Stock Code:3592

Raydium Semiconductor Corporation

Parent-Company-Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of Raydium Semiconductor Corporation:

Opinion

We have audited the parent-company-only financial statements of Raydium Semiconductor Corporation ("the Company"), which comprise the parent-company-only balance sheets as of December 31, 2024 and 2023, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent-company-only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Account of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the these matters. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

1. Valuation of inventories

   Please refer to note 4(7) for the accounting policy of inventory valuation, note 5 for the estimation and assumption uncertainty of the valuation of inventory, and note 6(4) for information on estimation of the valuation of inventory to the parent-company-only financial statements.

Description of key audit matter:

The Company may write down the cost of inventories to net realizable value due to normal wear and tear, obsolescence or no market value. The inventory valuation may result in material changes because of decline in demand and prices. Due to the introduction of new products in the market, the original outdated products no longer meet the market demand, resulting in the cost of inventory to exceed its net realizable value. Therefore, the valuation of inventory is one of our key audit matters.

How the matter was addressed in our audit:

The principal procedures include testing the inventory aging reports and analyzing the aging of inventories for each period; inspecting the production and sales meeting minutes to assess the destocking; assessing whether the valuation of inventories has been carried out in accordance with the established accounting policies; and performing retrospective testing on inventories to verify the appropriateness of the inventory provision.

2. Revenue recognition from contracts with customers

Please refer to note 4(14) “Revenue recognition” for the accounting policy and note 6(19) “Revenues from contracts with customers” for revenue recognition.

Description of key audit matter:

The Company mainly engages in the development, design and sale of display driver, touch control, and power management integrated circuit products. The recognition of operating revenue is determined according to the trade terms agreed with the customers. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure its performance obligation has been satisfied by transferring its control to its customer. It is necessary to determine the performance obligations and the time at which they are satisfied. Therefore, the appropriateness of recognising revenue in the correct accounting period is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding the revenue process and cash collection transaction process; analyzing the type of principal revenue and trading terms; selecting samples and inspecting contracts with customers or customers' orders to assess the adequacy of the timing on revenue recognition; and randomly selecting sales transactions incurred within a certain period before or after the balance sheet date by reviewing documents to ensure that revenue was recognized in the appropriate period.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in entities accounted for using equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are An-Chih Cheng and Chien-Hui Lu.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the parent-company-only statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents(note 6(1))	$ 5,298,301	26	5,166,983	27
1110	Financial assets at fair value through profit or loss－current(note 6(2))	531,520	3	633,073	3
1120	Financial assets at fair value through other comprehensive income－current (note 6(2))	8,849	-	11,013	-
1170	Accounts receivable, net (note 6(3))	1,916,429	9	1,123,076	6
1180	Accounts receivable－related parties, net(notes 6(3) and 7)	1,686,867	8	1,653,203	9
130X	Inventories (note 6(4))	2,301,712	11	1,858,687	10
1476	Other financial assets－current(notes 6(1)、(3)、(9)、8 and 9)	6,175,530	31	5,941,649	31
1479	Other current assets (notes 6(10) and 7)	138,646	1	169,769	1
		18,057,854	89	16,557,453	87
	Non-current assets:				
1510	Financial assets at fair value through profit or loss－non-current(note 6(2))	35,000	-	-	-
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(2))	550,394	3	423,377	2
1550	Investments accounted for using equity method (note 6(5))	142,044	1	40,683	-
1600	Property, plant and equipment (notes 6(6) and 9)	388,422	2	470,174	3
1755	Right-of-use assets (note 6(7))	12,241	-	12,792	-
1780	Intangible assets (notes 6(8) and 7)	511,800	3	376,453	2
1840	Deferred tax assets (note 6(16))	260,935	1	235,509	1
1980	Other financial assets－non-current(notes 6(9) and 9)	2,329	-	162,140	1
1990	Other non-current assets (notes 6(10) and (14))	304,358	1	652,299	4
		2,207,523	11	2,373,427	13
	Total assets	**$ 20,265,377**	**100**	**18,930,880**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(11))	$ 130,868	1	445,411	2
2130	Contract liabilities－current(note 6(19))	296,774	2	430,502	2
2170	Accounts payable	3,056,962	15	2,363,447	13
2201	Salaries and bonuses payable	2,561,172	13	2,352,793	13
2220	Other payables－related parties (note 7)	2,776	-	7,518	-
2230	Current income tax liabilities	247,404	1	233,875	1
2250	Provision-current (note 6(13))	113,557	1	38,704	-
2300	Other current liabilities (notes 6(12)、(15) 、7 and 9)	1,030,283	5	881,968	5
		7,439,796	38	6,754,218	36
	Non-Current liabilities:				
2527	Contract liabilities－non-current (note 6(19))	-	-	97,460	1
2550	Provision－non-current (note 6(13))	227,114	1	77,409	-
2570	Deferred tax liabilities (note 6(16))	7,774	-	6,246	-
2580	Lease liabilities－non-current (note 6(12))	7,433	-	9,305	-
2640	Net defined benefit liability－non-current (note 6(14))	-	-	144	-
2645	Guarantee deposits received (notes 6(15) and 9)	490,755	2	767,950	4
		733,076	3	958,514	5
	Total liabilities	8,172,872	41	7,712,732	41
	Equity (note 6(17)):				
3110	Common stock	758,552	4	758,552	4
3200	Capital surplus	4,712,933	23	4,712,933	25
3300	Retained earnings	6,737,706	33	5,780,404	30
3400	Other equity	(116,686)	(1)	(33,741)	-
	Total equity	12,092,505	59	11,218,148	59
	Total liabilities and equity	**$ 20,265,377**	**100**	**18,930,880**	**100**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation

Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31,			
		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenues** (notes 6(19) 、7 and 14)	$ 22,357,561	100	17,604,607	100
5000	Operating costs (notes 6(4), (6), (13), (14), (21) and 12)	15,380,588	69	12,404,946	70
	Gross profit	6,976,973	31	5,199,661	30
	Operating expenses (notes 6(3), (6), (14), (21), 7 and 12)**:**				
6100	Selling expenses	564,343	3	413,020	3
6200	General and administrative expenses	527,647	2	397,528	2
6300	Research and development expenses	3,790,347	17	2,944,489	17
6450	Expected credit impairment losses	69,827	-	28,980	-
	Total operating expenses	4,952,164	22	3,784,017	22
	Operating income	2,024,809	9	1,415,644	8
	Non-operating income and expenses (notes 6(20) and 7)**:**				
7010	Other income	55,903	-	27,136	-
7020	Other gains and losses	120,711	1	4,300	-
7050	Finance costs	(14,291)	-	(4,654)	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method (note 6(5))	98,853	-	(33,039)	-
7100	Interest income	138,993	1	137,354	1
		400,169	2	131,097	1
	Income before income tax	2,424,978	11	1,546,741	9
7950	Less: Income tax expenses (note 6(16))	325,989	2	103,950	1
	Net income	2,098,989	9	1,442,791	8
8300	**Other comprehensive income (loss):**				
8310					
	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans(note 6(14))	708	-	(26)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income(note 6(17))	(86,091)	-	(70,094)	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note 6(16))	(11,744)	-	(19,086)	-
	Total item that will not be reclassified subsequently to profit or loss	(73,639)	-	(51,034)	-
8360	**Items that may be reclassified subsequently to profit or loss** (note 6(17))				
8361	Exchange differences on translation of foreign operatings	2,508	-	(1,227)	-
8399	Less: Income tax related to items that may be reclassified to profit or loss (note 6(16))	502	-	(245)	-
	Total items that may be reclassified subsequently to profit or loss	2,006	-	(982)	-
8300	**Other comprehensive loss, net of tax**	(71,633)	-	(52,016)	-
8500	**Total comprehensive income**	**$ 2,027,356**	**9**	**1,390,775**	**8**
	Earnings per share (New Taiwan Dollars) (note 6(18))				
9750	Basic earnings per share	**$ 27.67**		**19.02**	
9850	Diluted earnings per share	**$ 27.25**		**18.78**	

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation
Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Subtotal	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Subtotal	Total equity
Balance as of January 1, 2023	$ 758,552	4,712,933	1,460,337	-	5,976,161	7,436,498	508	28,946	29,454	12,937,437
Net income	-	-	-	-	1,442,791	1,442,791	-	-	-	1,442,791
Other comprehensive loss	-	-	-	-	(26)	(26)	(982)	(51,008)	(51,990)	(52,016)
Total comprehensive income (loss)	-	-	-	-	1,442,765	1,442,765	(982)	(51,008)	(51,990)	1,390,775
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	386,272	-	(386,272)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(3,110,064)	(3,110,064)	-	-	-	(3,110,064)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	11,205	11,205	-	(11,205)	(11,205)	-
Balance as of December 31, 2023	758,552	4,712,933	1,846,609	-	3,933,795	5,780,404	(474)	(33,267)	(33,741)	11,218,148
Net income	-	-	-	-	2,098,989	2,098,989	-	-	-	2,098,989
Other comprehensive income (loss)	-	-	-	-	708	708	2,006	(74,347)	(72,341)	(71,633)
Total comprehensive income (loss)	-	-	-	-	2,099,697	2,099,697	2,006	(74,347)	(72,341)	2,027,356
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	145,397	-	(145,397)	-	-	-	-	-
Special reserve	-	-	-	33,741	(33,741)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(1,152,999)	(1,152,999)	-	-	-	(1,152,999)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	10,604	10,604	-	(10,604)	(10,604)	-
Balance as of December 31, 2024	**$ 758,552**	**4,712,933**	**1,992,006**	**33,741**	**4,711,959**	**6,737,706**	**1,532**	**(118,218)**	**(116,686)**	**12,092,505**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31, 2024	2023
Cash flows from operating activities:		
Income before income tax	$ 2,424,978	1,546,741
Adjustments for:		
Depreciation expense	182,311	203,531
Amortization expense	198,969	163,755
Expected credit impairment loss	69,827	28,980
Net profit on financial assets and liabilities at fair value through profit or loss	(7,447)	(833)
Interest expense	14,291	4,654
Interest income	(138,993)	(137,354)
Dividend income	(813)	(12,176)
Share of (profit) loss of subsidiaries accounted for using equity method	(98,853)	33,039
Gain on disposal of property, plant and equipment	(11,092)	(680)
Provision for inventory obsolescence and devaluation loss (reversal gain)	(120,997)	48,046
Other non-cash-related loss	402,766	130,075
Income and expense adjustments	489,969	461,037
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	109,000	(275,450)
Accounts receivable and other receivables (including related parties)	(896,844)	68,176
Inventories	(322,028)	1,786,517
Other financial assets	35,095	(992,031)
Other operation assets	(3,839)	(17,279)
Contract liabilities	(231,188)	(152,794)
Accounts payable and other payables (including related parties)	834,344	954,143
Other operating liabilities	586,395	(1,521,376)
Total changes in operating assets and liabilities	110,935	(150,094)
Total adjustments	600,904	310,943
Cash flow generated from operations	3,025,882	1,857,684
Interest received	135,367	135,775
Dividends received	813	12,176
Interest paid	(14,533)	(4,177)
Income taxes paid	(325,116)	(295,657)
Net cash from operating activities	2,822,413	1,705,801
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(256,160)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	32,204	31,205
Refund of investment cost of financial assets at fair value through other comprehensive income	13,012	-
Acquisition of financial assets at fair value through profit or loss	(35,000)	-
Acquisition of investments accounted for using equity method	-	(91,200)
Acquisition of property, plant and equipment	(108,791)	(349,206)
Proceeds from disposal of property, plant and equipment	11,545	762
Increase in intangible assets	(347,760)	(187,117)
(Increase) decrease in other non-current assets	(36,083)	75,060
Increase in other financial assets	(206,261)	(1,421,427)
Net cash used in investing activities	(933,294)	(1,941,923)
Cash flows from financing activities:		
Increase (decrease) in short term borrowings	(322,363)	452,183
Decrease in guarantee deposits received	(277,450)	(304,872)
Repayments of the principal portion of lease liabilities	(4,989)	(3,663)
Cash dividends paid	(1,152,999)	(3,110,064)
Net cash used in financing activities	(1,757,801)	(2,966,416)
Net increase (decrease) in cash and cash equivalents	131,318	(3,202,538)
Cash and cash equivalents at beginning of the period	5,166,983	8,369,521
Cash and cash equivalents at end of the period	**$ 5,298,301**	**5,166,983**

See accompanying notes to parent-company-only financial statements.

Raydium Semiconductor Corporation

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, unless otherwise noted.)

1. Company History

Raydium Semiconductor Corporation (the "Company") was organized and approved under the ROC Company Act on October 23, 2003.The Company was formally relocated to Hsinchu Science and Industry Park on January 29, 2007 after being approved by Hsinchu Science Park Bureau on December 12, 2006. Its current registered address is 2F, No.23, Li Hsin Rd., Hsinchu Science Park, Hsinchu City 300, Taiwan, R.O.C. The Company merged with Dazzo Technology Corporation (hereinafter referred to as Dazzo) on April 1, 2019 (the merger date). Thereafter, the Company became the sole surviving entity. The principal activities of the Company are the development, design and sale of display driver, sequential control and power management integrated circuit products.

The Company's shares were listed on Taiwan Stock Exchange on January 7, 2022.

2. Date and Procedures of Authorization of Financial Statements for Issue:

The parent-company-only financial statements were authorized for issue by the Board of Directors on February 25, 2025.

3. Application of Newly Issued or Revised Standards and Interpretations:

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(2) The impact of IFRSs endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its parent-company-only financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

(3) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Company is evaluating the impact on its parent-company-only financial position and parent-company-only financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

4. Summary of material accounting policies:

The material accounting policies presented in the parent-company-only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(1) Statement of compliance

The parent-company-only financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as "the Regulations").

(2) Basis of preparation

A. Basis of measurement

The parent-company-only financial statements have been prepared on the historical cost basis, except for the following material items in the balance sheets:

(a) Financial assets at fair value through profit or loss (FVTPL) are measured at fair value;

(b) Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value; and,

(c) The net defined benefit liabilities are measured as the fair value of the plan assets, less the present value of the defined benefit obligation.

B. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign currencies

A. Foreign currency transactions

Transaction in foreign currency are translated into the functional currencies at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date when fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the foreign currency items of financial instruments that applied the accounting policy of IFRS No. 9 "Financial Instruments"

When the profit or loss of non-monetary item is recognized in other comprehensive income, then any change in the exchange foreign currency of the above items is recognized in other comprehensive income. When the profit or loss of non monetary item is recognized in profit or loss, then any change in the exchange foreign currency of the above items is recognized in profit or loss.

B. Foreign operations

The assets and liabilities of foreign operations are translated to NTD using the exchange rates at the reporting date. The income and expenses are translated to NTD at the average rate for the period. Foreign currency differences are recognized in other comprehensive income.

(4) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(5) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short term cash commitments rather than for investment or other purposes are classified as cash equivalents.

(6) Financial instruments

A. Financial assets

The Company classifies financial assets into the following categories: amortized cost, FVOCI and FVTPL.

The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

(a) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially recognized at fair value, plus any directly attributable transaction costs. Subsequently, these assets are measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

(b) Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivable are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent fair value changes in the investments in other comprehensive income. This election is made on an instrument-by-instrument basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, impairment losses deriving from debt investments, and dividends income of equity investment (unless the dividend clearly represent a recovery part of the cost of investment) are recognized in profit or loss. Other net gains and losses of financial assets are recognized in other comprehensive income and accumulated in unrealized gains or losses of financial assets measured at FVOCI under equity. On derecognition, gains and losses accumulated in other comprehensive income of debt investments are reclassified to profit or loss. However, gains and losses accumulated in other comprehensive income of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(c) Financial assets at FVTPL

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL. On initial recognition, the Company may irrevocably designates a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Such financial assets are initially recognized at fair value, and attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized in profit or loss.

(d) Impairment of financial assets

The Company recognizes loss allowances for expected credit loss (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, and other financial assets), and debt investments measured at FVOCI.

The Company measures the loss allowance at an amount equal to lifetime ECL, except for the financial instrument that is determined to have low credit risk (the risk of default in financial instrument duration) at the reporting date and the credit risk thereof has not increased significantly since initial recognition, which is measured at an amount equal to the 12-month expected credit losses. Loss allowance for accounts receivable are always measured at an amount equal to lifetime ECL.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls, the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the Company's historical experience and informed credit assessment, as well as forward-looking information.

In the circumstance that a financial asset is past due or the borrower is unlikely to pay its credit obligations to the Company in full, the Company considers the credit risk on that financial asset has significantly increased, or further, to be in default.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Company recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

(e) Derecognition of financial assets

The Company derecognizes a financial assets when the contractual rights to the cash flows from the financial asset expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets to another entity.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences residual interest in the assets after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(b) Financial liabilities

Financial liabilities that are not classified as held-for-trading or designated as at FVTPL, which comprise loans borrowings and accounts payable, are measured at fair value, plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in profit or loss.

(d) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of balance sheet when, and only the Company currently has the legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average method, and includes expenditures and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Investment in subsidiaries

The Company’s subsidiaries are accounted for using the equity method when preparing their parent-company-only financial statements. Under the equity method, profit, other comprehensive income and equity in the parent-company-only financial statements are equivalent to those of the profit, other comprehensive income and equity which are contributed to the owners of the parent in the consolidated financial statements.

The changes in the parent’s interest in its subsidiaries that do not result in a loss of control are accounted as equity transactions.

(9) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

(a) Research equipment: 2~4 years

(b) Transportation equipment: 5~6 years

(c) Office equipment: 3~5 years

(d) Leasehold improvements: 2 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(10) Leases

A. Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract is a lease, the Company assesses whether:

(a) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

(b) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(c) the Company has the right to direct the use of an asset if either:

- The Company has the right to direct use of the identified asset when it has the decision-making rights that are most relevant to the changes on how and for what purpose the asset is used throughout the period.

- The relevant decisions about how and for what purpose the asset is used are predetermined and:

  - the Company has the right to operate the asset without the supplier having the right to change those operating instructions; or

  - the Company designs the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

B. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when:

(a) there is a change in future lease payments arising from the change in an index or rate; or

(b) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

(c) there is a change in the assessment regarding the purchase option; or

(d) there is a change in assessment on whether the Company will exercise an extension or termination option; or

(e) there is modifications of the subject, scope, or other terms of the lease.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, and the remaining remeasured amount is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the profit or loss relating to the partial or full termination of the lease.

The Company presents its right-of-use assets that do not meet the definition of investment properties and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize the right-of-use assets and lease liabilities for its offices, employee dormitory, telecommunication equipment and parking lot, which qualify as short-term leases, as well as its other equipment, which qualify as short-term leases and low-value assets leases. The relevant lease payments are recognized in expense on a straight line basis during the lease period.

(11) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete the development, and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, including patents, that are acquired by the Company and have finite useful lives are measured at cost, less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

(a) Patents and technology: 2~5 years

(b) Computer softwaret: 0.5~5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(12) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated using impairment test. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash generating units (CGU) are the greater of its value in use and its fair value, less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(13) Provisions

A provision is recognized when the Company has a present obligation arising from a past event, it is probable that the Company will be required to make an outflow of resources embodying economic benefits to settle the obligation, and the amount of the obligation can be estimated reliably. When the time value of currency is significant, the provision for liabilities is discounted at current pre-tax rates that adequately reflect the specific risks of the liabilities. The amount of the liabilities increased by time, is recognized as the borrowing cost when the liabilities are discounted.

A provision for warranties is measured with weighting factors based on historical experience of warranty claims rate and other possible outcomes against their associated probabilities.

(14) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

A. Sale of goods

Revenue is recognized when the control over a product has been transferred to the customer. Being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer, as well as when the product has been accepted by the customer according to the terms of sales contract, or when the Company has objective evidence that all criteria for acceptance have been satisfied.

When the Company receives an advance payment from a customer, the advance amount of such future performance obligation shall be recognized as a contractual obligation, which shall be derecognized when the performance obligation is satisfied and then recognized as revenue.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

Due to the application of IFRS 15, the sale return and allowance based on historical experience and other known causes were reclassified to provision of liabilities.

B. Financing components

The Company expects that the length of time when the Company transfers the goods or services to the customer and when the customer pays for those goods or services will be less than one year. Therefore, the amount of consideration is not adjusted for the time value of money.

(15) Employee benefits

A. Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as related services is provided.

B. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each of the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense on the net defined benefit liability(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability(asset). Net interest expense and other expenses related to the defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefits obligations are expensed as the related service is provided. A liability is recognized for the amounts expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(16) Share-based payment transaction

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amounts recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized shall be based on the number of awards that meet the related services and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date at which the Company and employees reach a consensus in the subscription price and number of shares.

(17) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis at the reporting date.

Deferred taxes are not recognized for the following exceptions:

A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect the uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (a) the same taxable entity; or

   (b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for unused, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(18) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company, divided by the weighted-average number of current ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as employee compensation not yet approved by the Board of Directors and can be issued by stock and unvested restricted employee stock awards.

(19) Operating segments information

The Company has disclosed operating segment information in consolidated financial statements. Hence, this information is not required to be disclosed in these parent-company-only financial statements.

5. Significant Accounting Judgments, and Major Sources of Estimation and Assumptions Uncertainty:

In preparation these parent-company-only financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about critical judgements, estimates and assumptions in applying accounting policies that have the significant effect on the amounts recognized in the parent-company-only financial statements is as follows:

Valuation of inventories

Inventories are stated at the lower of cost or net realizable value, the Company uses judgements and estimates the net realizable value of inventories for obsolescence and unmarketable items at the reporting period. It also writes down the cost of inventories to net realizable value. This inventory valuation may result from material changes in product demand due to the introduction of new products in the market, obsolescence or non-conformity of the original products, which may result in lower demand and prices, resulting in the risk that the cost of inventories may exceed its net realizable value. Please refer note 6(4) for valuation of Inventory.

The Company's accounting policies and disclosures include the fair value measurement for financial and non-financial assets and liabilities. The financial management center of the Company is responsible for performing fair value verification and bringing the evaluation results comparable to market price based on independent, reliable, and representative executable price information. The Company also periodically assesses the evaluation model, performs retrospective tests, and updates inputs together with any other necessary fair value adjustment for the evaluation model in order to ensure the reasonableness of the results of the valuation.

The Company evaluates the assets and liabilities using the observable market inputs. The hierarchy of the fair value depends on the valuation techniques used and is categories as follows:

Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the Company recognizes the transfer on the reporting date. For the assumption used in fair value measurement, please refer to note 6(22).

6. Explanation of significant accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Demand deposits	$ 1,199,251	1,172,933
Time deposits	4,099,050	3,994,050
	$ 5,298,301	**5,166,983**

Please refer to note 6(22) for the credit risk, interest rate risk and sensitivity analysis of the financial assets of the Company.

As of December 31, 2024 and 2023, the time deposits with original maturities of more than three months amounted to $3,750,000 thousand and $3,500,000 thousand, respectively, which were classified as other financial assets-current; please refer to note 6(9).

(2) Financial assets at fair value

A. Financial assets at fair value through-profit or loss－current

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss, mandatorily measured at fair value		
Beneficiary certificate	**$ 531,520**	**633,073**

B. Financial assets at fair value through profit or loss－non-current

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss, mandatorily measured at fair value		
Venture capital funds	**$ 35,000**	**-**

C. Financial assets at fair value through other comprehensive income－current

	December 31, 2024	December 31, 2023
Listed stocks	**$ 8,849**	**11,013**

D. Financial assets at fair value through other comprehensive income－non-current

	December 31, 2024	December 31, 2023
Listed stocks	$ 265,819	308,860
Unlisted stocks	284,575	114,517
	$ 550,394	**423,377**

These investments in equity instruments are not held for trading, and therefore, are accounted for as FVOCI.

The Company sold part of its holdings measured at fair value through other comprehensive income in 2024, with the disposal price of $32,204 thousand, resulting in the realized gain of $10,604 thousand to be reclassified from other equity to retained earnings.

For the disclosure of market risk, please refer to Note 6(22).

The financial assets mentioned above were not pledged as collateral.

(3) Accounts receivable, net (including related parties)

	December 31, 2024	December 31, 2023
Accounts receivable—measured at amortized cost	$ 3,637,255	2,717,469
Accounts receivable measured at fair value through other comprehensive income	96,563	119,505
Less: loss allowance	(130,522)	(60,695)
	$ 3,603,296	**2,776,279**

The Company has assessed a portion of its trade receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

The Company uses a simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information.

The accounts receivable from related parties having significant impact over the Company and other individuals amounted to $1,686,867 thousand and $1,653,203 thousand as of December 31, 2024 and 2023, respectively. The days past due is less than 100 days, so there is no expected credit loss for the duration of the related party's accounts receivable.

The loss allowance provision of customers with relatively low credit risk was determined as follows:

	December 31, 2024		
	Gross carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance for life time expected credit losses
Not pass due	$ 646,468	0%	-
Past due less than 30 days	12,718	0%	-
	$ 659,186		**-**

	December 31, 2023			
	Gross carrying amount of accounts receivable		Weighted-average loss rate	Loss allowance for life time expected credit losses
Not pass due	$	523,664	0%	-
Pass due less than 30 days		1,629	0%	-
Pass due 31 ~ 60 days		3,562	0%	-
	$	528,855		-

The loss allowance provision of customers with relatively high credit risk was determined as follows:

	December 31, 2024			
	Gross carrying amount of accounts receivable		Weighted-average loss rate	Loss allowance for life time expected credit losses
Not pass due	$	1,264,832	7.67%	96,966
Pass due less than 30 days		105,522	23.00%	24,270
Pass due 31 ~ 60 days		11,234	43.20%	4,853
Pass due 61 ~ 90 days		3,784	53.91%	2,040
Pass due more than 91 ~ 180 days		2,393	100%	2,393
	$	1,387,765		130,522

	December 31, 2023			
	Gross carrying amount of accounts receivable		Weighted-average loss rate	Loss allowance for life time expected credit losses
Not pass due	$	588,845	7.41%	43,649
Pass due less than 30 days		66,071	25.80%	17,046
	$	654,916		60,695

The movement in the allowance for accounts receivables was as follows:

	For the years ended December 31,		
	2024		2023
Beginning balance	$	60,695	31,715
Impairment loss recognized		69,827	28,980
Ending balance	$	130,522	60,695

The Company entered into an agreement with banks to factor certain of its accounts receivable. According to the agreement, within the factoring line, the Company does not have to ensure the ability of debtors to pay when transferring the rights and obligations. As of December 31, 2024 and 2023, the Company reclassified the trade receivables that met the derecognition terms to other receivables (recorded in other financial asset-current) as follows:

(In Thousands of New Taiwan Dollars)

December 31, 2024

Buyer	Factoring quota	Derecognition amount	Advance payment amount	Service fees	Transfer terms	Guaranteed promissory notes
Taipei Fubon Bank	USD 151,500	USD 63,844	-	0.22%	Notes 1 to 3	None

December 31, 2023

Buyer	Factoring quota	Derecognition amount	Advance payment amount	Service fees	Transfer terms	Guaranteed promissory notes
Taipei Fubon Bank	USD 145,000	USD 69,142	-	0.23%	Notes 1 to 3	None

Note 1: The above-mentioned amounts have been reclassified to other receivables. The terms of the transaction relating to factoring are based on the factoring consent for buyer. Such transaction should be factoring without recourse.

Note 2: Within the factoring quota, if the original debtor is unable to pay or may be unable to pay due to financial difficulties, the risk of non-payment will be borne by the purchasing agency, not the Company. The original debtor's credit risk will be borne by the purchasing agency and the credit risk described above is the uncollectable debt risk due to default by the original debtor without reasonable cause.

Note 3: The Company informed the original debtor pursuant to account receivables to make payment directly to the Company's restricted account with the purchasing bank.

As of December 31, 2024 and 2023, total outstanding receivables after the above transactions, net of fees charged by purchasing bank, of $2,088,796 thousand and $2,123,891 thousand, respectively, were recognized as other current financial assets; please refer to note 6(9).

As of December 31, 2024 and 2023, the Company's unused factoring quota amounted to $2,867,829 thousand and $2,330,219 thousand, respectively.

(4) Inventories

	December 31, 2024	December 31, 2023
Work in progress	$ 1,824,701	1,439,802
Finished goods	477,011	418,885
	$ 2,301,712	**1,858,687**

	For the years ended December 31, 2024	2023
Cost of goods sold	$ 15,501,585	12,356,900
Provision for inventory obsolescence (reversal gain)	(120,997)	48,046
	$ 15,380,588	**12,404,946**

As of December 31, 2024 and 2023, the Company's inventories were not pledged as collateral.

(5) Investments accounted for using equity method

The Company's investment in equity method at the reporting date was as follow:

	December 31, 2024	December 31, 2023
Subsidiaries	**$ 142,044**	**40,683**

	For the years ended December 31, 2024	2023
The Company's share of the profit (loss) of subsidiaries	**$ 98,853**	**(33,039)**

As of December 31, 2024 and 2023, the Company's investments in equity accounted were not pledged as collateral.

(6) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment for the years ended December 31, 2024 and 2023 were as follows:

	Research equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress	Equipment under inspection	Total
Cost:							
Balance as of January 1, 2024	$ 970,452	9,938	173,959	47,977	228,429	8,089	1,438,844
Additions	20,326	-	19,634	7,224	-	48,582	95,766
Disposals	(30,016)	(4,437)	-	-	-	-	(34,453)
Reclassification	23,827	9,290	20,939	190	-	(54,246)	-
Balance as of December 31, 2024	**$ 984,589**	**14,791**	**214,532**	**55,391**	**228,429**	**2,425**	**1,500,157**
Balance as of January 1, 2023	$ 923,625	11,410	127,206	29,287	-	9,101	1,100,629
Additions	23,472	-	14,038	7,666	228,429	68,351	341,956
Disposals	(1,850)	(1,472)	(210)	(209)	-	-	(3,741)
Reclassification	25,205	-	32,925	11,233	-	(69,363)	-
Balance as of December 31, 2023	**$ 970,452**	**9,938**	**173,959**	**47,977**	**228,429**	**8,089**	**1,438,844**
Accumulated depreciation:							
Balance as of January 1, 2024	$ 815,951	5,598	114,616	32,505	-	-	968,670
Depreciation	127,687	2,656	32,789	13,933	-	-	177,065
Disposals	(30,016)	(3,984)	-	-	-	-	(34,000)
Balance as of December 31, 2024	**$ 913,622**	**4,270**	**147,405**	**46,438**	**-**	**-**	**1,111,735**
Balance as of January 1, 2023	$ 654,106	5,209	89,719	23,601	-	-	772,635
Depreciation	163,695	1,779	25,107	9,113	-	-	199,694
Disposals	(1,850)	(1,390)	(210)	(209)	-	-	(3,659)
Balance as of December 31, 2023	**$ 815,951**	**5,598**	**114,616**	**32,505**	**-**	**-**	**968,670**

	Research equipment	Transportation equipment	Office equipment	Leasehold improvements	Construction in progress	Equipment under inspection	Total
Carrying amounts:							
Balance as of December 31, 2024	$ 70,967	10,521	67,127	8,953	228,429	2,425	388,422
Balance as of December 31, 2023	$ 154,501	4,340	59,343	15,472	228,429	8,089	470,174
Balance as of January 1, 2023	$ 269,519	6,201	37,487	5,686	-	9,101	327,994

As of December 31, 2024 and 2023, none of the Company's property, plant and equipment were pledged as collateral.

(7) Right-of-use assets

The Company leases buildings. Information about leases for which the Company as a lessee were presented below:

	Buildings
Cost:	
Balance as of January 1, 2024	$ 19,187
Additions	4,695
Balance as of December 31, 2024	$ 23,882
Balance as of December 31, 2023 (Balance as of January 1, 2023)	$ 19,187
Accumulated depreciation:	
Balance as of January 1, 2024	$ 6,395
Depreciation	5,246
Balance as of December 31, 2024	$ 11,641
Balance as of January 1, 2023	$ 2,558
Depreciation	3,837
Balance as of December 31, 2023	$ 6,395
Carrying amounts:	
Balance as of December 31, 2024	$ 12,241
Balance as of December 31, 2023	$ 12,792
Balance as of January 1, 2023	$ 16,629

(8) Intangible assets

The cost and accumulated amortization of the intangible assets of the Company for the years ended December 31, 2024 and 2023 were as follows:

	Goodwill	Patents and technology	Computer software	Total
Cost:				
Balance as of January 1, 2024	$ 237,800	106,973	431,974	776,747
Additions	-	-	334,316	334,316
Write-off	-	-	(222,244)	(222,244)
Balance as of December 31, 2024	$ 237,800	106,973	544,046	888,819

		Goodwill	Patents and technology	Software costs	Total
Balance as of January 1, 2023	$	237,800	106,973	309,894	654,667
Additions		-	-	197,019	197,019
Write-off		-	-	(74,939)	(74,939)
Balance as of December 31, 2023	**$**	**237,800**	**106,973**	**431,974**	**776,747**
Accumulated amortization:					
Balance as of January 1, 2024	$	-	106,973	293,321	400,294
Amortization		-	-	198,969	198,969
Write-off		-	-	(222,244)	(222,244)
Balance as of December 31, 2024	**$**	**-**	**106,973**	**270,046**	**377,019**
Balance as of January 1, 2023	$	-	102,352	209,126	311,478
Amortization		-	4,621	159,134	163,755
Write-off		-	-	(74,939)	(74,939)
Balance as of December 31, 2023	**$**	**-**	**106,973**	**293,321**	**400,294**
Carrying amounts:					
Balance as of December 31, 2024	**$**	**237,800**	**-**	**274,000**	**511,800**
Balance as of December 31, 2023	**$**	**237,800**	**-**	**138,653**	**376,453**
Balance as of January 1, 2023	**$**	**237,800**	**4,621**	**100,768**	**343,189**

A. Amortization

The amortization of intangible assets for the years ended December 31, 2024 and 2023 were included in the statements of comprehensive income:

		For the years ended December 31, 2024	2023
Operating costs	$	215	225
Operating expenses		198,754	163,530
	$	**198,969**	**163,755**

As of December 31, 2024 and 2023, the Company’ s intangible assets were not pledged as collateral.

B. Impairment test on goodwill

The Company conducts impairment tests on goodwill. As of December 31, 2024 and 2023, it was determined that the recoverable amount of the cash-generating unit to be greater than its carrying amount based on their value in use; hence, no impairment loss were recognized.

The key assumptions used in the estimation of value in use were as follows:

	December 31, 2024	December 31, 2023
Discount Rate	8%	12%
Revenue growth rate	3%~5%	5%~14%
Sustainable growth rate	2%	3%

The discount rate was based on the industry-weighted average cost of capital and adjusted for a risk premium to reflect both the increased risk of generally investing in equities and the systemic risk of the specific cash-generating unit.

Revenue growth rate was projected by taking into account the average growth levels experienced over the past few years and by projecting sales growth over the next five years.

The cash flow projection was based on the five-year financial budget as assessed by management, and for cash flows projections over five years, it was extrapolated in reference to the economic growth rate where the unit operates.

When the recoverable amount of a cash generating unit is greater than the carrying amount, the management identifies the discount rate and the sustainable growth rate as key assumptions. The reasonable likelihood of a change in the above two key assumptions would expose the carrying amount to the risk of exceeding its recoverable amount. However, the management analyzed that the above key assumptions would not have resulted in a loss of impairment if they are at a negative status of 0.5%.

(9) Other financial assets－current and non-current

	December 31, 2024	December 31, 2023
Accounts receivable factoring	$ 2,088,796	2,123,891
Restricted time deposits	254,588	254,516
Guarantee deposits for product capacity and others	66,275	220,682
Time deposits with original maturities of more than three months	3,750,000	3,500,000
Corporate bonds	9,894	-
Others	8,306	4,700
	$ 6,177,859	**6,103,789**
Other financial assets－current	$ 6,175,530	5,941,649
Other financial assets－non-current	2,329	162,140
	$ 6,177,859	**6,103,789**

The Company entered into production capacity guarantee contracts with several suppliers and paid the agreed deposits. Considering future market demand and the corresponding utilization of production capacity, the Company recognized the associated losses, which are recorded under operating costs.

(10) Other current and non-current assets

	December 31, 2024	December 31, 2023
Prepayments to suppliers	$ -	419,550
Sales tax receivable and overpaid VAT	105,602	114,883
Prepayments for mask and mold	303,793	256,630
Net defined benefit asset	564	-
Others	33,045	31,005
	$ 443,004	**822,068**
Other current assets	$ 138,646	169,769
Other non-current assets	304,358	652,299
	$ 443,004	**822,068**

The Company entered into production capacity guarantee contracts with several suppliers and made the agreed prepayment. Considering future market demand and the corresponding utilization of production capacity, the Company terminated the long-term supply agreements with suppliers and recognized the associated losses, which are recorded under operating costs.

(11) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	**$ 130,868**	**445,411**
Unused credit lines	**$ 1,769,132**	**1,154,589**
Range of interest rates	**5.11%**	**5.98%~6.45%**

(12) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current (recorded under other current liabilities)	**$ 5,395**	**3,817**
Non-current	**$ 7,433**	**9,305**

For the liquidity risk analysis, please refer to note 6(22) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	For the years ended December 31,	
	2024	2023
Interest on lease liabilities	**$ 328**	**302**
Expenses relating to short-term leases	**$ 37,659**	**34,123**

The amounts recognized in the statement of cash flows were as follows:

	For the years ended December 31,	
	2024	**2023**
Total cash outflow for leases	**$ 42,976**	**38,088**

Buildings leases

The Company leases buildings and improvements for its office, with lease terms that typically run 3 to 5 years, and some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Company has elected not to recognize the right-of-use assets and lease liabilities for its offices, which qualify as short-term leases and low-value asset leases.

(13) Provisions

	Warranties
Balance as of January 1, 2024	$ 116,113
Provisions made during the year	224,558
Balance as of December 31, 2024	**$ 340,671**
Provisions－current	$ 113,557
Provisions－non-current	227,114
	$ 340,671
Balance as of January 1, 2023	$ 166,588
Provisions reserved during the year	(50,475)
Balance as of December 31, 2023	**$ 116,113**
Provisions－current	$ 38,704
Provisions－non-current	77,409
	$ 116,113

The provision for warranties is estimated based on historical warranty data associated with similar products and services. The Company expects to settle majority of its provision within three years from the date of the sale of the product.

(14) Employee benefits

A. Defined benefit plans

The present value of the defined benefit obligation and the fair value adjustments of the plan assets for the Company were as follows:

	December 31, 2024	**December 31, 2023**
Present value of the defined benefit obligations	$ 1,604	2,113
Fair value of plan assets	(2,168)	(1,969)
Net defined benefit (assets) liabilities	**$ (564)**	**144**

The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

(a) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the Bureau of Labor Funds). With regard to the utilization of the fund, minimum earnings shall be no less than the earnings attainable from two year time deposits, with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to $2,168 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield rate of the fund, please refer to the website of the Bureau of Labor Funds.

(b) Movements in present value of defined benefit obligations

The movements in present value of the defined benefit obligations of the Company for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31,	
	2024	**2023**
Defined benefit obligations as of January 1	$ 2,113	2,052
Interest cost	28	34
Remeasurement of the net defined benefit liabilities		
－Actuarial loss (gain) arising from changes in financial assumptions	(537)	27
Defined benefit obligations as of December 31	**$ 1,604**	**2,113**

(c) Movements in fair value of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets of the Company for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31,	
	2024	**2023**
Fair value of plan assets as of January 1	$ 1,969	1,934
Interest income	26	32
Contributions made	2	2
Remeasurement on the net defined benefit liabilities	171	1
Fair value of plan assets as of December 31	**$ 2,168**	**1,969**

(d) Expenses recognized in profit or loss

The Company’s expenses recognized in profit or loss for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31, 2024	2023
Operating expenses - Net interest on the net defined benefit	$ 2	2

(e) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The Company's remeasurements of the net defined benefit liabilities recognized as accumulated in other comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31, 2024	2023
Accumulated amount as of January 1	$ 913	939
Recognized for the period	708	(26)
Accumulated amount as of December 31	$ 1,621	913

(f) Actuarial assumptions

The following are the Company’s significant principal actuarial assumptions of the present value of the defined benefit obligation at the reporting date:

	December 31, 2024	December 31, 2023
Discount rate	1.55 %	1.32 %
Future salary increases rate	5.00 %	5.00 %

The Company expects to make a contribution of $2 thousand to its defined benefit plans in the following year, beginning December 31, 2024.

The weighted-average duration of the defined benefits obligation is 10 years.

(g) Sensitivity analysis

If there is a change in the actuarial assumptions as of the December 31, 2024 and 2023, the impact on the defined benefit obligation would be as follows:

	Impact on the defined benefit obligations	
Actuarial assumptions	**Increased 0.5%**	**Decreased 0.5%**
December 31, 2024		
Discount rate	$ (78)	83
Future salary increase rate	$ 80	(76)

Actuarial assumptions	Impact on the defined benefit obligations	
	Increased 0.5%	Decreased 0.5%
December 31, 2023		
Discount rate	$ (128)	137
Future salary increase rate	$ 131	(125)

Reasonably possible changes to one of the relevant actuarial assumptions on the reporting date, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. In practice, the relevant actuarial assumptions are correlated to each other.

The approach used in recognizing the net defined liability in the balance sheets is the same as that used in developing the sensitivity analysis and the relevant actuarial assumptions in the current and previous years.

B. Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company should contribute 6% of its employees' monthly wages to their labor pension personal accounts with the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance). Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The Company's pension costs under the defined contribution plan were $67,470 thousand and $61,333 thousand for the years ended December 31, 2024 and 2023, respectively.

(15) Guarantee deposits received

	December 31, 2024	December 31, 2023
Deposits received for capacity guarantee	$ 817,925	1,075,130
Current (recorded in other current liabilities)	$ 327,170	307,180
Non-current	490,755	767,950
	$ 817,925	1,075,130

The Company entered into production capacity guarantee agreement with its customers and reserved specific production capacity for them by collecting deposits, which would be returned upon the fulfillment of the contract.

(16) Income tax

A. Income tax expenses

The amounts of income tax expense (benefit) were as follows:

	For the years ended December 31, 2024	2023
Current income tax expense (benefit)		
Current period	$ 347,229	239,559
Adjustment for prior period	(8,584)	(115,923)
	338,645	123,636
Deferred income tax expense (benefit)		
Origination and reversal of temporary differences	(12,656)	(19,686)
Income tax expense	**$ 325,989**	**103,950**

B. The amounts of income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the years ended December 31, 2024	2023
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gains or losses from investments in equity instruments measured at FVOCI	**$ (11,744)**	**(19,086)**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**$ 502**	**(245)**

C. The reconciliation of income tax expense and income before income tax were as follows:

	For the years ended December 31, 2024	2023
Income before income tax	**$ 2,424,978**	**1,546,741**
Income tax at the Company's domestic tax rate	$ 484,996	309,348
Adjustment for prior period and others	(8,584)	(115,923)
Income tax effect of investment tax credit	(100,280)	(106,145)
Additional surtax on undistributed retained earning	-	2,675
Change in unrecognized temporary differences and others	(50,143)	13,995
	$ 325,989	**103,950**

For investment credit applicable in accordance with the Statute for Industrial Innovation, a maximum of 15% of the expenses may be credited against the profit seeking enterprise income tax payable in the current year; and a maximum of 10% of the expenses may be credited against the profit seeking enterprise income tax payable in each of the three years following the current year; also, the creditable amount shall not exceed 30% of the profit seeking enterprise income tax payable in the current year. The Company's investment credit for the year 2024 is in the process of application and the investment credit for the year 2023 is yet to be approved.

D. Deferred income tax assets and liabilities

(a) The amounts which the Company has not recognized deductible temporary differences in deferred tax assets were as follows:

	December 31, 2024	December 31, 2023
Loss associated with investments in subsidiaries	$ **21,630**	**41,401**

(b) Changes in the amount of recognized deferred tax assets and liabilities were as follows:

	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024
Temporary differences:				
Unrealized provision for inventory obsolescence losses	$ 146,321	(48,037)	-	98,284
Unrealized foreign exchange gain or loss	34,969	(21,463)	-	13,506
Unrealized loss	35,476	32,658	-	68,134
Sales transaction fiscal and tax differences	10,097	38,056	-	48,153
Exchange difference on translation of foreign operations	119	-	(502)	(383)
Goodwill and valuation of financial assets	(6,246)	(1,145)	-	(7,391)
Others	8,527	12,587	11,744	32,858
Deferred tax income (expense)		$ **12,656**	**11,242**	
Net deferred tax assets	$ **229,263**			**253,161**
Reflected in balance sheet as follows:				
Deferred tax assets	$ **235,509**			**260,935**
Deferred tax liabilities	$ **(6,246)**			**(7,774)**

	January 1, 2023	Recognized in profit and loss	Recognize in other comprehensive income	December 31, 2023
Temporary differences:				
Unrealized provision for inventory obsolescence losses	$ 150,758	(4,437)	-	146,321
Unrealized foreign exchange gain or loss	19,846	15,123	-	34,969
Unrealized loss	38,831	(3,355)	-	35,476
Sales transaction fiscal and tax differences	2,817	7,280	-	10,097
Exchange difference on translation of foreign operations	(126)	-	245	119
Goodwill and valuation of financial assets	(4,856)	(1,390)	-	(6,246)
Others	(17,024)	6,465	19,086	8,527
Deferred tax income (expense)		**$ 19,686**	**19,331**	
Net deferred tax assets	**$ 190,246**			**229,263**
Reflected in balance sheet as follows:				
Deferred tax assets	**$ 212,252**			**235,509**
Deferred tax liabilities	**$ (22,006)**			**(6,246)**

E. The Company's tax returns have been examined and approved by the tax authorities through 2022.

(17) Equity

A. Issuance of common stock

As of December 31, 2024 and 2023, the authorized capital of the Company amounted to $1,000,000 thousand (including the amount of $50,000 thousand authorized for the issuance of the employee stock options), and the Company’s issued capital amounted to $758,552 thousand, with a par value of $10 (dollars) per share.

Reconciliation of shares outstanding for 2024 and 2023 was as follows (in thousands of shares):

	For the years ended December 31,	
	2024	2023
Balance as of December 31 (Balance as of January 1)	**75,855**	**75,855**

B. Capital surplus

		December 31, 2024	December 31, 2023
Capital surplus	$	4,647,881	4,647,881
Employee remuneration paid in the form of stocks		64,592	64,592
Others		460	460
	$	**4,712,933**	**4,712,933**

In accordance with the R.O.C Company Act, the capital surplus generated from the premium of stock issuance and donation may only be used to offset accumulated deficits. In addition, when the Company incurred no deficit, such capital surplus may be distributed as cash or stock dividends. Pursuant to the R.O.C. Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total sum of the capital surplus capitalized per annum shall not exceed 10 percent of the paid-in capital.

C. Retained earnings

If the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, and setting aside 10% of the remaining profit as legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid in capital. Thereafter, the amount shall be set aside or reversed as special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Then, any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors. The distribution of dividends and bonuses, in whole or in part, by issuing new shares, shall be resolved during the shareholders' general meeting. As for the cash payment, it shall be approved by the Board of Directors and be reported in the shareholders' general meeting.

The Company's dividend policy is to pay dividends from surplus considering factors such as the Company' s current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, while taking into account shareholders' interest, maintenance of balanced dividend and the Company' s long-term financial plan. An annual dividend of not less than 10% of the distributable surplus is provided for the shareholders, wherein the cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 10% of the total dividend distributed during the year.

(a) Legal reserve

In accordance with the ROC Company Act, 10 percent of the net profit shall be allocated as legal reserve until the accumulated legal reserve equals the paid-in capital. If the Company incurs no loss, the reserve may be distributed as cash or stock dividends for the portion in excess of 25% of the paid-in capital.

(b) Special reserve

In accordance with Rule No. 1090150022 issued by the FSC on March 31, 2021, a portion of current earnings and previous unappropriated earnings shall be set aside as a special reserve during earnings distribution. The amount to be set aside should equal the total amount of contra accounts that are accounted for as deductions to other equity interests. A portion of the previous unappropriated earnings shall be set aside as a special reserve, which should not be distributed, to account for cumulative changes to other equity interests pertaining to prior periods. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

(c) Earnings distribution

The appropriations of earnings for 2023 and 2022 by way of cash dividends had been approved in the Board of Directors' meeting held on February 26, 2024 and February 23, 2023. In addition, the appropriations of earning for 2023 and 2022 by others ways have been approved in the annual shareholders' meeting held on May 29, 2024 and May 29, 2023, respectively. Details of distribution were as follows:

	2023		2022	
	Amounts	**Dividends per share (NT$)**	**Amounts**	**Dividends per share (NT$)**
Legal reserve	$ 145,397		386,272	
Special reserve	33,741		-	
Cash dividends on ordinary shares	1,152,999	15.2	3,110,064	41
	$ 1,332,137		**3,496,336**	

The aforementioned appropriations of earnings were consistent with the resolutions of the Board of Directors' meeting.

On February 25, 2025, the amount of cash dividends distributed to ordinary shareholders, at NT$22.2 per share, totaled $1,683,986 thousand; and the appropriation of the earnings for 2024 was approved by the Board of Meeting. The related information is available on the Market Observation Post System website.

D. Other equity

Change in the amount of other equity were as follows:

	Exchange differences on translation of foreign operations	Unrealized gain (losses) on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2024	$ (474)	(33,267)	(33,741)
Differences on translation of foreign operations	2,508	-	2,508
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(86,091)	(86,091)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	(10,604)	(10,604)
Income tax effect	(502)	11,744	11,242
Balance as of December 31, 2024	**$ 1,532**	**(118,218)**	**(116,686)**
Balance as of January 1, 2023	$ 508	28,946	29,454
Differences on translation of foreign operations	(1,227)	-	(1,227)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(70,094)	(70,094)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	(11,205)	(11,205)
Income tax effect	245	19,086	19,331
Balance as of December 31, 2023	**$ (474)**	**(33,267)**	**(33,741)**

(18) Earnings per share

	For the years ended December 31,	
	2024	2023
Basic earnings per share:		
Net income attributable to ordinary shareholders of the Company	**$ 2,098,989**	**1,442,791**
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	**75,855**	**75,855**
Basic earnings per share (NT dollars)	**$ 27.67**	**19.02**

	For the years ended December 31, 2024	2023
Diluted earnings per share:		
Net income attributable to ordinary shareholders of Company	$ **2,098,989**	**1,442,791**
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	75,855	75,855
Effect of employee stock remuneration	1,166	971
Weighted-average number of ordinary shares outstanding (in thousands of shares)(diluted)	**77,021**	**76,826**
Diluted earnings per share (NT dollars)	$ **27.25**	**18.78**

(19) Revenue from contracts with customers

A. Detail of revenue

	For the years ended December 31, 2024	2023
Revenues from major regional markets:		
China (including Hong Kong)	$ 17,404,189	12,312,166
Taiwan	4,230,157	4,782,992
Others	723,215	509,449
	$ **22,357,561**	**17,604,607**
Revenue from major products:		
Display Driver IC	$ 21,577,379	16,922,157
Others	780,182	682,450
	$ **22,357,561**	**17,604,607**

B. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ **296,774**	**527,962**	**680,756**

For details on accounts receivable and loss allowance, please refer to note 6(3).

The revenues recognized for the years ended December 31, 2024 and 2023, which were included in the contract liability balance at the beginning of the period, amounted to $277,562 thousand and $292,589 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from contracts with goods sold, for which revenue is recognized when products are delivered to customers.

(20) Non-operating income and expenses

A. Other income

	For the years ended December 31, 2024	2023
Dividend income	$ 813	12,176
Others	55,090	14,960
	$ 55,903	**27,136**

B. Other gains and losses

	For the years ended December 31, 2024	2023
Foreign exchange gains (losses), net	$ 102,172	(2,922)
Gains on financial instruments measured at fair value through profit or loss	7,447	6,542
Others	11,092	680
	$ 120,711	**4,300**

C. Finance costs

	For the years ended December 31, 2024	2023
Interest expense－bank borrowings	$ (13,963)	(4,352)
Lease liabilities	(328)	(302)
	$ (14,291)	**(4,654)**

D. Interest income

	For the years ended December 31, 2024	2023
Interest income from bank deposits	**$ 138,993**	**137,354**

(21) Remuneration to employees and directors

In accordance with the articles of incorporation, when the Company incurred profit for the year, the profit should first be used to offset against any deficit (including unappropriated retained earnings); then, no less than 1% of the profit (income before tax, excluding remuneration to employees and directors) shall be distributed as employee remuneration, and no more than 1% as directors' and supervisors' remuneration.

The aforementioned shall be resolved by the board of directors and reported to the shareholders' meeting:

Employees, including those belonging to affiliate companies that meet certain conditions, are entitled to the abovementioned remuneration, which to be distributed in stock or cash, employee stock option certificates, restricted employee shares, treasury stock purchased and transferred to employees, as well as employee stocks when issuing new shares. The said conditions and distribution method are decided by Board of Directors or the personnel authorized by Board of Directors.

For the years ended December 31, 2024 and 2023, the amounts of remuneration to employees were estimated at $424,658 thousand and $270,959 thousand, respectively; and those to the directors were estimated at $18,943 thousand and $12,747 thousand, respectively. The estimation basis shall be calculated as the amounts of net income before tax, excluding the remuneration to employees and directors, multiplied by the percentage remuneration to employees and directors, as specified in the Company's articles of incorporation. These remuneration were expensed under operating costs or expenses for the years ended December 31, 2024 and 2023. If there are changes in the proposed amounts after the annual parent-company-only financial statements have been authorized for issuance, the differences are accounted for as changes in accounting estimates and adjusted prospectively in profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is to be paid in the form of stocks, the closing price of the ordinary share on the day before the Board of Directors' meeting will be used to calculate the number of stock shares.

There were no differences between the aforesaid amounts of employee and directors' remuneration approved by the Board of Directors and the amounts in the 2023 consolidated financial statements. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(22) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represent the maximum amounts exposed to credit risk.

(b) Credit risk concentration

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As of the financial reporting date, the maximum credit risk exposure of the Company due to non-performance of the counterparty mainly derived from the carrying amount of the financial assets recognized in the balance sheet of the Company.

The Company's potential credit risk is derived primarily from cash and cash equivalents and trade receivables. The cash is deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash and cash equivalents do not have a significant credit risk concentration.

In addition to granting credit facilities to customers in accordance with the credit procedures, the Company will require insurance for accounts receivable from certain customer groups in order to reduce the credit risk of accounts receivable, and use historical trading experience to continuously assess the financial condition, credit condition and current economic environment of the customers.

As of December 31, 2024 and 2023, the Company's five largest customers accounted for approximately 50% and 58% of the balance of accounts receivable (including related persons), respectively. After an assessment has been made on the lifetime expected credit losses of the accounts receivable, the management expects no significant losses in the future.

(c) Credit risk of receivables

For credit risk exposure on accounts receivable, please refer to note 6(3).

Other financial assets at amortized cost include other receivables, guarantee deposit and restricted bank deposits.

All financial assets, excluding the abovementioned accounts receivable, are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to note 4(6) for further details).

B. Liquidity risk

The contractual maturities of financial liabilities were as follows.

	Carrying amounts	Contractual cash flows	Within a year	Over 1 years
December 31, 2024				
Non-derivative financial liabilities				
Short-term borrowings	$ 130,868	(131,103)	(131,103)	-
Accounts payable	3,056,962	(3,056,962)	(3,056,962)	-
Salaries and bonuses payable	2,561,172	(2,561,172)	(2,561,172)	-
Other payables-related parties	2,776	(2,776)	(2,776)	-
Lease liabilities (current and non-current)	12,828	(13,155)	(5,612)	(7,543)
Guarantee deposits received (current and non-current)	817,925	(817,925)	(327,170)	(490,755)
	$ 6,582,531	**(6,583,093)**	**(6,084,795)**	**(498,298)**
December 31, 2023				
Non-derivative financial liabilities				
Short-term borrowings	$ 445,411	(445,888)	(445,888)	-
Accounts payable	2,363,447	(2,363,447)	(2,363,447)	-
Salaries and bonuses payable	2,352,793	(2,352,793)	(2,352,793)	-
Other payables-related parties	7,518	(7,518)	(7,518)	-
Lease liabilities (current and non-current)	13,122	(13,576)	(4,045)	(9,531)
Guarantee deposits received (current and non-current)	1,075,130	(1,075,130)	(307,180)	(767,950)
	$ 6,257,421	**(6,258,352)**	**(5,480,871)**	**(777,481)**

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

C. Foreign currency risk

(a) Exposure of foreign currency risk

The Company's financial assets and liabilities exposed to foreign currency risk were as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 200,589	32.717	6,562,670	182,898	30.718	5,618,261
JPY	174,828	0.2086	36,469	24,856	0.2173	5,401
RMB	775	4.4733	3,467	846	4.3152	3,651
Non- Monetary items						
USD	4,342	32.717	142,044	1,324	30.718	40,683
Financial liabilities						
Monetary items						
USD	$ 130,988	32.717	4,285,534	133,899	30.718	4,113,109
RMB	289	4.4733	1,293	85	4.3152	367

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivable, other financial assets, short-term borrowings, accounts payable and deposits received that are denominated in foreign currency. A strengthening (weakening) guarantee of 1% of the NTD against the USD, RMB, and JPY as of December 31, 2024 and 2023, assuming that all other variables remain constant, would have increased or decreased the profit after tax by $18,526 thousand and $12,111 thousand, respectively.

(c) Foreign exchange gains (losses) on monetary items

As the Company deals with diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2024 and 2023 were $102,172 thousand and $(2,922) thousand, respectively.

D. Interest rate analysis

An increase or decrease of 0.25% in interest rates, mainly from cash and cash equivalents, restricted bank deposits and short-term borrowings, with floating interest rates at the reporting date, assuming all other variables remain constant, would have increased or decreased net income by $3,007 thousand and $2,896 thousand for the years ended December 31, 2024 and 2023, respectively.

E. Other market price risk

The impact of the changes in equity price on other comprehensive income was as follows, assuming the analysis use the same basis for both years, with other factors remaining constant:

	For the years ended December 31,	
	2024	2023
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Other comprehensive income before tax**
Increasing 10%	$ 55,924	43,439
Decreasing 10%	$ (55,924)	(43,439)

F. Fair value of financial instruments

(a) Fair value and carrying amount

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The Company's carrying amounts and the fair value of financial assets and liabilities (including the information for fair value hierarchy; but excluding financial instruments, whose fair values approximate the carrying amount, and lease liabilities, since the disclosure of fair value are not equired) which need not be disclosed were as follows:

	December 31, 2024				
		Fair value			
	Carrying amounts	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL－current	$ 531,520	531,520	-	-	531,520
Financial assets at FVTPL－non-current	35,000	-	-	35,000	35,000
Financial assets at FVOCI					
Listed stocks	274,668	274,668	-	-	274,668
Unlisted stocks	284,575	-	-	284,575	284,575
Accounts receivable	96,563	-	96,563	-	96,563
Financial assets measured at amortized cost					
Cash and cash equivalents	5,298,301	-	-	-	-
Accounts receivable (including related parties)	3,506,733	-	-	-	-
Other financial assets (current and non-current)	6,177,859	-	-	-	-
	$ 16,205,219	806,188	96,563	319,575	1,222,326

		December 31, 2024			
	Carrying	Fair value			
	amounts	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 130,868	-	-	-	-
Accounts payable	3,056,962	-	-	-	-
Salaries and bonuses payable	2,561,172	-	-	-	-
Other payables－related parties	2,776	-	-	-	-
Lease liabilities (current and non-current)	12,828	-	-	-	-
Guarantee deposits received (current and non-current)	817,925	-	-	-	-
	$ 6,582,531	**-**	**-**	**-**	**-**

		December 31, 2023			
	Carrying	Fair value			
	amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL－current	$ 633,073	633,073	-	-	633,073
Financial assets at FVOCI					
Listed stocks	319,873	319,873	-	-	319,873
Unlisted stocks	114,517	-	-	114,517	114,517
Accounts receivable	119,505	-	119,505	-	119,505
Financial assets measured at amortized cost					
Cash and cash equivalents	5,166,983	-	-	-	-
Accounts receivable (including related parties)	2,656,774	-	-	-	-
Other financial assets (current and non-current)	6,103,789	-	-	-	-
	$ 15,114,514	**952,946**	**119,505**	**114,517**	**1,186,968**
Financial liabilities measured at amortized cost					
Short-term borrowings	445,411	-	-	-	-
Accounts payable	2,363,447	-	-	-	-
Salaries and bonuses payable	2,352,793	-	-	-	-
Other payables－related parties	7,518	-	-	-	-
Lease liabilities (current and non-current)	13,122	-	-	-	-
Guarantee deposits received (current and non-current)	1,075,130	-	-	-	-
	$ 6,257,421	**-**	**-**	**-**	**-**

(b) Fair value valuation technique of financial instruments measured at fair value

Non-derivative financial instruments

The listed shares and beneficiary certificates held by the Company are measured at fair value according to standard provision and conditions, and are traded in active markets, with the fair value being measured using the quoted price in an active market. Except for the above mentioned financial assets with active market transactions, the fair value of unlisted shares held by the Company is estimated using the market-comparable company method, which is measured by using price-book ratio of the peers.

(c) There was no transfer between the different levels of fair value hierarchy for the years ended December 31, 2024 and 2023.

(d) Quantified information for significant unobservable inputs used in fair value measurement (Level 3)

The Company's financial instruments measured at fair value which are categorized within Level 3 include financial assets at FVTPL-venture capital funds and financial assets at FVOCI – equity investments.

The Company's financial instruments classified as Level 3 fair value are measured using only a single significant unobservable input. Only equity investments without an active market involve mutiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information regarding significant unobservable inputs were as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVTPL – venture capital funds	Asset approach	• Lack of market liquidity	• The higher the level of lackim liquidity, the lower the estimate of fair value
Financial assets at FVOCI – equity investments without an active market	Market approach (comparable with price-book ratio of the peers)	• P/B ratio multiplier (1.37~7.94 and 2.63~3.94 as of December 31, 2024 and 2023, respectively) • Discount for lack of market liquidity (30%~60% as of December 31, 2024 and 2023)	• The higher the P/B ratio, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

(e) Reconciliation for fair value measurements categorized within level 3:

		Financial assets at FVTPL – venture capital funds	
		For the years ended December 31,	
		2024	**2023**
Balance as of January 1	$	-	-
Addition in investments		35,000	-
Total gain/loss			
Recognized in profit and loss		-	-
Balance as of December 31	$	**35,000**	**-**

		Financial assets at FVOCI – equity investments without an active market	
		For the years ended December 31,	
		2024	**2023**
Balance as of January 1	$	114,517	264,316
Addition in investments		256,160	-
Deposal of investments		-	(31,205)
Total gain/loss			
Recognized in other comprehensive income		(86,102)	(118,594)
Balance as of December 31	$	**284,575**	**114,517**

The total gains and losses above were recognized in "other gains and losses" and "unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income", respectively.

(23) Financial risk management

A. Overview

The Company have exposure to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The significant financial activities of the Company have been reviewed by the Board of Directors and the Audit Committee in accordance with the relevant standards and internal control system. During the financial plan implementation, the Company must comply with the relevant financial operating procedures relating to the overall financial risk management and segregation of duties. The Company, through internal controls such as training, management standards, and operational procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

C. Credit risk

The credit risk of the Company is mainly due to receivables and cash and cash equivalents arising from operating activities; please refer to note 6(22).

D. Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company has sufficient capital and working capital to fulfill its contract obligations; please refer to note 6(22).

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, that will affect the Company's income or the value of its financial instruments; please refer to note 6(22). The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(a) Currency risk: The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the NTD, USD, JPY and RMB.

(b) Market price risk of interest rate change: All of the Company's assets and liabilities bear floating interest rates, and thus, cash flow is exposed to the risk of interest rate change.

(24) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, research and development activities, dividend payments, and other business requirements for continuing operations and to reward its shareholders and take into consideration the interests of other stakeholders.

The Company's debt-to-equity ratio at the reporting date was as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 8,172,872	7,712,732
Less: Cash and cash equivalents	(5,298,301)	(5,166,983)
Net debt	**$ 2,874,571**	**2,545,749**
Total equity	**$ 12,092,505**	**11,218,148**
Debt-to-equity ratio	**24%**	**23%**

(25) Financing activities of non-cash transactions

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2024	Cash flows	Changes in foreign Exchange and other	December 31, 2024
Short-term borrowings	$ 445,411	(322,363)	7,820	130,868
Lease liabilities	13,122	(4,989)	4,695	12,828
Guarantee deposits received	1,075,130	(277,450)	20,245	817,925
Total liabilities from financing activities	**$ 1,533,663**	**(604,802)**	**32,760**	**961,621**

	January 1, 2023	Cash flows	Changes in foreign Exchange and other	December 31, 2023
Short-term borrowings	$ -	452,183	(6,772)	445,411
Lease liabilities	16,785	(3,663)	-	13,122
Guarantee deposits received	1,412,443	(304,872)	(32,441)	1,075,130
Total liabilities from financing activities	**$ 1,429,228**	**143,648**	**(39,213)**	**1,533,663**

7. Related-party transactions

(1) Names and relationship of related parties

The following is a summary of related parties that have had transactions with the Company during the periods presented in the parent-company-only financial statements.

Name of related parties	Relationship with the Company
Raydium Semiconductor (SAMOA) Corp. (RSA)	The subsidiaries of the Company
Raydium Semiconductor (Kunshan) Co., Ltd. (RKS)	The subsidiaries of the Company
AUO Corporation (AUO)	AUO accounted for is investments in the Company using the equity method
AUO (Suzhou) Co., Ltd. (AUOSZ)	Subsidiary of AUO
AUO (Xiamen) Co., Ltd. (AUOXM)	Subsidiary of AUO
AUO (Kunshan) Co., Ltd. (AUOKS)	Subsidiary of AUO
AUO Education Service Corp. (AUES)	Subsidiary of AUO
AUO Display Plus Corporation (ADP)	Subsidiary of AUO
AUO Envirotech Inc. (AETTW)	Subsidiary of AUO
Maxeda Technology Inc. (Maxeda)	The Company act as the director for Maxeda (Note)
Space Money Inc. (SAM)	Subsidiary of AUO
Heilongjiang Talenda Smart Display Technology Co., Ltd (Talenda)	Subsidiary of ADP
Sungen Power Corp.	Subsidiary of AUO

Note: On October 13, 2023, the Company sold the entire equity of Maxeda Technology Inc., who became a non-related party thereafter.

(2) Additional to those disclosed in the notes of the parent-company-only financial statements, the Company's significant related party transactions and balances were as follows:

A. Sales

The amounts of significant sales transactions between the Company and related parties were as follows:

Relationship	For the years ended December 31, 2024	2023
AUOSZ	$ 1,982,624	1,909,645
AUOXM	1,345,334	1,754,596
AUO	426,289	937,560
Subsidiaries	95,244	34,064
Other related parties	224,610	180,609
	$ 4,074,101	4,816,474

For the years ended December 31, 2024 and 2023, the collection terms for sales to related parties were 30 to 120 days from the end of the month during which the invoice is issued. The collection terms for sales to non related parties were 30 to 120 days from the end of the month during which the invoice is issued or the products have been delivered after the advance receipt. The pricing for sales to related parties were not materially different from those with third parties.

B. Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Receivables from related parties	AUOSZ	$ 871,846	690,595
Receivables from related parties	AUOXM	486,999	549,176
Receivables from related parties	AUO	149,305	301,599
Receivables from related parties	Subsidiaries	97,479	33,553
Receivables from related parties	Other related parties	81,238	78,280
		$ 1,686,867	**1,653,203**

C. Other payables to related parties

The payables to related parties were as follows：

Account	Relationship	December 31, 2024	December 31, 2023
Other accounts payable from related parties	AUO	$ 2,291	7,470
Other accounts payable from related parties	Other related parties	485	48
		$ 2,776	**7,518**
Refund liabilities	Other related parties	**$ 4,952**	**2,025**

D. Other

(a) The other income of the Company from its related parties were as follows:

	For the years ended December 31, 2024	For the years ended December 31, 2023
AUO	**$ 31,750**	**11,567**

(b) The rental expenses and other expenses paid by the related parties under lessee contracts were as follows:

	For the years ended December 31,	
	2024	**2023**
AUO	$ 33,866	28,133
Other related parties	576	263
	$ 34,442	**28,396**

(c) The costs of acquiring computer software from related parties were as follows:

	For the years ended December 31,	
	2024	**2023**
Other related parties	**$ -**	**5,390**

(d) The costs of acquiring leasehold improvements from related parties were as follows:

	December 31, 2024	**December 31, 2023**
Other related parties	**$ -**	**1,000**

(e) The prepayment to related parties were as follow:

	December 31, 2024	**December 31, 2023**
AUO	**$ 7,854**	**-**

(f) Cash dividend distribution from capital surplus:

	December 31, 2024	**December 31, 2023**
AUO	**$ 13,012**	**-**

(3) Key management personnel compensation

Key management personnel compensation were as follows:

	For the years ended December 31,	
	2024	**2023**
Short-term employee benefits	$ 221,301	156,523
Post-employment benefits	756	756
	$ 222,057	**157,279**

8. Pledged assets:

Asset Name	Pledged to secure	December 31, 2024	December 31, 2023
Restricted cash in bank (recognized in other financial assets－current)	Import guarantee for customs	$ 34,458	34,386
Restricted cash in bank (recognized in other financial assets－current)	Import Guarantee	220,130	220,130
		$ **254,588**	**254,516**

9. Significant Contingencies and Unrecognized Commitments:

(1) The Company signed a contract to purchase a real estate located in Tai Yuen Hi-Tech Industrial Park on November 2, 2023, with a total contract price of $1,845,000 thousand (tax included), of which, the amount of $239,850 thousand (tax included) had been paid as of December 31, 2024.

(2) The Company has signed capacity guarantee contracts with several suppliers, paid the deposit and prepaid the goods in accordance with the agreement, and agreed on the relevant years and minimum quantity that the Company needs to purchase.

(3) The Company has entered into capacity guarantee contracts with several customers, and collects deposits and advance receipts as agreed to reserve specific production capacity to such customers.

10. Significant disaster losses: None

11. Subsequent events: None

12. Others:

The following is the summary statement of the current period employee benefits, depreciation, and amortization expenses, by function:

	For the years ended December 31,					
	2024			2023		
By function / By item	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salary	152,726	2,927,736	3,080,462	116,519	1,984,548	2,101,067
Labor and health insurance	7,492	130,683	138,175	6,692	105,158	111,850
Pension	3,627	63,845	67,472	3,556	57,779	61,335
Remuneration of directors	-	30,471	30,471	-	23,448	23,448
Others employee benefits	6,225	99,528	105,753	6,169	86,000	92,169
Depreciation	-	182,311	182,311	83	203,448	203,531
Amortization	215	198,754	198,969	225	163,530	163,755

The amount of employees and employee benefits for the years ended December 31, 2024 and 2023, were as follows:

	For the December 31 ended December 31,	
	2024	**2023**
The number of employees	**887**	**812**
The number of directors who were not holding as a position of employee	**6**	**6**
The average of employee benefits	**$ 3,850**	**2,936**
The average of Salaries	**$ 3,497**	**2,607**
The average of salary adjust rate	**34.14 %**	
The remuneration to supervisors	**$ -**	**-**

The information of the Company's salaries and remunerations policy (including director, supervisor, executive officers and employees) is as follow:

Directors and managers are determined in accordance with " Directors, Independent Directors and Managers' Salary and Remuneration Method" and taking into account the usual standards of the industry.

Employee salary is based on Company's appointment work, salary work and assessment work.

The Company set up audit committee to replace the operation of supervisors, and no remuneration for supervisors.

13. Other disclosures:

(1) Information on significant transactions:

The followings is a summary of the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Company:

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Endorsement / Guarantee Provider	Guarantee Party		Limitation on Endorsement/ Guarantees Amount Provided to Each Guarantee Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantees to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	The Company	Raydium Semiconductor (Kunshan) Co., Ltd.	Subsidiaries	2,418,501	654,340	654,340	392,723	-	5.41 %	6,046,253	Y	N	Y

Note 1: The maximum amount of the Company's endorsement/guarantee for a single enterprise shall not exceed 20% of the net value of the latest financial statements audited or reviewed by accountants.

Note 2: The total amount of the Company’s endorsement/guarantee shall not exceed the 50% of the net value of the Company’s financial statements audited or reviewed by accountants.

C. Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(Thousand of shares and Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Ending Balance				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Yuanta Wan Tai Money Market Fund	-	Financial assets at FVTPL －current	18,354	289,508	-	289,508	
The Company	Yuanta De Bao Money Market Fund	-	"	19,329	242,012	-	242,012	
The Company	CDIB-TEN Capital Limited Partnership	-	Financial assets at FVTPL －non-current	-	35,000	-	35,000	
The Company	Shares of Darfon Electronics Corp.	-	Financial assets at FVOCI －current	203	8,849	0.07 %	8,849	
The Company	Shares of AUO Corporation	AUO accounted for its investments in the Company using the equity method	Financial assets at FVOCI －non current	14,459	211,819	0.19 %	211,819	
The Company	Shares of SiCEV Electronic Co., Ltd.	The Company represented as a director of SiCEV	"	8,943	22,839	18.73 %	22,839	
The Company	Shares of PlayNitride Inc.	-	"	270	54,000	0.25 %	54,000	
The Company	Shares of Neuchips Inc.	-	"	2,000	-	1.90 %	-	
The Company	Shares of ARK Semiconductor Inc.	The Company represented as a director of ARK	"	1,983	261,736	15.81 %	261,736	
The Company	TSMC 109-6 series A bonds	-	Other financial assets－current	-	9,894	-	9,894	

D. Individual securities acquired or disposed at costs or prices with accumulated amount exceeding the lower of NT$300 million or 20% of the stock capital:

(In Thousand of shares and Thousands of New Taiwan Dollars)

Securities Held by	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Relationship in the company	Beginning Balance		Addition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Book Value	Gain (loss) on disposal	Shares	Amount
The Company	Yuanta Wan Tai Money Market Fund	Financial assets at FVTPL－current	-	-	13,164	204,238	30,622	480,000	25,432	399,000	395,224	3,776	18,354	289,014 (Note)
The Company	Yuanta De Bao Money Market Fund	"	-	-	34,691	426,669	18,458	230,000	33,820	420,000	415,934	4,066	19,329	240,735 (Note)

Note: The opening and closing balances are measured acquisition costs. For the carrying amount valuated against the market price, please refer to C item.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the stock capital: None.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the stock capital: None.

G. Related-party transactions for purchases and sales with amount exceeding the lower of NT$100 million or 20% of the stock capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)	
			Purchase/ Sales	Amount	Percentage of Total Purchases/ Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/ Accounts Receivable (Payable)
The Company	AUOSZ	Subsidiary of AUO	Sales	1,982,624	9 %	EOM 120 days	Please refer to note 7	Please refer to note 7	871,846	23%
The Company	AUOXM	Subsidiary of AUO	Sales	1,345,334	6 %	EOM 120 days	Please refer to note 7	Please refer to note 7	486,999	13%
The Company	AUO	AUO accounted for its investment in the Company using the equity method	Sales	426,289	2 %	EOM 120 days	Please refer to note 7	Please refer to note 7	149,305	4%
The Company	AUOKS	Subsidiary of AUO	Sales	224,164	1 %	EOM 120 days	Please refer to note 7	Please refer to note 7	81,233	2%

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the stock capital:

(In Thousands of shares and Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note)	Allowance for Bad Debts
					Amount	Action Taken		
The Company	AUOSZ	Subsidiary of AUO	871,846	2.54	8,769	On the spot collection	192,200	-
The Company	AUOXM	Subsidiary of AUO	486,999	2.60	-	On the spot collection	108,067	-
The Company	AUO	AUO accounted for its investment in the Company using the equity method	149,305	1.89	5	On the spot collection	41,838	-

Note 1: Amounts collected in subsequent period as of February 12, 2025.

I. Trading the derivative instruments: None.

(2) Information on investees (excluding information on investees in Mainland China):

(In Thousand of shares and Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of Profits/ Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
The Company	RSA	SAMOA	Investment Holding	248,280	248,280	8,100	100.00 %	142,044	98,853	98,853	Subsidiary of the Company

(3) Information on investment in Mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousand of shares and Thousands of New Taiwan Dollars)

Investee Company	Main businesses and products	Total amount paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee (Note 3)	Percentage of ownership	Investment income (Note 3 and 5)	Carrying amounts (Note 2)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Raydium Semiconductor (Kunshan) Co., Ltd.	Development, design and sale of the IC	245,200 (USD8000 thousand)	(Note 1)	245,200	-	-	245,200	98,869	100.00%	98,869	138,780	-

B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 4)
245,200 (USD8,000 thousand)	245,200 (USD8,000 thousand)	7,255,503

Note 1: Investment in companies in Mainland China through the existing companies in SAMOA.

Note 2: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rate on the balance sheet date.

Note 3: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the average exchange rate.

Note 4: Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, the Company's accumulated investments in Mainland China did not exceed the upper limit on investment amount or ratio stipulated by the Investment Commission, Ministry of Economic Affairs ("MOEA").

Note 5: The financial statements were audited by the parent's external accountants.

Note 6: On November 5, 2024, the Board of Directors approved the establishment of a new subsidiary in Hefei, Mainland China, jointly invested through RSA and its subsidiary, RKS. The total investment amount is capped at USD 5,000 thousand, which can be invested in one or multiple installments. The project was approved by the Investment Commission of the Ministry of Economic Affairs on February 6, 2025. As of the date of publication of these financial statements, the funds have not yet been remitted.

C. Significant transactions with the investees in Mainland China:

The significant inter-company transactions with the subsidiaries in Mainland China for the year ended December 31, 2024, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(4) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Konly Venture Corp.	11,454,429	15.10 %

Note: The information on major shareholders summarized the shareholders who held over 5% of the Company's ordinary shares.

14. Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2024.

Raydium Semiconductor Corporation

Statement of Cash and Cash Equivalents

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Bank deposits	Demand deposits－NTD	$ 483,652
	Demand deposits－USD20,652 thousand; RMB775 thousand; JPY174,828 thousand	715,599
	Time deposits–NTD	4,099,050
		$ 5,298,301

Note: Foreign exchange rates at the balance sheet date are as follows:

USD： 32.717

RMB： 4.4733

JPY： 0.2086

Statement of Financial Assets at Fair Value through Profit or Loss - Current

Name of financial instrument	Description	Shares/ Stocks in thousand	Acquisition Cost	Fair Value		Collateral
				Units Price	Amount	
Financial assets at fair value through profit or loss, mandatorily measured at fair value – Beneficiary certificate	Yuanta Wan Tai Money Market Fund	18,354	$ 289,014	15.77	289,508	None
	Yuanta De Bao Money Market Fund	19,329	240,735	12.52	242,012	None
			$ 529,749		**531,520**	

Raydium Semiconductor Corporation

Statement of Financial Assets at Fair Value through Other Comprehensive Income - Current

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares in thousand	Acquisition Cost	Fair Value		Collateral
				Units Price	Amount	
Listed stocks	Stocks of Darfon Electronics Corp.	203	$ 16,754	43.55	8,849	None

Statement of Accounts Receivable, Net

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount
Z Company	Operation	$ 448,893
AD Company	Operation	388,813
AF Company	Operation	170,287
AE Company	Operation	162,440
AC Company	Operation	150,125
X Company	Operation	149,591
Other	Operation	576,802
Less：loss allowance	Operation	(130,522)
		$ 1,916,429

Note1: Accounts receivable from related parties were not included in the above payment; for details, please refer to note 7 of the parent-company-only financial statements.

Note2: Individual customer whose balances are less than 5% of the amount of account balance will not be listed separately.

Raydium Semiconductor Corporation

Statement of Inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net Realizable Value	Notes
Finished goods	$ 615,987	730,911	Please refer to note 4 (7) of the parent-company-only financial statements for the net realizable value of inventory.
Less: provision for inventory obsolescences	(138,976)		
Subtotal	477,011		
Work in progress	2,177,144	3,146,339	
Less: provision for inventory obsolescences	(352,443)		
Subtotal	1,824,701		
	$ 2,301,712	**3,877,250**	

Statement of Other Financial Asset – Current and Non-Current

For related information, please refer to note 6 (9) "Other Financial Asset – Current and Non-Current" of the parent-company-only financial statements.

Raydium Semiconductor Corporation

Statement of Movement in Financial Assets at Fair Value through Profit or Loss– Non-Currentt

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of Financial Instrument	Beginning Balance		Increase in Current Period		Decrease in Current Period		Evaluation of Profit and Loss	Ending Balance		Collateral	Notes
	Shares	Fair Value	Shares	Amount	Shares	Amount	Amount	Shares	Fair Value		
CDIB-TEN Capital Limited Partnership	-	$ -	-	35,000	-	-	-	-	35,000	None	

Raydium Semiconductor Corporation

Statement of Movement in Financial Assets at Fair Value through Other Comprehensive Income – Non-Current

December 31, 2024

(Expressed in thousands of New Taiwan Dollars, in thousands shares or units)

Name of Financial Instrument	Beginning Balance		Increase in Current Period		Decrease in Current Period		Evaluation of Profit and Loss	Ending Balance		Collateral	Notes
	Shares	Fair Value	Shares	Amount	Shares	Amount	Amount	Shares	Fair Value		
AUO	14,459	$ 262,424	-	-	-	13,012	(37,593)	14,459	211,819	None	
SiCEV Electronics Co., Ltd	8,943	50,223	-	-	-	-	(27,384)	8,943	22,839	None	
PlayNitride Inc.	470	46,436	-	-	200	21,600	29,164	270	54,000	None	
Neuchips Inc.	2,000	64,294	-	-	-	-	(64,294)	2,000	-	None	
ARK Semiconductor Inc.	-	-	1,983	256,160	-	-	5,576	1,983	261,736	None	
		$ 423,377		**256,160**		**34,612**	**(94,531)**		**550,394**		

Raydium Semiconductor Corporation

Statement of Other Asset – Current and Non-Current

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

For related information, please refer to note 6 (10) “Other Asset – Current and Non-Current” of the parent-company-only financial statements.

Raydium Semiconductor Corporation

Statement of Movement in Investments Accounted for Using the Equity Method

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars, in thousands shares)

	Beginning Balance		Addition				Ending Balance			Market Value or Net Assets Value		
Name of investee	Shares	Amount	Shares	Amount	Investment Profit or Loss	Cumulative translation differences	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount	Collateral
Raydium Semiconductor (SAMOA) Corp.	8,100	$ 40,683	-	-	98,853	2,508	8,100	100.00%	142,044	-	142,044	None

Raydium Semiconductor Corporation

Statement of Movement in Property, Plant and Equipment

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

For related information, please refer to note 6 (6) “Property, Plant and Equipment” of the parent-company-only financial statements.

Statement of Movement in Intangible Assets

For related information, please refer to note 6 (8) “Intangible Assets” of the parent-company-only financial statements.

Statement of Movement in Right-of-Use Assets

For related information, please refer to note 6 (7) “Right-of-Use Assets” of the parent-company-only financial statements.

Raydium Semiconductor Corporation

Statement of Movement in Deferred Tax Assets

For related information, please refer to note 6 (16) “Deferred Tax Assets” of the parent-company-only financial statements.

Statement of Accounts Payable

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Vendor name		Amount
Vendor L	$	740,632
Vendor A		495,059
Vendor G		245,142
Vendor B		234,590
Vendor D		227,559
Vendor M		173,209
Vendor N		156,579
Other (Note)		784,192
	$	**3,056,962**

Note : Individual vendor who has less than 5% of the account balance will not be listed separately.

Raydium Semiconductor Corporation

Statement of Other Current Liabilities

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Guarantee deposits received	Operation	$ 327,170
Provision for sales return and allowance	Operation	176,726
Labor/Health Insurance and Pension payable	Operation	83,451
Other (Note)		442,936
		$ 1,030,283

Note: Individual amount which was less than 5% of the account balance will not be listed separately.

Statement of Deferred Tax Liabilities

For related information, please refer to note 6 (16) “Deferred Tax Liabilities” of the parent-company-only financial statements.

Raydium Semiconductor Corporation

Statement of Operating Revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity (thousand)	Amount
Display driver IC	512,806	$ 21,577,379
Others	63,032	780,182
		$ 22,357,561

Note: Individual amount which was less than 10% of the account balance will not be listed separately.

Raydium Semiconductor Corporation
Statement of Operating Costs
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Beginning balance of raw materials	$ -
Add: Purchase	12,193,570
Less: Department's transfer to expense and others	(990,136)
Sales of raw materials	(13)
Raw materials used	11,203,421
Manufacturing overhead	4,377,382
Manufacturing cost	15,580,803
Add: Beginning balance of work in process	2,029,230
Purchase	964
Less: Ending balance of work in process	(2,177,144)
Department's transfer to expense and others	(103,647)
Write-off of inventories	(72,370)
Cost of finished goods	15,257,836
Add: Beginning balance of finished goods	561,066
Less: Ending balance of finished goods	(615,987)
Department's transfer to expense and others	(12,536)
Write-off of inventories	(46,823)
Cost of goods sold	15,143,556
Add: Cost of raw materials sold	13
Add: Other operating cost	358,016
Add: provision for inventory obsolescences	(120,997)
Cost of sales	**$ 15,380,588**

Raydium Semiconductor Corporation

Statement of Selling Expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Salary	$ 320,799
Commission expense	224,325
Others (Note)	19,219
	$ 564,343

Note: Individual amount which was less than 5% of the account balance will not be listed separately.

Statement of Administrative Expenses

Item	Amount
Salary	$ 179,686
Depreciation expense	54,408
Park management fee	39,757
Rental expense	37,048
Stock operation expense	33,545
Remuneration to directors	30,471
Amortization expense	30,034
Others (Note)	122,698
	$ 527,647

Note: Individual amount which was less than 5% of the account balance will not be listed separately.

Raydium Semiconductor Corporation

Statement of Research and Development Expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Salary	$ 2,427,251
Miscellaneous purchases	421,787
Others (Note)	941,309
	$ 3,790,347

Note: Individual amount which was less than 5% of the account balance will not be listed separately.

Statement of Other Gains and Losses

For related information, please refer to note 6 (20) “Other gains and losses” of the parent-company-only financial statements.