 32,602	$ 30,313

19. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings			
Bank loans	$ -	$ -	$ 103,251
Unsecured borrowings			
Credit facility borrowings	88,000	135,618	35,000
	$ 88,000	$ 135,618	$ 138,251

The interest rates on bank revolving loans were 1.85%–1.885%, 0.5%–3.2%, and 0.50%–3.47% as at June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

Please refer to Note 33 for the Group's collateral for short-term borrowings.

20. Corporate bonds payable

	June 30, 2025	December 30, 2024	June 30, 2024
Domestic unsecured convertible corporate bonds	$ 1,099,900	$ 1,099,900	$ 1,099,900
Less: Discount of corporate bonds payable	(26,592)	(37,395)	(48,277)
Less: portion due within one year	(1,073,308)	(1,062,505)	-
	$ -	$ -	$ 1,051,623
Value of redemption right	$ 110	($ 2,310)	($ 2,750)
Value of conversion right	193,676	193,676	193,693

The Company issued 11,000 NTD-denominated unsecured convertible corporate bonds with a coupon rate of 0% on September 11, 2023, with the total principal amounting to NT$1,100,000 thousand. From the day following the end of three months after the date such bonds were issued (December 12, 2023) to the maturity date (September 11, 2026), the bondholders may request the Company to convert the convertible corporate bonds into ordinary shares of the Company at a price of NT$61.2 per share; or request the Company to redeem the convertible corporate bonds held by them in cash at the face value of the bonds, plus interest compensation [100.500625% of the face value (real return: 0.25%)] at least 40 days before two full years after issuance (September 11, 2025). The Company may redeem all bonds early at the face value of the bonds when the closing price of the Company's common stock exceeds the current conversion price by 30% or above for 30 consecutive business days from the day following the end of three full months after the convertible corporate bonds were issued (December 12, 2023) through 40 days before the end of the issuance period (August 2, 2026). As of June 30, 2025, the conversion price was adjusted to NT$60.1 per share.

The convertible corporate bonds include components of liabilities and equity. The components of equity are recognized in capital surplus- stock options under equity. The effective interest rate for the components of liabilities initially recognized was 2.06322%.

Issuance price (less transaction cost of NT$5,000 thousand)	$ 1,228,652
Value of redemption right (less transaction cost of NT$1 thousand)	(329)
Components of equity (less transaction cost of NT$788 thousand)	(193,693)
Components of liabilities on the issuance date (less transaction cost of NT$4,211 thousand)	1,034,630
Interest calculated at the effective interest rate of 2.06322%	38,772
Conversion of corporate bonds payable into common shares	(94)
Components of liabilities on June 30, 2025	$ 1,073,308

21. Notes payable and accounts payable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes payable- from operations	$ 3,399	$ 579	$ 2,052
Accounts payable- from operations	$ 452,388	$ 329,682	$ 325,987

The Group has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit period.

22. Other liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Other payables			
Salary and wages and bonuses payable	$ 32,994	$ 66,423	$ 23,214
Pension payable under new scheme	5,014	5,044	4,920
Health insurance premiums payable	3,017	2,822	2,736
Labor insurance premiums payable	2,920	2,705	2,687
Service fee payable	2,691	1,860	1,666
Investment payables	-	90,582	32,656
Others	6,458	7,464	6,177
	$ 53,094	$ 176,900	$ 74,056

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	June 30, 2025	December 31, 2024	June 30, 2024
Other liabilities			
Contract liabilities	$ 2,798	$ 2,814	$ 4,607
Collection on behalf of others	3,707	4,162	3,950
	$ 6,505	$ 6,976	$ 8,557
Non-current			
Other liabilities			
Guarantee deposits received	$ 440	$ 440	$ 440

23. Provisions

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Employee benefits	$ 8,737	$ 8,634	$ 12,616

Provision for employee benefit liabilities is an estimate of employees' long-term leave entitlements.

24. Retirement benefit plans

The pension expenses related to defined benefit plans recognized for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 are calculated at the pension cost rate actuarially determined on December 31, 2024 and 2023, respectively, and the amounts were NT$448 thousand, NT$495 thousand, NT$897 thousand, and NT$990 thousand, respectively.

25. Equity

(1) Common stock

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized number of shares (in thousands)	330,000	330,000	330,000
Authorized capital stock	$ 3,300,000	$ 3,300,000	$ 3,300,000
Number of shares issued and fully paid (in thousands)	178,011	178,011	178,011
Capital stock issued	$ 1,780,116	$ 1,780,116	$ 1,780,116

(2) Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
For loss make-up, payment in cash or capitalization as equity (1)			
Stock issuance premium	$ 1,886	$ 1,886	$ 1,886
Corporate bond conversion premium	95	95	78

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	June 30, 2025	December 31, 2024	June 30, 2024
Donated assets received	$ 81	$ 81	$ 81
Share premium (restricted stock awards vested)	15,026	15,026	15,026
Treasury stock transaction	56,133	56,133	56,127
Only for loss make-up			
Recognition of changes in ownership interest in subsidiaries (2)	74	74	74
May not be used for any purpose			
Convertible corporate bond options (Note 20)	193,676	193,676	193,693
	$ 266,971	$ 266,971	$ 266,965

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of shares in a subsidiary, or adjustments to the capital surplus for the Company's subsidiaries accounted for using the equity method.

(3) Retained Earnings and Dividend Policy

Under the earnings distribution policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first used for paying taxes, offsetting the cumulative deficit (including the adjusted amount of undistributed earnings), setting aside 10% of the remaining profit as a legal reserve as per law unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with the laws and regulations. Then, any remaining profit, together with any undistributed retained earnings at the beginning of the period (including the adjusted amount of undistributed earnings), shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution before distribution of dividends to shareholders. Please refer to Note 27(7) for the policy on the remuneration to employees and directors stipulated the Articles of Incorporation.

In addition, according to the Company's Articles of Incorporation, the Company shall consider the soundness and stability of the financial structure for the distribution of stock dividends and set the ratio of cash dividends to stock dividends for the year as per the Company's growth needs. The ratio of cash dividends shall not be less than 10% of the total dividends.

Unless the legal reserve is appropriated until the balance reaches the paid-in capital of the Company. Legal reserve could be allocated for covering loss carried forward. If there is no loss, the amount of legal reserve in excess of the paid-in capital by 25% could be allocated as capital stock and paid out as cash dividend.

The Company held the general shareholders' meetings on May 29, 2025 and May 29, 2024 to resolve to approve the 2024 and 2023 earnings distribution proposals, respectively. The details are as follows:

	2024	2023
Legal reserve	$ 32,768	$ 17,944
Special reserve	$ 80,142	($143,094)
Cash dividends	$262,469	$212,528
Cash dividends per share ($NT)	$ 1.5	$ 1.2

(4) Special reserve

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of year	$ 24,855	$167,949
Provision (reversal) of a special reserve	80,142	(143,094)
Balance, end of period	$104,997	$ 24,855

(5) Treasury stock

	Number of Shares (in thousands)	Number of Shares (in thousands)
	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of year	3,032	905
Repurchased in current period	-	1,000
Balance, end of period	3,032	1,905

The Board of Directors resolved, on November 5, 2021, to transfer the repurchased treasury shares to employees to motivate employees and enhance their commitment. From November 5, 2021 to December 30, 2021, it repurchased the Company's 1,500 thousand shares. Within five years from the date of repurchase, the shares shall be transferred to employees once or in several times, and the average repurchase shall be the transfer price at NT$92.16.

The Board of Directors, on August 9, 2022, resolved to transfer and repurchase 84 thousand and 55 thousand treasury shares to employees at the transfer prices of NT$27.03 and NT$92.16. The employee stock subscription record date was the resolution date, and the date of delivering all shares to employees was September 7, 2022.

The Board of Directors, on February 24, 2023, resolved to transfer and repurchase 280 thousand and 70 thousand treasury shares to employees at the transfer prices of NT$27.07 and NT$92.16. The employee stock subscription record date was the resolution date, and the date of delivering all shares to employees was March 23, 2023.

The Board of Directors, on August 7, 2023, resolved to transfer and repurchase 62 thousand and 44 thousand treasury shares to employees at the transfer prices of NT$27.07 and NT$92.16. The employee stock subscription record date was the resolution date, and the date of delivering all shares to employees was September 5, 2023.

On April 16, 2024, the Board of Directors resolved to transfer 1,000 thousand shares of the repurchased treasury shares to employees in order to motivate them and enhance their cohesiveness. From April 18 to April 25, 2024, the Company had bought back 1,000 thousand of its shares which had been executed. The shares shall be transferred to employees at once or in installments within five years from the date of repurchase, and the average price actually bought back at NT$ 60.68 shall be the transfer price.

On August 7, 2024, the Board of Directors resolved to transfer 1,200 thousand shares of the repurchased treasury shares to employees in order to motivate them and enhance their cohesiveness. From August 9 to 15, 2024, the Company had bought back 1,200 thousand of its shares which had been executed. The shares are to be transferred to employees at once or in installments within five years from the date of repurchase, and the average price actually bought back at NTD 55.82 shall be the transfer price. The Board of Directors, on August 23, 2024, resolved to transfer and buy back 73 thousand treasury shares to employees at the transfer prices of NTD 55.82. The employee stock subscription record date was the resolution date, and the date of delivering all shares to employees was September 19, 2024.

The treasury shares held by the Company are to be transferred to employees and shall not be pledged in accordance with the Securities and Exchange Act nor shall they be entitled to rights, such as receipt of dividends and voting rights.

(6) Other equity

1. Exchange differences on the translation of financial statements of foreign operations

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of year	($ 629)	($ 1,982)
Generated during the period		
Exchange difference of foreign operating institutions	(2,929)	1,284
Balance, end of period	($ 3,558)	($ 698)

2. Unrealized gain or loss on financial assets measured at fair value through other comprehensive income

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of year	($104,368)	($ 22,871)
Generated during the period		
Unrealized gains or losses on equity instruments	(64,782)	77,875
The accumulated gain/loss from the disposition of equity instruments will be transferred to retained earnings	23,250	(20,113)
Balance, end of period	($145,900)	$ 34,891

(7) Non-controlling interests

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance, beginning of year	$562,629	$572,157
Share attributable to non-controlling interests		
Net income (loss) in this period	(1,207)	13,153
Other comprehensive income for the period		
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(22)	462
Cash dividends issued by subsidiaries	(41,154)	(29,396)
Balance, end of period	$520,246	$556,376

26. Operating revenues

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Sales income - integrated circuits	$ 623,056	$ 500,216	$ 1,152,530	$ 940,245
Trading of integrated circuits	305,655	245,444	571,483	470,424
Design and testing income	-	282	-	282
	$ 928,711	$ 745,942	$ 1,724,013	$ 1,410,951

(1) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Accounts receivable (Note 10)	$ 1,070,165	$ 1,013,048	$ 913,025	$ 923,254
Contract liabilities (accounted for in other current liabilities)				
Merchandise sales	$ 2,798	$ 2,814	$ 4,607	$ 2,854

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay.

(2) Details of net operating income

Region	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Mainland China	$ 604,011	$ 546,198	$ 1,179,921	$ 995,268
Taiwan	186,387	169,953	384,108	368,907
Others	138,313	29,791	159,984	46,776
	$ 928,711	$ 745,942	$ 1,724,013	$ 1,410,951

27. Net income in this period

(1) Interest income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest income from cash in banks	$ 4,161	$ 11,590	$ 7,162	$ 24,612
Others	2,485	2,892	5,420	5,398
	$ 6,646	$ 14,482	$ 12,582	$ 30,010

(2) Other income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Income from cash dividends	$ 10,707	$ 2,752	$ 11,016	$ 4,522
Others	2,109	1,741	2,966	2,919
	$ 12,816	$ 4,493	$ 13,982	$ 7,441

(3) Other profits and losses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Net gain on financial assets				
Financial assets at fair value through profit or loss (Note 7)	$ 56,240	$ 30,364	$ 12,158	$ 49,663
Foreign exchange gains (losses) – net	(161,286)	29,817	(145,832)	111,025
Other losses	(33)	(23)	(702)	(607)
	($ 105,079)	$ 60,158	($ 134,376)	$ 160,081

(4) Financial costs

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest of convertible corporate bonds	$ 5,431	$ 5,307	$ 10,803	$ 10,614
Interest on lease liabilities	247	222	511	461
Interest from bank borrowings	65	772	135	1,466
	$ 5,743	$ 6,301	$ 11,449	$ 12,541

(5) Depreciation and amortization

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Summary of depreciation expenses by function				
Operating costs	$ 8,068	$ 8,791	$ 16,153	$ 16,603
Operating expenses	9,018	8,961	17,871	17,579
	$ 17,086	$ 17,752	$ 34,024	$ 34,182
Summary of amortization expenses by function				
Operating costs	$ 36	$ 71	$ 95	$ 149
Operating expenses	22,975	27,854	46,453	55,073
	$ 23,011	$ 27,925	$ 46,548	$ 55,222

(6) Employee benefit expenses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employee benefits	$ 119,417	$ 138,115	$ 248,228	$ 275,251
Retirement benefits (Note 24)				
Defined contribution pension plan	4,906	4,820	9,845	9,575
Defined benefit plan	448	495	897	990
Total employee benefit expenses	$ 124,771	$ 143,430	$ 258,970	$ 285,816
Summary by function				
Operating costs	$ 19,096	$ 20,926	$ 37,184	$ 39,810
Operating expenses	105,675	122,504	221,786	246,006
	$ 124,771	$ 143,430	$ 258,970	$ 285,816

(7) Remuneration for employees and directors

The Company, as per the Articles of Incorporation, allocates 11%~15% of net income before tax before the remuneration to employees and directors is deducted for the year as remuneration to employees and no more than 4% as the remuneration to employees and directors, respectively. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company resolved at the shareholders' meeting on May 29, 2025, to amend the Articles of Incorporation to specify that no less than 1% of the employee remuneration allocated for the current year shall be distributed to entry-level employees. The estimated remuneration to employees and directors during the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 is as follows:

Estimate percentage

	January 1 to June 30, 2025	January 1 to June 30, 2024
Remuneration for employees	12%	12%
Remuneration for directors	3%	3%

Amount

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Remuneration for employees	$ 2,945	$ 15,527	$ 7,554	$ 29,269
Remuneration for directors	$ 737	$ 3,882	$ 1,889	$ 7,317

If there is a change in the amount after the annual consolidated financial statements are approved and released, the change will be accounted for as a change in accounting estimate and will be recorded an adjustment in the following year.

The 2024 and 2023 remuneration to employees and directors resolved by the Board of Directors on March 7, 2025 and February 26, 2024, respectively, is as follows:

	2024		2023	
	Cash	Stock	Cash	Stock
Remuneration for employees	$ 44,965	$ -	$ 33,329	$ -
Remuneration for directors	$ 11,241	$ -	$ 8,332	$ -

There is no difference between the amounts of remuneration paid out to employees and directors for 2024 and 2023 and the amounts recognized in the 2024 and 2023 consolidated financial statements.

For information on remuneration to employees and directors resolved by the Board of Directors, please visit the Market Observation Post System (MOPS) of Taiwan Stock Exchange.

28. Income tax

(1) Income tax recognized in profit or loss

The major components of income tax (benefit) expense are as follows.

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Income tax expenses in the current period				
Generated during the period	$ 15,696	$ 23,074	$ 31,289	$ 31,288
Surtax on undistributed earnings	170	-	170	-
Adjustment to the prior years	(13,040)	(3,208)	(13,040)	(3,208)
	2,826	19,866	18,419	28,080
Deferred tax				
Generated during the period	(17,926)	(1,785)	(20,549)	4,457
Income tax (benefit) expense recognized in profit or loss	($ 15,100)	$ 18,081	($ 2,130)	$ 32,537

(2) The state of income tax assessment

The profit-seeking enterprise income tax returns of the Company and Yingquan Investment Co., Ltd. for the years up to 2023 have been approved by the tax authorities; the profit-seeking enterprise income tax returns of Sentelic Corporation up to 2022 have been approved by the tax authorities.

29. Earnings per shares

Unit: NTD per share

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Basic earnings per share	$ 0.15	$ 0.51	$ 0.29	$ 1.00
Diluted earnings per share	$ 0.15	$ 0.48	$ 0.29	$ 0.95

The net income in this period and weighted average number of ordinary shares used to calculate the earnings per share are as follows:

Net profits for the period

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Net income used to calculate basic earnings per share	$ 25,891	$ 89,959	$ 50,234	$ 177,020
Impact of potential common stock with dilutive effect:				
After-tax interest of convertible corporate bonds	-	4,246	-	8,491
Net income used to calculate diluted earnings per share	$ 25,891	$ 94,205	$ 50,234	$ 185,511

Number of Shares

Unit: Thousand shares

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Weighted average number of shares of common stock used to calculate basic earnings per share	174,979	176,345	174,979	176,726
Impact of potential common stock with dilutive effect:				
Corporate bonds converted	-	17,972	-	17,972
Remuneration for employees	146	473	441	618
Weighted average common stock shares used to calculate diluted earnings per share	175,125	194,790	175,420	195,316

If the Group may elect to pay employee remuneration in stock or cash, when diluted earnings per share are calculated, it is assumed that employee remuneration will be paid out in stock, and when the ordinary shares are potentially dilutive, they will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The diluting effect of these potential common shares also continues to be considered in the calculation of diluted earnings per share before the number of shares awarded to employees in the following year’s resolution.

As the exercise price of the Company’s outstanding convertible bonds is higher than the average market price of the shares from January 1 to June 30, 2025, the bonds have an anti-dilutive effect and are therefore not included in the calculation of diluted earnings per share.

30. Capital Risk Management

The Group manages its capital to ensure that the Group's enterprises are able to operate sustainability while maximizing the return to shareholders through the optimization of the debt and equity balance. There has been no change in the Group's overall strategy.

The Group's capital structure consists of the Group's equity attributable to the owners of the Company (i.e. share capital, capital surplus, retained earnings, and other equity).

31. Financial instruments

(1) Fair value information – Financial instruments that are not measured at fair value

June 30, 2025

	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost - convertible corporate bonds	$ 1,073,308	$ -	$ 1,162,044	$ -	$ 1,162,044

December 31, 2024

	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost - convertible corporate bonds	$ 1,062,505	$ -	$ 1,195,151	$ -	$ 1,195,151

June 30, 2024

	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost - convertible corporate bonds	$ 1,051,623	$ -	$ 1,303,491	$ -	$ 1,303,491

(2) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed stocks	$ 571,185	$ -	$ -	$ 571,185
Domestic unlisted stocks	-	-	2,533	2,533
Privately offered funds	-	-	64,054	64,054
Value of redemption right	-	110	-	110
	$ 571,185	$ 110	$ 66,587	$ 637,882

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	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Equity investment				
- Domestic listed stocks	$ 502,344	$ -	$ -	$ 502,344
- Domestic non-listed stocks	-	-	36,755	36,755
- Foreign non-listed stocks	-	-	28,523	28,523
	$ 502,344	$ -	$ 65,278	$ 567,622

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed stocks	$ 771,858	$ -	$ -	$ 771,858
Domestic unlisted stocks	-	-	3,419	3,419
Privately offered funds	-	-	79,352	79,352
	$ 771,858	$ -	$ 82,771	$ 854,629
Financial assets measured at fair value through other comprehensive income				
Equity investment				
- Domestic listed stocks	$ 550,956	$ -	$ -	$ 550,956
- Domestic non-listed stocks	-	-	38,379	38,379
- Foreign non-listed stocks	-	-	31,910	31,910
	$ 550,956	$ -	$ 70,289	$ 621,245
Financial liabilities Measured at Fair Value Through Profit or Loss				
Derivatives	$ -	$ 2,310	$ -	$ 2,310

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed stocks	$ 580,941	$ -	$ -	$ 580,941
Domestic unlisted stocks	-	-	447	447

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	Level 1	Level 2	Level 3	Total
Fund beneficiary certificates	$ 375,244	$ -	$ -	$ 375,244
Privately offered funds	-	-	96,772	96,772
	$ 956,185	$ -	$ 97,219	$ 1,053,404
Financial assets measured at fair value through other comprehensive income				
Equity investment				
- Domestic listed stocks	$ 542,951	$ -	$ -	$ 542,951
- Domestic non-listed stocks	-	-	37,612	37,612
- Foreign non-listed stocks	-	-	31,589	31,589
	$ 542,951	$ -	$ 69,201	$ 612,152
Financial liabilities Measured at Fair Value Through Profit or Loss				
Derivatives	$ -	$ 2,750	$ -	$ 2,750

There were no transfers between Level 1 and Level 2 fair values during the six months ended June 30, 2025 and 2024.

2. Reconciliation of financial instruments measured at fair value in Level 3

January 1 to June 30, 2025

	Equity instruments		
Financial assets	Measured at fair values through profit and/or loss	Financial assets measured at fair value through other comprehensive income	Total
Balance, beginning of year	$ 82,771	$ 70,289	$ 153,060
Allocation of income	(10,245)	-	(10,245)
Recognized in profit or loss (other gains and losses)	(5,939)	-	(5,939)
Recognized in other comprehensive income (unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income)	-	(5,011)	(5,011)
Balance, end of period	$ 66,587	$ 65,278	$ 131,865

January 1 to June 30, 2024

Financial assets	Equity instruments: Measured at fair values through profit and/or loss	Equity instruments: Financial assets measured at fair value through other comprehensive income	Total
Balance, beginning of year	$ 80,663	$ 68,074	$ 148,737
Purchase	18,787	-	18,787
Allocation of income	(772)	-	(772)
Disposal	(1,459)	-	(1,459)
Recognized in other comprehensive income (unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income)	-	1,127	1,127
Balance, end of period	$ 97,219	$ 69,201	$ 166,420

3. Valuation techniques and input values for Level 2 fair value measurement

Financial instruments	Valuation techniques and input values
Derivatives-Value of redemption right	The two-year bond valuation model: The key basis variable of the option is tracked and dispersed over several time slots between the evaluation date and maturity date through the two-year tree. Each node of the tree represents the possible price at a specific time point.

4. Valuation techniques and input values for Level 3 fair value measurement

The aggregate value of the individual assets and individual liabilities in the investments in domestic (foreign) unlisted equity was evaluated in the asset method to reflect the overall value of an enterprise or business.

(3) Types of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Measured at fair values through profit and/or loss			
Mandatorily at fair value through profit	$ 637,882	$ 854,629	$ 1,053,404
Financial assets at amortized cost (Note 1)	2,340,274	2,312,926	2,432,943

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	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through other comprehensive income - investments in equity instruments	$ 567,622	$ 621,245	$ 612,152
Financial liabilities			
Measured at fair values through profit and/or loss			
Held for trading	-	2,310	2,750
Measured at amortize cost (Note 2)	1,670,629	1,705,724	1,592,409

Note 1: The balance includes financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance includes financial liabilities at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, corporate bonds payable, and guarantee deposits received.

(4) Purpose and policy of financial risk management

The Group's financial management department provides services to each business unit, coordinates the operations of investments in the domestic and international financial markets, and supervises and manages the financial risks related to the Group's operations by analyzing the internal risk reports of exposures according to the level and breadth of the risks. These risks include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The financial management department reports regularly to the Group's Board of Directors.

1. Market Risk

The main financial risks to the Group's operating activities are the risk of foreign exchange rate fluctuations (see (1) below) and the risk of changes in interest rates (see (2) below).

There have been no changes in the Group's exposure to financial instrument market risks and its method to managing and measuring such exposure.

(1) Exchange rate risk

Some of the Group's cash inflows and outflows are denominated in foreign currencies with the effect of natural hedging; the Group's management of the exchange rate risk aims to hedge rather than making profits.

Refer to Note 34 for the carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items in non-functional currencies that have been eliminated in the consolidated financial statements) on the balance sheet date.

Sensitivity analysis

The Group is mainly affected by the fluctuations in the exchange rates of USD.

The table below illustrates the Group's sensitivity analysis when the NTD (the functional currency) increases and decreases by 1% against each relevant foreign currency. In the sensitivity analysis, the outstanding monetary items in foreign currencies were taken into account, the end-of-period translation was adjusted by 1% change in exchange rates. The positive numbers in the following table represent the increase in net profits before tax if the New Taiwan dollar weakens by 1% against the respective currencies, and the negative numbers for the same amount represent the decrease in net profits before tax if the NT dollar strengthens by 1% against the respective currencies.

	Impact of USD	
	January 1 to June 30, 2025	January 1 to June 30, 2024
Profit or loss	$ 12,780	$ 12,530

The Group's sensitivity to the USD increased in this period, mainly due to the increase in its foreign currency assets.

The management believes that the sensitivity analysis cannot represent the inherent exchange rate risk as foreign currency exposures on the balance sheet date cannot reflect the interim exposures.

(2) Interest rate risk

Interest rate exposures arise as entities under the Group hold assets and liabilities at both fixed and floating rates.

The carrying amount of financial assets and liabilities of the Group under interest rate exposure on balance sheet date is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
With fair value interest rate risk			
– Financial assets	$ 697,681	$ 657,344	$ 557,370
– Financial liabilities	1,206,875	1,213,014	1,094,611
With cash flow interest rate risk			
– Financial assets	439,225	546,101	867,125
– Financial liabilities	-	35,000	138,251

Sensitivity analysis

The following sensitivity analyses are based on the interest rate risk exposure of the non-derivative instruments on the balance sheet date. The analysis of assets at floating rates is based on the assumption that the amount of assets outstanding at the balance sheet date was outstanding throughout the reporting period.

If the annual rate of interest increased/decreased by 1%, with all other variables remaining unchanged, the Group's net income before tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by NT$2,196 thousand and NT$3,644 thousand, respectively, mainly due to the Group's exposure to the risk of the net assets at floating interest rates.

The Group's sensitivity to interest rates increased in current period, mainly due to the decrease in the financial assets at floating interest rates.

(3) Other price risks

The Group is exposed to the equity price risk due to the listed equity securities held. The equity investments are not held for trading and are strategic investments. The Group is not actively trading these equity securities. The Group's equity price risk is mainly concentrated in the equity instruments in the electronic industry traded in stock exchanges and over-the-counter markets in Taiwan.

Sensitivity analysis

The sensitivity analysis below was performed based on the securities price exposure on the balance sheet date.

If the securities price increased/decreased by 1%, the profit or loss before tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by NT$6,379 thousand and NT$10,534 thousand respectively, mainly due to increase/decrease in the Group's financial assets at fair value through profit or loss.

If the securities price increased/decreased by 1%, the other comprehensive before tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by NT$5,676 thousand and NT$6,122 thousand respectively, mainly due to increase/decrease in the Group's financial assets at fair value through other comprehensive income.

The Group's sensitivity to price risk decreased in this period, mainly due to the decrease in the Group's investment in financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income.

2. Credit Risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Group. As of the balance sheet date, the Group’s maximum exposure to credit risk of financial loss due to non-performance by counter-parties is mainly from the carrying amount of financial assets recognized in consolidated balance sheets.

To mitigate credit risk, the Group has formulated credit and accounts receivable management measures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the Group will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. Accordingly, the Group’s management believes that the Group’s credit risk is significantly reduced.

The Group has a wide range of clients across different industries and geographical regions for accounts receivables. The Group continuously evaluates the financial position of clients with accounts receivable.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties with similar characteristics. When the transaction counterparties are affiliates, the Group defines them as transaction counterparties with similar characteristics.

3. Liquidity Risk

The Group manages and maintains sufficient cash and cash equivalents to support the Group’s operations and mitigate the impact of cash flow fluctuations. The Group’s management monitors the use of bank financing facilities and ensures compliance with the terms of the borrowing agreements.

Bank loans are a source of liquidity for the Group. Please refer to the description of (2) financing facilities below for the Group’s bank financing facilities undrawn as of June 30, 2025, December 31, 2024, and June 30, 2024.

(1) Table of liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities has been prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Group can be required to make repayment. Therefore, bank borrowings that the Group may be required to repay immediately are shown in the table below for the earliest period, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

June 30, 2025

	Repayment on demand or less than 1 month	1–3 months	3 months to 1 year	Over 1 year	Total
No interest-bearing liabilities	$ 309,099	$ 193,341	$ 6,441	$ -	$ 508,881
Fixed rate instruments	-	30,000	1,131,308	-	1,161,308
Lease liability	1,928	3,833	15,690	25,231	46,682
	$ 311,027	$ 227,174	$1,153,439	$ 25,231	$1,716,871

Further information on maturity analysis of lease liabilities is as follows:

	Less than 1 year	1–2 years	2–3 years	Over 3 years
Fixed rate instruments	$ 1,161,308	$ -	$ -	$ -
Lease liability	$ 21,452	$ 19,270	$ 5,176	$ 785

December 31, 2024

	Repayment on demand or less than 1 month	1–3 months	3 months to 1 year	Over 1 year	Total
Non-derivative financial assets					
No interest-bearing liabilities	$ 353,636	$ 153,422	$ 103	$ -	$ 507,161
Floating rate instruments	20,000	-	15,000	-	35,000
Fixed rate instruments	100,618	-	1,062,505	-	1,163,123
Lease liability	1,644	3,288	14,473	31,973	51,378
	$ 475,898	$ 156,710	$1,092,081	$ 31,973	$1,756,662

Further information on maturity analysis of lease liabilities is as follows:

	Less than 1 year	1–2 years	2–3 years	Over 3 years
Fixed rate instruments	$ 1,163,123	$ -	$ -	$ -
Lease liability	$ 19,405	$ 18,020	$ 12,868	$ 1,085

June 30, 2024

	Repayment on demand or less than 1 month	1–3 months	3 months to 1 year	Over 1 year	Total
No interest-bearing liabilities	$ 252,522	$ 144,431	$ 5,138	$ 4	$ 402,095
Floating rate instruments	63,085	40,166	35,000	-	138,251
Fixed rate instruments	-	-	-	1,051,623	1,051,623
Lease liability	1,796	3,528	11,068	27,989	44,381
	$ 317,403	$ 188,125	$ 51,206	$1,079,616	$1,636,350

Further information on maturity analysis of lease liabilities is as follows:

	Less than 1 year	1–2 years	2–3 years	Over 3 years
Fixed rate instruments	$ -	$ -	$ 1,051,623	$ -
Lease liability	$ 16,392	$ 12,716	$ 10,120	$ 5,153

(2) Financing facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank overdraft facility			
- Borrowing facilities used	$ 88,000	$ 135,618	$ 35,000
- Borrowing facilities unused	862,000	1,491,082	1,050,000
	$ 950,000	$ 1,626,700	$ 1,085,000
Secured bank overdraft facility			
- Borrowing facilities used	$ -	$ -	$ 103,251
- Borrowing facilities unused	765,000	765,000	1,150,619
	$ 765,000	$ 765,000	$ 1,253,870

32. Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (which are the Company's related parties) were all eliminated upon consolidation, so they are not disclosed in this note. Except for those disclosed in other notes, transactions between the Group and other related parties are as follows.

(1) Remuneration for key management

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employee benefits	$ 7,576	$ 8,608	$ 21,849	$ 22,932
Retirement benefits	226	233	452	483
	$ 7,802	$ 8,841	$ 22,301	$ 23,415

The remuneration for directors and other key management is determined by the Remuneration Committee based on individual performance and market trends.

33. Pledged Assets

The assets below have been pledged as collateral for financing or borrowings from banks and to customs:

	June 30, 2025	December 31, 2024	June 30, 2024
Certificates of deposit pledged (under financial assets at amortized cost - non-current)	$ 15,411	$ 15,405	$ 10,405
Fund beneficiary certificates pledged (under financial assets at fair value through profit or loss - current)	-	-	375,244
Property, plant, and equipment	138,296	139,337	140,379
	$ 153,707	$ 154,742	$ 526,028

34. Information on foreign currency assets and liabilities with significant effect

The information below is aggregated and presented in foreign currencies other than the functional currencies of the entities under the Group. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The foreign currency assets and liabilities with significant effect are as follows:

	June 30, 2025		
	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 58,666	29.3(USD: NTD)	$ 1,718,914
Non-monetary items			
USD	973	29.3(USD: NTD)	$ 28,509
Foreign currency liabilities			
Monetary items			
USD	13,166	29.3(USD: NTD)	$ 385,764
USD	1,880	7.16(USD: RMB)	55,084
			$ 440,848

	December 31, 2024		
	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 48,954	32.78(USD: NTD)	$ 1,604,712
Non-monetary items			
USD	973	32.78(USD: NTD)	$ 31,895
Foreign currency liabilities			
Monetary items			
USD	11,390	32.78(USD: NTD)	$ 373,364
USD	1,124	7.18(USD: RMB)	36,845
			$ 410,209

	June 30, 2024		
	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 50,840	32.45(USD: NTD)	$ 1,649,758
Non-monetary items			
USD	973	32.45(USD: NTD)	$ 31,574

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	June 30, 2024		
	Foreign currency	Exchange rate	Carrying amount
Foreign currency liabilities			
Monetary items			
USD	$ 11,649	32.45(USD: NTD)	$ 378,010
USD	578	7.13(USD: RMB)	18,756
			$ 396,766

The Group is mainly exposed to the foreign currency exchange rate risk of USD and RMB. The following information is presented in aggregate for the functional currencies of the individual entity holding the foreign currencies, and the exchange rates disclosed are the rates at which those functional currencies are translated into the presenting currency. Foreign currency translation gains and losses (realized and unrealized) with significant effect are as follows:

	April 1 to June 30, 2025		April 1 to June 30, 2024	
Functional currency	Functional currency exchanged to presenting currency	Net exchange gain (loss)	Functional currency exchanged to presenting currency	Net exchange gain (loss)
NTD	1 (NTD: NTD)	($161,285)	1 (NTD: NTD)	$ 30,360
RMB	4.28 (RMB: NTD)	(3)	4.55 (RMB: NTD)	(543)
		($161,288)		$ 29,817

	January 1 to June 30, 2025		January 1 to June 30, 2024	
Functional currency	Functional currency exchanged to presenting currency	Net exchange gain (loss)	Functional currency exchanged to presenting currency	Net exchange gain (loss)
NTD	(NTD: NTD)	($145,321)	1 (NTD: NTD)	$112,107
RMB	(RMB: NTD)	(512)	4.48 (RMB: NTD)	(1,083)
		($145,833)		$111,024

35. Additional Disclosures

(1) Information on Significant Transactions:

1. The Loaning of Funds: None.
2. Endorsements and guarantees for others: None.
3. Major Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures): Table 1.
4. Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 million or 20% of the Paid-in Capital: None.
5. Receivables from Related Parties Amounting to at Least NT$100 million or 20% of the Paid-in Capital: None.

6. Other: Business Relations and Important Transactions between Parent Company and Subsidiaries and Among Subsidiaries and Amounts: Table 2.

(2) Information on Investees: Table 3.

(3) Information on investment in Mainland China:

1. Information on investees in Mainland China, including the name, main business and products, paid-in capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the Mainland China area: Table 4.

2. The following significant transactions with investees in Mainland China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses: Table 5.

(1) The amount and percentage of purchases and the related ending balance and percentage of payables.

(2) The amount and percentage of sales and the related ending balance and percentage of receivables.

(3) The amount of property transactions and the amount of resulting gains or losses.

(4) The ending balance of endorsement guarantee of bills or the provision of collateral and its purpose.

(5) The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation

(6) Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.

36. Segment Information

The Group's information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided. The financial reporting information is measured on the same basis as that for these consolidated financial statements. The Group's reportable segments are its self-owned product segment and product agency segment.

(1) Revenue and operating results of segments

	Segment revenues			
	January 1 to June 30, 2025		January 1 to June 30, 2024	
	External revenue	Inter-segment revenues	External revenue	Inter-segment revenues
Self-owned product segment	$ 1,152,530	$ -	$ 940,527	$ -
Product agency segment	571,483	77,519	470,424	38,040
	$ 1,724,013	$ 77,519	$ 1,410,951	$ 38,040

	Segment profits or losses	
	January 1 to June 30, 2025	January 1 to June 30, 2024
Self-owned product segment	$125,966	$ 28,895
Product agency segment	40,198	8,830
Total reportable segments' profit	166,164	37,725
Inter-segment profit eliminated	(6)	(6)
	166,158	37,719
Unallocated amount:		
Non-operating income and expenses	(119,261)	184,991
Net profit before taxation	$ 46,897	$222,710

Segments' profit refers to the profit earned by each segment, excluding non-operating income and expenses that should be allocated. This measure is provided to the chief operating decision maker to allocate resources to segments and to measure their performance.

(2) Segments' total assets

Segments' assets	June 30, 2025	December 31, 2024	June 30, 2024
Self-owned product segment	$ 5,435,608	$ 5,559,498	$ 5,798,046
Product agency segment	395,631	414,826	351,000
Total segment assets	5,831,239	5,974,324	6,149,046
Total consolidated assets	$ 5,831,239	$ 5,974,324	$ 6,149,046

All assets are allocated to reportable segments. Assets shared by reportable segments are allocated based on income earned by each reportable segment.

Weltrend Semiconductor, Inc. and Its Subsidiaries

Major securities held at the end of the period

June 30, 2025

Table 1

Unit: In thousand NTD and thousand shares, unless otherwise specified

Companies held	Types and names of marketable securities	Relations with the securities issuer	Account in the book	Ending Balance				Amount pledged (Note)
				Number of shares/Unit	Carrying amount	Shareholdings ratio	Fair value	
The Company	Greatek Electronics Inc.	-	Financial assets at fair value through profit or loss - current	4,614	$ 266,268	-	$ 266,268	$ -
	Sunonwealth Electric Machine Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	780	78,390	-	78,390	-
	China Metal Products Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	3,122	82,421	-	82,421	-
	Aerospace Industrial Development Corporation	-	Financial assets at fair value through other comprehensive income - current	1,650	71,280	-	71,280	-
	United Microelectronics Corporation	-	Financial assets at fair value through other comprehensive income - current	1,000	44,200	-	44,200	-
	Unimicron Technology Corp.	-	Financial assets at fair value through other comprehensive income - current	220	25,080	-	25,080	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	19	20,140	-	20,140	-
	Advanced Echem Materials Company Limited	-	Financial assets at fair value through other comprehensive income - current	25	16,000	-	16,000	-
	Zilltek Technology Corp.	-	Financial assets at fair value through other comprehensive income - current	65	14,267	-	14,267	-
	Kinik Company	-	Financial assets at fair value through other comprehensive income - current	40	12,820	-	12,820	-
	Cheng Uei Precision Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	220	11,396	-	11,396	-
	<u>Privately offered funds</u>							
	Zoyi Venture Capital Co., Ltd.	-	Financial assets at fair value through profit or loss – non-current	-	64,054	-	64,054	-
Weltrend International Co., (BVI) Ltd.	<u>Stock</u>							
	Greatek Electronics Inc.	-	Financial assets at fair value through profit or loss - current	536	30,927	-	30,927	-
	China Metal Products Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	2,970	78,408	-	78,408	-
	Keron Holding Corpratin	-	Financial assets at fair value through other comprehensive income - non-current	201	28,523	Preferred Series A-2	28,523	-

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Companies held	Types and names of marketable securities	Relations with the securities issuer	Account in the book	Ending Balance				Amount pledged (Note)
				Number of shares/Unit	Carrying amount	Shareholdings ratio	Fair value	
Yingquan Investment Co., Ltd.	Stock							
	Greatek Electronics Inc.	-	Financial assets at fair value through profit or loss - current	2,024	$ 116,785	-	$ 116,785	$ -
	Sunonwealth Electric Machine Industry Co., Ltd.		Financial assets at fair value through profit or loss - current	730	73,365	-	73,365	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	50	53,000	-	53,000	-
	Merry Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	303	33,382	-	33,382	-
	United Microelectronics Corporation	-	Financial assets at fair value through other comprehensive income - current	350	15,470	-	15,470	-
	Anqing Innovation Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,114	19,545	6%	19,545	-
	Chongyou Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	655	12,874	9%	12,874	-

Note: The securities listed are restricted for use as they are pledged for borrowings.

Weltrend Semiconductor, Inc. and Its Subsidiaries

Business relationships, significant transactions and amounts between parent company and subsidiaries and among subsidiaries.

For the Six Months Ended June 30, 2025

Table 2

Unit: NT$ thousand

No.	Trader name	Counterparty	Relations with trader (Note 3)	Transactions			
				Account	Amount	Trading conditions	As a percentage of consolidated total revenue or total assets
0	The Company	Dongguan Prosil Electronics Co., Ltd.	1	Net operating income	$ 77,519	Note 1	4%
				Accounts receivable	55,098	Note 2	1%
		Yingquan Investment Co., Ltd.	2	Rental incomes	6	Note 1	-
		Sentelic Corporation	2	Sales revenue	12,085	Note 1	1%
				Accounts receivable	1,006	Note 3	-
				Other income	540	Note 1	-
				Other receivables	95	Note 3	-
1	Dongguan Prosil Electronics Co., Ltd.	The Company	3	Other income	1,200	Note 1	-
		Sentelic Corporation	4	Other income	1,546	Note 1	-
				Other receivables	299	Note 3	-
2	Sentelic Corporation	The Company	5	Sales revenue	52	Note 1	-
				Accounts receivable	25	Note 3	-

Note 1: It is based on the terms negotiated by both parties without other suitable transaction counterparties for comparison.

Note 2: It is mainly net 90 days at the end of each month for collection (payment).

Note 3: It is mainly net 30 days at the end of each month for collection (payment).

Note 4: 1 represents the transactions from parent company to sub-subsidiary.

2 represents the transactions from parent company to subsidiary.

3 represents the transactions from sub-subsidiary to parent company.

4 represents the transactions from sub-subsidiary to subsidiary.

5 represents the transactions from subsidiary to parent company.

Weltrend Semiconductor, Inc. and Its Subsidiaries

Information on the investee, location, etc.

For the Six Months Ended June 30, 2025

Table 3

Unit: NT$ thousand

Investor name	Investee	Location	Principal business	Original investment amount		Holding, end of period			Profits (losses) of the investee for the period	Investment incomes (losses) recognized in the period	Remarks
				End of the period	End of last year	Number of Shares (in thousands)	Percentage (%)	Carrying amount			
The Company	Weltrend International Co., (BVI) Ltd.	British Virgin Islands	Investment	$ 64,917	$ 265,000	2,000	100	$ 314,950	$ 25,693	$ 25,693	Note 1
	Yingquan Investment Co., Ltd.	Taiwan	Investment	241,486	241,486	32,416	98	353,550	2,005	1,971	Note 2
	Sentelic Corporation	Taiwan	Integrated circuit development and design, analog circuit design, digital signal processing, application software development, and import and export of electronic components.	1,117,120	1,117,120	15,324	51	978,702	26,131	(1,280)	Note 1 and 4
Sentelic Corporation	Sentelic Holding Co., Ltd.	Republic of Mauritius.	Investment	18,782	18,782	625	100	23	-	-	Note 1

Note 1: It was calculated based on the financial report for the same period reviewed by a CPA.

Note 2: It was calculated based on the financial report for the same period not reviewed by a CPA.

Note 3: Please refer to Table 4 for the relevant information on the investees in Mainland China.

Note 4: Investment income (losses) recognized in this period is based on financial information before inter-company transactions were eliminated and recognized after adjustments based on the effect of the acquisition method.

Note 5: On November 4, 2024, the Board of Directors approved the dissolution and liquidation of the subsidiary, Sentelic Holding Co., Ltd.

Note 6: On March 7, 2025, the Board of Directors of the subsidiary, Weltrend International Co., Ltd. (BVI), passed a resolution to reduce its capital by US$6,164 thousand in cash. On June 10, 2025, the Company had fully recovered the capital reduction refund.

Weltrend Semiconductor, Inc. and Its Subsidiaries

Information on investment in Mainland China

For the Six Months Ended June 30, 2025

Table 4

Unit: In thousand NTD, unless otherwise specified

Names of investees in Mainland China	Principal business	Paid-in capital	Type of investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of the investee for the period	Shareholding in direct or indirect investment	Investment income (loss) recognized in this period (Note 2)	Book value of investments at the end of the period	Investment income remitted back as of the end of the period
					Outward remittance	Recover						
Dongguan Prosil Electronics Co., Ltd.	Import and export of electronic components and general import and export	RMB 8,048 thousand (USD 1,200 thousand)	Note 1	USD 1,200 thousand ($ 35,160)	$ -	$ -	USD 1,200 thousand ($ 35,160)	$ 2,181	100%	$ 2,181	$ 26,558	$ -

Accumulated amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, MOEA	Investment quota for Mainland China as stipulated by the Investment Commission, MOEA
US$1,200 thousand ($35,160)	US$1,200 thousand ($35,160)	$1,887,618

Note 1: The Company invests in Weltrend International Co., (BVI) Ltd. and then invests in companies through Mainland China through said company. The investments have been approved by the Investment Commission, Ministry of Economic Affairs. The investment amount approved is US$1,200 thousand.

Note 2: It was calculated based on the investees' financial reports for the same period not reviewed by a CPA.

Note 3: The amounts in foreign currencies were converted at USD exchange rate on June 30, 2025.

Weltrend Semiconductor, Inc. and Its Subsidiaries

Major Transactions with Investees in Mainland China Through Direct or Indirect Investment Through a Third Region, and the Prices, Payment Terms, Unrealized Gains or Losses, and Other Relevant Information

For the Six Months Ended June 30, 2025

Table 5

Unit: NT$ thousand

Names of investees in Mainland China	Type of transaction	Purchase or sale		Transaction conditions (Note)	Notes and accounts receivable (payable)		Unrealized gain or loss	Remarks
		Amount	Percentage		Amount	Percentage		
Dongguan Prosil Electronics Co., Ltd.	Operating revenues	$ 77,519	4%	-	$ 55,098	5%	$ -	-

Note: Sales with related parties are determined based on the terms negotiated by both parties without other suitable transaction counterparties for comparison.