

**Raydium Semiconductor Corporation and Subsidiaries**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated 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' review report and consolidated financial statements, the Chinese version shall prevail.

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## **Independent Auditors' Review Report**

To the Board of Directors  
Raydium Semiconductor Corporation:

### **Introduction**

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

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Raydium Semiconductor Corporation and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are An-Chih Cheng and Jyun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)

August 5, 2025.

**Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

## (English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## Raydium Semiconductor Corporation and Subsidiaries

## Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2025		December 31, 2024		June 30, 2024		Liabilities and Equity		June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(1))	\$ 4,837,753	24	5,485,507	27	5,958,756	27	2100	Short-term borrowings (note 6(10))	\$ 745,793	4	130,868	1	1,056,590	5
1110	Financial assets at fair value through profit or loss – current (note 6(2))	713,705	4	531,520	3	667,485	3	2120	Financial liabilities at fair value through profit or loss – current (note 6(2))	4,572	-	-	-	-	-
1120	Financial assets at fair value through other comprehensive income – current (note 6(2))	6,837	-	8,849	-	14,000	-	2130	Contract liabilities – current (note 6(18))	93,072	-	296,881	1	429,087	2
1170	Accounts receivable, net (note 6(3))	2,355,574	11	1,976,863	10	2,497,629	11	2170	Accounts payable	3,075,049	15	3,139,021	15	3,692,487	17
1180	Accounts receivable – related parties, net (notes 6(3) and 7)	1,464,798	7	1,687,547	8	1,633,035	8	2201	Salaries and bonuses payable	2,253,841	11	2,625,802	13	2,351,356	11
130X	Inventories (note 6(4))	2,249,253	11	2,318,546	11	2,043,457	9	2216	Dividends payable (note 6(16))	1,683,986	8	-	-	1,152,999	5
1476	Other financial assets – current (notes 6(1), (3), (8) and 8)	6,620,013	32	6,175,530	30	6,608,838	30	2220	Other payables – related parties (note 7)	12,884	-	2,807	-	8,263	-
1479	Other current assets (notes 6(9) and 7)	178,421	1	149,104	1	333,980	2	2230	Current income tax liabilities	113,124	1	247,404	1	186,817	1
		<u>18,426,354</u>	<u>90</u>	<u>18,333,466</u>	<u>90</u>	<u>19,757,180</u>	<u>90</u>	2250	Provision – current (note 6(12))	95,477	-	113,557	1	35,502	-
								2300	Other current liabilities (notes 6(11), (14), 7 and 9)	<u>1,017,765</u>	<u>5</u>	<u>1,040,010</u>	<u>5</u>	<u>1,027,518</u>	<u>5</u>
										<u>9,095,563</u>	<u>44</u>	<u>7,596,350</u>	<u>37</u>	<u>9,940,619</u>	<u>46</u>
<b>Non-current assets:</b>								<b>Non-Current liabilities:</b>							
1510	Financial assets at fair value through profit or loss – non-current (note 6(2))	33,328	-	35,000	-	-	-	2550	Provisions – non-current (note 6(12))	190,954	1	227,114	1	71,004	-
1517	Financial assets at fair value through other comprehensive income – non-current (note 6(2))	316,023	2	550,394	3	371,886	2	2570	Deferred tax liabilities	7,391	-	7,774	-	6,627	-
1600	Property, plant and equipment (notes 6(5), 7 and 9)	493,273	2	409,274	2	441,056	2	2580	Lease liabilities – non-current (note 6(11))	9,833	-	7,433	-	10,482	-
1755	Right-of-use assets (note 6(6))	17,988	-	13,120	-	17,804	-	2640	Net defined benefit liability – non-current (note 6(13))	-	-	-	-	144	-
1780	Intangible assets (note 6(7))	675,054	3	511,807	3	368,118	2	2645	Guarantee deposits received (notes 6(14) and 9)	<u>299,020</u>	<u>2</u>	<u>490,755</u>	<u>3</u>	<u>649,000</u>	<u>3</u>
1840	Deferred tax assets	292,595	1	260,935	1	238,606	1		<b>Total liabilities</b>	<u>9,602,761</u>	<u>47</u>	<u>8,329,426</u>	<u>41</u>	<u>10,677,876</u>	<u>49</u>
1980	Other financial assets – non-current (notes 6(8) and 9)	3,897	-	3,577	-	3,154	-	<b>Equity (note 6(16)):</b>							
1990	Other non-current assets (notes 6(9) and (13))	<u>312,930</u>	<u>2</u>	<u>304,358</u>	<u>1</u>	<u>645,774</u>	<u>3</u>	3110	Common stock	758,552	4	758,552	4	758,552	3
		<u>2,145,088</u>	<u>10</u>	<u>2,088,465</u>	<u>10</u>	<u>2,086,398</u>	<u>10</u>	3200	Capital surplus	4,712,933	23	4,712,933	23	4,712,933	22
								3300	Retained earnings	5,805,417	28	6,737,706	33	5,771,250	26
								3400	Other equity	<u>(308,221)</u>	<u>(2)</u>	<u>(116,686)</u>	<u>(1)</u>	<u>(77,033)</u>	<u>-</u>
									<b>Total equity</b>	<u>10,968,681</u>	<u>53</u>	<u>12,092,505</u>	<u>59</u>	<u>11,165,702</u>	<u>51</u>
<b>Total assets</b>		<u>\$ 20,571,442</u>	<u>100</u>	<u>20,421,931</u>	<u>100</u>	<u>21,843,578</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 20,571,442</u>	<u>100</u>	<u>20,421,931</u>	<u>100</u>	<u>21,843,578</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended June 30,				For the six months ended June 30,				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenues (notes 6(18) and 7)	\$ 5,849,815	100	6,452,106	100	11,676,129	100	12,488,555	100
5000	Operating costs (notes 6(4), (5), (12), (13), (20) and 12)	4,275,768	73	4,484,739	69	8,381,073	72	8,731,942	70
	<b>Gross profit from operations</b>	<u>1,574,047</u>	<u>27</u>	<u>1,967,367</u>	<u>31</u>	<u>3,295,056</u>	<u>28</u>	<u>3,756,613</u>	<u>30</u>
	<b>Operating expenses</b> (notes 6(3), (5), (13), (20), 7 and 12):								
6100	Selling expenses	123,913	2	198,020	3	253,986	2	351,495	3
6200	General and administrative expenses	121,508	2	141,871	2	244,693	2	273,246	2
6300	Research and development expenses	895,807	15	1,008,099	16	1,909,501	16	1,909,905	15
6450	Expected credit impairment (gain) losses	(4,709)	-	31,121	1	(14,958)	-	67,344	1
	<b>Total operating expenses</b>	<u>1,136,519</u>	<u>19</u>	<u>1,379,111</u>	<u>22</u>	<u>2,393,222</u>	<u>20</u>	<u>2,601,990</u>	<u>21</u>
	<b>Operating income</b>	<u>437,528</u>	<u>8</u>	<u>588,256</u>	<u>9</u>	<u>901,834</u>	<u>8</u>	<u>1,154,623</u>	<u>9</u>
	<b>Non-operating income and expenses</b> (notes 6(19) and 7):								
7010	Other income	22,164	-	34,698	1	27,794	-	37,069	-
7020	Other gains and losses	(233,752)	(4)	32,345	-	(199,998)	(2)	85,298	1
7050	Finance costs	(3,397)	-	(7,413)	-	(4,419)	-	(11,763)	-
7100	Interest income	43,351	1	33,752	1	78,506	1	62,563	1
		<u>(171,634)</u>	<u>(3)</u>	<u>93,382</u>	<u>2</u>	<u>(98,117)</u>	<u>(1)</u>	<u>173,167</u>	<u>2</u>
	<b>Income before income tax</b>	265,894	5	681,638	11	803,717	7	1,327,790	11
7950	Less: Income tax expenses (note 6(15))	28	-	90,253	2	78,734	1	183,945	2
	<b>Net income</b>	<u>265,866</u>	<u>5</u>	<u>591,385</u>	<u>9</u>	<u>724,983</u>	<u>6</u>	<u>1,143,845</u>	<u>9</u>
8300	<b>Other comprehensive income (loss):</b>								
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>								
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(16))	(42,336)	(1)	(13,311)	-	(180,508)	(2)	(48,505)	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss (note 6(15))	(5,649)	-	(527)	-	(28,772)	-	(3,216)	-
	<b>Total item that will not be reclassified subsequently to profit or loss</b>	<u>(36,687)</u>	<u>(1)</u>	<u>(12,784)</u>	<u>-</u>	<u>(151,736)</u>	<u>(2)</u>	<u>(45,289)</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translation of foreign operations	(18,310)	-	873	-	(16,356)	-	2,496	-
8399	Less: Income tax related to items that may be reclassified to profit or loss (note 6(15))	(3,662)	-	174	-	(3,271)	-	499	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>(14,648)</u>	<u>-</u>	<u>699</u>	<u>-</u>	<u>(13,085)</u>	<u>-</u>	<u>1,997</u>	<u>-</u>
8300	<b>Other comprehensive loss, net of tax</b>	<u>(51,335)</u>	<u>(1)</u>	<u>(12,085)</u>	<u>-</u>	<u>(164,821)</u>	<u>(2)</u>	<u>(43,292)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 214,531</u>	<u>4</u>	<u>579,300</u>	<u>9</u>	<u>560,162</u>	<u>4</u>	<u>1,100,553</u>	<u>9</u>
	<b>Earnings per share (New Taiwan Dollars)</b> (note 6(17))								
9750	Basic earnings per share	\$ <u>3.50</u>		<u>7.80</u>		<u>9.56</u>		<u>15.08</u>	
9850	Diluted earnings per share	\$ <u>3.49</u>		<u>7.74</u>		<u>9.47</u>		<u>14.93</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Raydium Semiconductor Corporation and Subsidiaries**

**Consolidated Statements of Changes in Equity**

**For the six months ended June 30, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Exchange differences on translation of foreign operations	Other equity		Subtotal	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings			Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Subtotal		
<b>Balance as of January 1, 2024</b>	\$ 758,552	4,712,933	1,846,609	-	3,933,795	5,780,404	(474)	(33,267)	(33,741)	11,218,148	
Net income	-	-	-	-	1,143,845	1,143,845	-	-	-	1,143,845	
Other comprehensive income (loss)	-	-	-	-	-	-	1,997	(45,289)	(43,292)	(43,292)	
Total comprehensive income (loss)	-	-	-	-	1,143,845	1,143,845	1,997	(45,289)	(43,292)	1,100,553	
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	145,397	-	(145,397)	-	-	-	-	-	
Special reserve	-	-	-	33,741	(33,741)	-	-	-	-	-	
Cash dividends on ordinary shares	-	-	-	-	(1,152,999)	(1,152,999)	-	-	-	(1,152,999)	
<b>Balance as of June 30, 2024</b>	\$ 758,552	4,712,933	1,992,006	33,741	3,745,503	5,771,250	1,523	(78,556)	(77,033)	11,165,702	
<b>Balance as of January 1, 2025</b>	\$ 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	
Net income	-	-	-	-	724,983	724,983	-	-	-	724,983	
Other comprehensive income (loss)	-	-	-	-	-	-	(13,085)	(151,736)	(164,821)	(164,821)	
Total comprehensive income (loss)	-	-	-	-	724,983	724,983	(13,085)	(151,736)	(164,821)	560,162	
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	211,030	-	(211,030)	-	-	-	-	-	
Special reserve appropriated	-	-	-	82,944	(82,944)	-	-	-	-	-	
Cash dividends on ordinary shares	-	-	-	-	(1,683,986)	(1,683,986)	-	-	-	(1,683,986)	
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	26,714	26,714	-	(26,714)	(26,714)	-	
<b>Balance as of June 30, 2025</b>	\$ 758,552	4,712,933	2,203,036	116,685	3,485,696	5,805,417	(11,553)	(296,668)	(308,221)	10,968,681	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Raydium Semiconductor Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended	
	June 30,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 803,717	1,327,790
<b>Adjustments for:</b>		
Depreciation expense	56,448	108,060
Amortization expense	164,637	88,183
Expected credit impairment (gain) loss	(14,958)	67,344
Net profit on financial assets and liabilities at fair value through profit or loss	673	(3,133)
Interest expense	4,419	11,763
Interest income	(78,506)	(62,563)
Gains on disposal of property, plant and equipment	(353)	(1,100)
Provision for inventory obsolescence and devaluation loss	89,218	79,473
Other non-cash-related (gain) loss	(66,101)	65,617
<b>Income and expense adjustments</b>	<u>155,477</u>	<u>353,644</u>
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through profit or loss	(176,614)	(31,279)
Accounts receivable and other receivables (including related parties)	(141,004)	(1,210,684)
Inventories	(19,925)	(94,124)
Other financial assets	190,576	(723,948)
Other operating assets	(29,317)	(37,349)
Contract liabilities	(203,809)	(98,875)
Accounts payable and other payables (including related parties)	(53,895)	1,046,129
Other operating liabilities	(465,785)	68,753
<b>Total changes in operating assets and liabilities</b>	<u>(899,773)</u>	<u>(1,081,377)</u>
<b>Total adjustments</b>	<u>(744,296)</u>	<u>(727,733)</u>
Cash flow generated from operations	59,421	600,057
Interest received	79,539	62,703
Interest paid	(4,056)	(11,410)
Income taxes paid	(213,014)	(231,002)
<b>Net cash provided by (used in) operating activities</b>	<u>(78,110)</u>	<u>420,348</u>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	55,875	-
Acquisition of property, plant and equipment	(111,195)	(64,440)
Proceeds from disposal of property, plant and equipment	499	1,553
Increase in intangible assets	(311,038)	(84,396)
Increase in other non-current assets	(8,572)	(63,400)
(Increase) decrease in other financial assets	(645,749)	54,033
<b>Net cash used in investing activities</b>	<u>(1,020,180)</u>	<u>(156,650)</u>
<b>Cash flows from financing activities:</b>		
Increase in short term borrowings	609,203	455,998
Decrease in guarantee deposits received	(138,725)	(138,725)
Repayments of the principal portion of lease liabilities	(5,960)	(4,444)
<b>Net cash provided by financing activities</b>	<u>464,518</u>	<u>312,829</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(13,982)</u>	<u>1,970</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(647,754)	578,497
<b>Cash and cash equivalents at beginning of the period</b>	5,485,507	5,380,259
<b>Cash and cash equivalents at end of the period</b>	<u>\$ 4,837,753</u>	<u>5,958,756</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Raydium Semiconductor Corporation and Subsidiaries**

**Notes to the Consolidated Financial Statements**

**For the six months ended June 30, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars, unless otherwise indicated)**

**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 and its subsidiaries (hereinafter referred to as the Group) 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 consolidated financial statements were authorized for issue by the Board of Directors on August 5, 2025.

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

- (1) The impact of the International Financial Reporting Standards (“IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS 21 “Lack of Exchangeability”

- (2) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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”

**Raydium Semiconductor Corporation and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

- (3) The impact of IFRS Accounting Standards issued by International Accounting Standard Board (the "IASB") but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the IASB, but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>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.</p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> <li>● 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.</li> </ul>	January 1, 2027

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

The Group 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 consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

**4. Summary of material accounting policies:**

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

The consolidated 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) and the guidelines of IAS 34, Interim Financial Reporting (hereinafter referred to as “IAS 34” ) which are endorsed by the FSC, and do not include all of the information required by the IFRSs endorsed by the FSC for a complete set of the annual consolidated financial statements.

Except as described in the following paragraph, the Group's significant accounting policies are applied consistently for the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of consolidation

The principle of preparation of the consolidated financial statements is consistent with those of the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2024.

A. List of subsidiaries in the consolidated financial statements

The list of subsidiaries are included in the consolidated financial statements :

Name of investor	Name of Subsidiary	Principal activity	Percentage of ownership		
			June 30, 2025	December 31, 2024	June 30, 2024
the Company	Raydium Semiconductor (SAMOA) Corp.(RSA)	Investment holding company	100.00 %	100.00 %	100.00 %
RSA	Raydium Semiconductor (Kunshan) Co., Ltd	Development, design and sale of the IC	100.00 %	100.00 %	100.00 %

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Name of investor	Name of Subsidiary	Principal activity	Percentage of ownership		
			June 30, 2025	December 31, 2024	June 30, 2024
RSA&RKS	Raydium Semiconductor (Hefei) Co., Ltd	Development, design and sale of the IC	100.00 %	- %	- %

B. List of subsidiaries which are not included in consolidated financial statements: None.

(3) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the reporting date of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(4) Income taxes

Income tax expense in the financial statements is measured and disclosed in according to paragraph B12 of IAS 34 endorsed by the FSC.

Income tax expense for the period is best estimated by multiplying pretax income for the reporting period by the effective annual tax rate as forecasted by the management. This is recognized fully as income tax expense for the current period.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make 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.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the consolidated financial statements for the year ended December 31, 2024.

**6. Explanation of significant accounts:**

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Demand deposits	\$ 1,508,703	1,386,457	1,264,706
Time deposits	3,329,050	4,099,050	4,694,050
	<u>\$ 4,837,753</u>	<u>5,485,507</u>	<u>5,958,756</u>

**Raydium Semiconductor Corporation and Subsidiaries**  
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Please refer to note 6(21) for the credit risk, interest rate risk and sensitivity analysis of the financial assets of the Group.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the time deposits with original maturities of more than three months amounted to \$4,450,000 thousand, \$3,750,000 thousand and \$3,500,000 thousand, respectively, which were classified as other financial assets-current; please refer to note 6(8).

(2) Financial assets at fair value

A. Financial assets at fair value through profit or loss (“FVTPL”)— current

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Beneficiary certificate	\$ <u>713,705</u>	<u>531,520</u>	<u>667,485</u>

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Venture capital funds	\$ <u>33,328</u>	<u>35,000</u>	<u>-</u>

C. Financial assets at fair value through other comprehensive income (“FVOCI”)— current

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Listed stocks	\$ <u>6,837</u>	<u>8,849</u>	<u>14,000</u>

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Listed stocks	\$ 178,564	265,819	292,003
Unlisted stocks	<u>137,459</u>	<u>284,575</u>	<u>79,883</u>
	<u>\$ 316,023</u>	<u>550,394</u>	<u>371,886</u>

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

The Group sold part of its holdings measured at fair value through other comprehensive income for the six months ended June 30, 2025, with the disposal price of \$55,875 thousand, resulting in the realized gain of \$26,714 thousand to be reclassified from other equity to retained earnings.

**Raydium Semiconductor Corporation and Subsidiaries**  
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For the disclosure of market risk, please refer to note 6(21).

The financial assets mentioned above were not pledged as collateral.

E. Financial liabilities at fair value through profit or loss (“FVTPL”) — current

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Held-for-trading financial liabilities			
Forward foreign exchange contracts	\$ <b>4,572</b>	-	-

The Group uses derivative financial instruments to hedge certain foreign exchange risks arising from its operating activities. The following derivative instruments, without the application of hedge accounting were recognized as held-for-trading financial liabilities:

	<b>June 30, 2025</b>		
	<b>Notional principal (thousand)</b>	<b>Currency</b>	<b>Maturity period</b>
Forward foreign exchange contracts	USD 10,000	USD to TWD	July, 2025 to August, 2025

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Accounts receivable—measured at amortized cost	\$ 3,680,583	3,698,369	3,933,734
Accounts receivable measured at fair value through other comprehensive income	255,353	96,563	324,969
Less: loss allowance	(115,564)	(130,522)	(128,039)
	<b>\$ 3,820,372</b>	<b>3,664,410</b>	<b>4,130,664</b>

The Group 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 Group 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 Group and other individuals amounted to \$1,464,798 thousand, \$1,687,547 thousand and \$1,633,035 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, 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.

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

	<b>June 30, 2025</b>		
	<b>Carrying amounts of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for life time expected credit losses</b>
Not past due	\$ 991,701	0%	-
Past due less than 30 days	37,884	0%	-
	<b>\$ 1,029,585</b>		<b>-</b>
	<b>December 31, 2024</b>		
	<b>Carrying amounts of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for life time expected credit losses</b>
Not past due	\$ 689,999	0%	-
Past due less than 30 days	29,621	0%	-
	<b>\$ 719,620</b>		<b>-</b>
	<b>June 30, 2024</b>		
	<b>Carrying amounts of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for life time expected credit losses</b>
Not past due	\$ 972,193	0%	-
Past due less than 30 days	30,582	0%	-
	<b>\$ 1,002,775</b>		<b>-</b>

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

	<b>June 30, 2025</b>		
	<b>Carrying amounts of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for life time expected credit losses</b>
Not past due	\$ 1,354,121	6.78%	91,745
Past due less than 30 days	72,782	20.92%	15,224
Past due more than 31 days	14,650	58.67%	8,595
	<b>\$ 1,441,553</b>		<b>115,564</b>

**Raydium Semiconductor Corporation and Subsidiaries**  
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	<b>December 31, 2024</b>		
	<b>Carrying amounts of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for life time expected credit losses</b>
Not past due	\$ 1,264,832	7.67%	96,966
Past due less than 30 days	105,522	23.00%	24,270
Past due more than 31 days	17,411	53.33%	9,286
	<b>\$ 1,387,765</b>		<b>130,522</b>
	<b>June 30, 2024</b>		
	<b>Carrying amounts of accounts receivable</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance for life time expected credit losses</b>
Not past due	\$ 1,579,484	7.39%	116,764
Past due less than 30 days	42,436	25.19%	10,688
Past due more than 31 days	973	60.33%	587
	<b>\$ 1,622,893</b>		<b>128,039</b>

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

	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 130,522	60,695
Impairment loss (reversed) recognized	(14,958)	67,344
Ending balance	<b>\$ 115,564</b>	<b>128,039</b>

The Group entered into an agreement with banks to factor certain of its accounts receivable. According to the agreement, within the factoring line, the Group does not have to ensure the ability of debtors to pay when transferring the rights and obligations. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group reclassified trade receivables that met the derecognition terms to other receivables (recorded in other financial asset – current) as follows:

(In Thousands of New Taiwan Dollars)

<b>June 30, 2025</b>						
<b>Buyer</b>	<b>Factoring quota</b>	<b>Derecognition amount</b>	<b>Advanced Amount</b>	<b>Service fees</b>	<b>Transfer terms</b>	<b>Guaranteed promissory notes</b>
Taipei Fubon Bank	USD 127,500	USD 63,481	-	0.22%	Notes 1 to 3	None
<b>December 31, 2024</b>						
<b>Buyer</b>	<b>Factoring quota</b>	<b>Derecognition amount</b>	<b>Advanced Amount</b>	<b>Service fees</b>	<b>Transfer terms</b>	<b>Guaranteed promissory notes</b>
Taipei Fubon Bank	USD 151,500	USD 63,844	-	0.22%	Notes 1 to 3	None

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**June 30, 2024**

<b>Buyer</b>	<b>Factoring quota</b>	<b>Derecognition amount</b>	<b>Advanced Amount</b>	<b>Service fees</b>	<b>Transfer terms</b>	<b>Guaranteed promissory notes</b>
Taipei Fubon Bank	USD 151,500	USD 87,761	-	0.22%	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 Group. 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 Group informed the original debtor pursuant to account receivables to make payment directly to the Group's restricted account with the purchasing bank.

As of June 30, 2025, December 31, 2024 and June 30, 2024, total outstanding receivables after the above transactions, net of fees charged by purchasing bank, of \$1,898,195 thousand, \$2,088,796 thousand and \$2,847,839 thousand were recognized as other current financial assets; please refer to note 6(8).

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's unused factoring quota amounted to \$1,914,310 thousand, \$2,867,829 thousand and \$2,068,336 thousand, respectively.

(4) Inventories

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>	
Work in progress	\$ 1,819,743	1,839,161	1,787,520	
Finished goods	429,510	479,385	255,937	
	<b><u>\$ 2,249,253</u></b>	<b><u>2,318,546</u></b>	<b><u>2,043,457</u></b>	
	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cost of goods sold	\$ 4,240,636	4,438,798	8,291,855	8,652,469
Provision for inventory obsolescence loss	35,132	45,941	89,218	79,473
	<b><u>\$ 4,275,768</u></b>	<b><u>4,484,739</u></b>	<b><u>8,381,073</u></b>	<b><u>8,731,942</u></b>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's inventories were not pledged as collateral.

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(5) Property, plant and equipment

	<u>Research equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Equipment under inspection</u>	<u>Total</u>
Carrying amounts:							
Balance as of January 1, 2025	\$ <u>90,556</u>	<u>10,521</u>	<u>67,280</u>	<u>10,063</u>	<u>228,429</u>	<u>2,425</u>	<u>409,274</u>
Balance as of June 30, 2025	\$ <u>92,126</u>	<u>10,997</u>	<u>53,683</u>	<u>7,467</u>	<u>298,714</u>	<u>30,286</u>	<u>493,273</u>
Balance as of January 1, 2024	\$ <u>167,255</u>	<u>4,340</u>	<u>59,491</u>	<u>15,810</u>	<u>228,429</u>	<u>8,357</u>	<u>483,682</u>
Balance as of June 30, 2024	\$ <u>107,480</u>	<u>11,908</u>	<u>61,038</u>	<u>17,216</u>	<u>228,429</u>	<u>14,985</u>	<u>441,056</u>

There was no significant addition or disposal on real estate, plant and equipment of the Group for the six months ended June 30, 2025 and 2024. For the depreciation amount in the current period, please refer to note 12. For other related information, please refer to note 6(5) of the consolidated financial statements for the year ended December 31, 2024.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's property, plant and equipment were not pledged as collateral.

(6) Right-of-use assets

	<u>Buildings</u>
Carrying amounts:	
Balance as of January 1, 2025	\$ <u>13,120</u>
Balance as of June 30, 2025	\$ <u>17,988</u>
Balance as of January 1, 2024	\$ <u>17,653</u>
Balance as of June 30, 2024	\$ <u>17,804</u>

There was no significant addition, recognition and reversal of impairment losses of the right-of-use assets recognized by the Group's leased houses and buildings for the six months ended June 30, 2025 and 2024. For other related information, please refer to note 6(6) of the consolidated financial statements for the year ended December 31, 2024.

(7) Intangible assets

	<u>Goodwill</u>	<u>Patents and technology</u>	<u>Software costs</u>	<u>Total</u>
Carrying amounts:				
Balance as of January 1, 2025	\$ <u>237,800</u>	<u>-</u>	<u>274,007</u>	<u>511,807</u>
Balance as of June 30, 2025	\$ <u>237,800</u>	<u>-</u>	<u>437,254</u>	<u>675,054</u>
Balance as of January 1, 2024	\$ <u>237,800</u>	<u>-</u>	<u>138,700</u>	<u>376,500</u>
Balance as of June 30, 2024	\$ <u>237,800</u>	<u>-</u>	<u>130,318</u>	<u>368,118</u>

There was no significant addition or disposal on intangible assets of the Group for the six months ended June 30, 2025 and 2024. For the amortization amount in the current period, please refer to note 12. For other related information, please refer to note 6(7) of the consolidated financial statements for the year ended December 31, 2024.

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(8) Other financial assets— current and non-current

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Accounts receivable factoring	\$ 1,898,195	2,088,796	2,847,839
Restricted time deposits	254,626	254,588	254,550
Guarantee deposits for product capacity and others	3,897	67,523	5,043
Time deposits with original maturities of more than three months	4,450,000	3,750,000	3,500,000
Corporate bonds	9,894	9,894	-
Others	7,298	8,306	4,560
	<b>\$ 6,623,910</b>	<b>6,179,107</b>	<b>6,611,992</b>
Other financial assets— current	\$ 6,620,013	6,175,530	6,608,838
Other financial assets— non-current	3,897	3,577	3,154
	<b>\$ 6,623,910</b>	<b>6,179,107</b>	<b>6,611,992</b>

(9) Other current and non-current assets

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Prepayments to suppliers	\$ -	-	473,329
Sales tax receivable and overpaid VAT	110,700	115,814	106,204
Prepayments for mask and mold	300,308	303,793	322,263
Net defined benefit assets	564	564	-
Others	79,779	33,291	77,958
	<b>\$ 491,351</b>	<b>453,462</b>	<b>979,754</b>
Other current assets	\$ 178,421	149,104	333,980
Other non-current assets	312,930	304,358	645,774
	<b>\$ 491,351</b>	<b>453,462</b>	<b>979,754</b>

(10) Short-term borrowings

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Unsecured bank loans	\$ 745,793	130,868	1,056,590
Unused credit lines	\$ 1,804,915	1,992,798	1,010,145
Range of interest rates	<b>2.85%~4.89%</b>	<b>5.11%</b>	<b>3.45%~5.99%</b>

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(11) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>
Current (recorded under other current liabilities)	\$ <u>8,011</u>	<u>6,067</u>	<u>6,453</u>
Non-current	\$ <u>9,833</u>	<u>7,433</u>	<u>10,482</u>

For the maturity analysis, please refer to note 6(21) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	<u>For the three months</u> <u>ended June 30,</u>		<u>For the six months</u> <u>ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest on lease liabilities	\$ <u>128</u>	<u>114</u>	<u>264</u>	<u>244</u>
Expenses relating to short-term leases	\$ <u>9,645</u>	<u>9,544</u>	<u>18,310</u>	<u>19,402</u>

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

	<u>For the six months ended</u> <u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ <u>24,534</u>	<u>24,090</u>

Buildings leases

The Group leases buildings and improvements for its office, with lease terms that typically run for 2~5 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 Group 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.

(12) Provisions

	<u>Warranties</u>
Balance as of January 1, 2025	\$ 340,671
Provisions reversed during the period	<u>(54,240)</u>
Balance as of June 30, 2025	\$ <u>286,431</u>
Provisions – current	\$ 95,477
Provisions – non-current	<u>190,954</u>
	\$ <u>286,431</u>

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	<b>Warranties</b>
Balance as of January 1, 2024	\$ 116,113
Provisions reversed during the period	(9,607)
Balance as of June 30, 2024	<b><u>\$ 106,506</u></b>
Provisions – current	\$ 35,502
Provisions – non-current	71,004
	<b><u>\$ 106,506</u></b>

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

(13) Employee benefits

Given there was no significant market fluctuations, significant curtailments, settlements, or other significant one-off event since the prior fiscal year, pension cost in the financial statements are measured and disclosed according to the actuarial results determined on December 31, 2024 and 2023.

For information related to the Group's pension costs for the six months ended June 30, 2025 and 2024, please refer to note 12.

(14) Guarantee deposits reserved

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Deposits received for capacity guarantee	<b><u>\$ 598,040</u></b>	<b><u>817,925</u></b>	<b><u>973,500</u></b>
Current (recorded in other liabilities)	\$ 299,020	327,170	324,500
Non-current	299,020	490,755	649,000
	<b><u>\$ 598,040</u></b>	<b><u>817,925</u></b>	<b><u>973,500</u></b>

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

(15) Income tax

A. Income tax expenses

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

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current income tax expense (benefit)				
Current period	\$ 39,884	98,837	120,557	192,529
Adjustment for prior period	(39,856)	(8,584)	(41,823)	(8,584)
	<b><u>\$ 28</u></b>	<b><u>90,253</u></b>	<b><u>78,734</u></b>	<b><u>183,945</u></b>

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

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains or losses from investments in equity instruments measured at FVOCI	\$ <b>(5,649)</b>	<b>(527)</b>	<b>(28,772)</b>	<b>(3,216)</b>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	\$ <b>(3,662)</b>	<b>174</b>	<b>(3,271)</b>	<b>499</b>

- C. The Company's tax returns have been examined and approved by the tax authorities through 2023.

(16) Equity

Except as for the following, there were no significant changes in the capital and other equity of the Group for the six months ended June 30, 2025 and 2024. For relevant information, please refer to note 6(16) of the Company's consolidated financial statements for the year ended December 31, 2024.

A. Issuance of common stock

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

B. Capital surplus

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Capital surplus	\$ 4,647,881	4,647,881	4,647,881
Employee remuneration paid in the form of stocks	64,592	64,592	64,592
Others	460	460	460
	<b>\$ 4,712,933</b>	<b>4,712,933</b>	<b>4,712,933</b>

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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.

The appropriations of earnings for 2024 and 2023 by way of cash dividends have been approved in the Board of Directors' meeting held on February 25, 2025 and February 26, 2024. In addition, the appropriations of earning for 2024 and 2023 by others ways have been approved in the annual shareholders' meeting held on May 28, 2025 and May 29, 2024, respectively. Details of distribution were as follows:

	2024		2023	
	Amounts	Dividends per share (NT\$)	Amounts	Dividends per share (NT\$)
Legal reserve	\$ 211,030		145,397	
Special reserve	82,944		33,741	
Cash dividends	1,683,986	22.2	1,152,999	15.2
	<b>\$ 1,977,960</b>		<b>1,332,137</b>	

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

The abovementioned relevant information about the company's appropriations of earnings are available at the Market Observation Post System website.

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(17) Earnings per share

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Basic earnings per share:				
Net income attributable to ordinary shareholders of Company	<u>\$ 265,866</u>	<u>591,385</u>	<u>724,983</u>	<u>1,143,845</u>
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	<u>75,855</u>	<u>75,855</u>	<u>75,855</u>	<u>75,855</u>
Basic earnings per share (NT dollars)	<u>\$ 3.50</u>	<u>7.80</u>	<u>9.56</u>	<u>15.08</u>
Diluted earnings per share:				
Net income attributable to ordinary shareholders of Company	<u>\$ 265,866</u>	<u>591,385</u>	<u>724,983</u>	<u>1,143,845</u>
Weighted-average number of ordinary shares outstanding during the year (in thousands of shares)	75,855	75,855	75,855	75,855
Effect of employee stock remuneration	<u>385</u>	<u>566</u>	<u>712</u>	<u>742</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)(diluted)	<u>76,240</u>	<u>76,421</u>	<u>76,567</u>	<u>76,597</u>
Diluted earnings per share (NT dollars)	<u>\$ 3.49</u>	<u>7.74</u>	<u>9.47</u>	<u>14.93</u>

(18) Revenue from contracts with customers

A. Detail of revenue

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenues from major regional markets:				
China (including Hong Kong)	\$ 4,668,664	5,239,346	9,220,296	9,970,622
Taiwan	933,810	1,090,434	2,011,230	2,246,169
Others	<u>247,341</u>	<u>122,326</u>	<u>444,603</u>	<u>271,764</u>
	<u>\$ 5,849,815</u>	<u>6,452,106</u>	<u>11,676,129</u>	<u>12,488,555</u>
Revenue from major products:				
Display Driver IC	5,677,496	6,285,351	11,293,098	12,152,934
Others	<u>172,319</u>	<u>166,755</u>	<u>383,031</u>	<u>335,621</u>
	<u>\$ 5,849,815</u>	<u>6,452,106</u>	<u>11,676,129</u>	<u>12,488,555</u>

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B. Contract balances

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>
Contract liabilities	<u>\$ 93,072</u>	<u>296,881</u>	<u>429,087</u>

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

The amount of revenue recognized for the six months ended June 30, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$222,371 thousand and \$147,053 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.

(19) Non-operating income and expenses

A. Other income

	<u>For the three months</u> <u>ended June 30,</u>		<u>For the six months</u> <u>ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Others	<u>\$ 22,164</u>	<u>34,698</u>	<u>27,794</u>	<u>37,069</u>

B. Other gains and losses

	<u>For the three months</u> <u>ended June 30,</u>		<u>For the six months</u> <u>ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Foreign exchange gains(losses), net	\$ (231,267)	29,807	(199,677)	79,786
Others	(2,485)	2,538	(321)	5,512
	<u>\$ (233,752)</u>	<u>32,345</u>	<u>(199,998)</u>	<u>85,298</u>

C. Finance costs

	<u>For the three months</u> <u>ended June 30,</u>		<u>For the six months</u> <u>ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense — bank borrowings	\$ (3,269)	(7,299)	(4,155)	(11,519)
Lease liabilities	(128)	(114)	(264)	(244)
	<u>\$ (3,397)</u>	<u>(7,413)</u>	<u>(4,419)</u>	<u>(11,763)</u>

D. Interest income

	<u>For the three months</u> <u>ended June 30,</u>		<u>For the six months</u> <u>ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	<u>\$ 43,351</u>	<u>33,752</u>	<u>78,506</u>	<u>62,563</u>

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(20) Remuneration to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year (defined as income before tax excluding the employee and director remuneration), no less than 1% of the profit shall be allocated as employee remuneration, and no more than 1% as director remuneration. The aforementioned employee remuneration, shall be allocated no less than 1% to those base-level employees. However, if the Company had accumulated deficits, including unappropriated retained earnings adjustment, the Company should reserve an amount in advance to offset such losses.

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

Prior to the amendment, the Articles of Association stipulated that if the Company recognized a profit for the fiscal year (defined as income before tax excluding the employee and director remuneration), no less than 1% of the profit shall be allocated as employee remuneration, and no more than 1% for director remuneration. However, if the Company had accumulated deficits, including unappropriated retained earnings adjustment, the Company should reserve an amount in advance to offset such losses.

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 three months and six months ended June 30, 2025 and 2024, the amounts of remuneration to employees were estimated at \$46,563 thousand, \$119,367 thousand, \$140,746 thousand and \$232,520 thousand, respectively; and those to the directors were estimated at \$2,157 thousand, \$5,530 thousand, \$6,521 thousand and \$10,773 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 six months ended June 30, 2025 and 2024. If there are changes in the proposed amounts after the annual consolidated 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 Director' Meeting will be used to calculate the number of stock shares.

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The Board of Directors of the Company has resolved to distribute employee remuneration and director remuneration in cash as follows:

	<b>For the six months ended</b>	
	<b>June 30,</b>	
	<u><b>2024</b></u>	<u><b>2023</b></u>
Board resolution date	February 25, 2025	February 26, 2024
Employee remuneration	\$ <u><b>424,658</b></u>	<u><b>270,959</b></u>
Director remuneration	\$ <u><b>18,943</b></u>	<u><b>12,747</b></u>

There were no difference between the aforementioned approved amounts and the amounts charged against earnings of 2024 and 2023, respectively. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(21) Financial instruments

Except as described below, there is no significant change in the fair value of the Group's financial instruments and the Group's exposure to credit risk, liquidity risk and market risk due to financial instruments. For relevant information, please refer to Note 6 (21) of the financial statements for the year ended December 31, 2024.

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 Group 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 Group due to non-performance of the counterparty mainly derived from the carrying amount of the financial assets recognized in the balance sheet of the Group.

The Group's potential credit risk is derived primarily from cash and cash equivalents and trade receivables. The cash is deposited in different financial institutions. The Group 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 Group will require insurance for accounts receivable from certain customer groups in order to reducing 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.

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As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's five largest customers accounted for approximately 42%, 52% and 43% of the balance of accounts receivable (including related parties), 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.

B. Liquidity risk

The contractual maturities of financial liabilities were as follows:

	<u>Carrying amounts</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over 1 years</u>
<b>June 30, 2025</b>				
Non-derivative financial liabilities				
Short-term borrowings	\$ 745,793	(748,432)	(748,432)	-
Accounts payable	3,075,049	(3,075,049)	(3,075,049)	-
Salaries and bonuses payable	2,253,841	(2,253,841)	(2,253,841)	-
Dividends payable	1,683,986	(1,683,986)	(1,683,986)	-
Other payables – related parties	12,884	(12,884)	(12,884)	-
Lease liabilities (current and non-current)	17,844	(18,358)	(8,371)	(9,987)
Guarantee deposits received (current and non-current)	598,040	(598,040)	(299,020)	(299,020)
Derivative financial liabilities				
Net settlement of forward foreign exchange contracts – outflow	4,572	(4,572)	(4,572)	-
	<u>\$ 8,392,009</u>	<u>(8,395,162)</u>	<u>(8,086,155)</u>	<u>(309,007)</u>

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	<u>Carrying amounts</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over 1 years</u>
<b>December 31, 2024</b>				
Non-derivative financial liabilities				
Short-term borrowings	\$ 130,868	(131,103)	(131,103)	-
Accounts payable	3,139,021	(3,139,021)	(3,139,021)	-
Salaries and bonuses payable	2,625,802	(2,625,802)	(2,625,802)	-
Other payables – related parties	2,807	(2,807)	(2,807)	-
Lease liabilities (current and non-current)	13,500	(13,837)	(6,293)	(7,544)
Guarantee deposits received (current and non-current)	817,925	(817,925)	(327,170)	(490,755)
	<u>\$ 6,729,923</u>	<u>(6,730,495)</u>	<u>(6,232,196)</u>	<u>(498,299)</u>
<b>June 30, 2024</b>				
Non-derivative financial liabilities				
Short-term borrowings	\$ 1,056,590	(1,058,390)	(1,058,390)	-
Accounts payable	3,692,487	(3,692,487)	(3,692,487)	-
Salaries and bonuses payable	2,351,356	(2,351,356)	(2,351,356)	-
Dividends payable	1,152,999	(1,152,999)	(1,152,999)	-
Other payables – related parties	8,263	(8,263)	(8,263)	-
Lease liabilities (current and non-current)	16,935	(17,448)	(6,760)	(10,688)
Guarantee deposits received (current and non-current)	973,500	(973,500)	(324,500)	(649,000)
	<u>\$ 9,252,130</u>	<u>(9,254,443)</u>	<u>(8,594,755)</u>	<u>(659,688)</u>

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

	<u>June 30, 2025</u>			<u>December 31, 2024</u>			<u>June 30, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 189,837	29.9020	5,676,506	198,118	32.7170	6,481,827	208,409	32.4500	6,762,872
JPY	\$ 174,830	0.2076	36,295	174,828	0.2086	36,469	174,827	0.2018	35,280

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	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial liabilities									
Monetary items									
USD	\$ 142,872	29.9020	4,272,159	131,111	32.7170	4,289,559	166,666	32.4500	5,408,312

(b) Sensitivity analysis

The Group'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 guarantee deposits received, that are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD and JPY as of June 30, 2025 and June 30, 2024, assuming that all other variables remain constant, would have increased or decreased the profit after tax by \$11,525 thousand and \$11,118 thousand, respectively.

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

As the Group 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 three months and six months ended June 30, 2025 and 2024 were \$(231,267) thousand, \$29,807 thousand, \$(199,677) thousand and \$79,786 thousand, respectively.

D. Interest rate analysis

An increase or decrease of 0.25% in interest rates, mainly from cash and cash equivalents, restricted time 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 \$1,184 thousand and \$797 thousand for the six months ended June 30, 2025 and 2024, 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 six months ended June 30,	
	2025	2024
Prices of securities at the reporting date	Other comprehensive income before tax	Other comprehensive income before tax
Increasing 10%	\$ 32,286	38,589
Decreasing 10%	\$ (32,286)	(38,589)

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F. Fair value of financial instruments

(a) Fair value and carrying amount

The fair values of FVTPL and FVOCI are measured on a recurring basis. The Group'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 required) were as follows:

	Carrying amounts	June 30, 2025			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at FVTPL – current</b>	\$ 713,705	713,705	-	-	713,705
<b>Financial assets at FVTPL – non-current</b>	33,328	-	-	33,328	33,328
<b>Financial assets at FVOCI</b>					
Listed stocks	185,401	185,401	-	-	185,401
Unlisted stocks	137,459	-	-	137,459	137,459
Accounts receivable	255,353	-	255,353	-	255,353
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	4,837,753	-	-	-	-
Accounts receivable (including related parties)	3,565,019	-	-	-	-
Other financial assets (current and non-current)	6,623,910	-	-	-	-
	<u>\$ 16,351,928</u>	<u>899,106</u>	<u>255,353</u>	<u>170,787</u>	<u>1,325,246</u>
<b>Financial liabilities at FVTPL – current</b>	<u>\$ 4,572</u>	<u>-</u>	<u>4,572</u>	<u>-</u>	<u>4,572</u>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 745,793	-	-	-	-
Accounts payable	3,075,049	-	-	-	-
Salaries and bonuses payable	2,253,841	-	-	-	-
Dividends payable	1,683,986	-	-	-	-
Other payables – related parties	12,884	-	-	-	-
Lease liabilities (current and non-current)	17,844	-	-	-	-
Guarantee deposits received (current and non-current)	598,040	-	-	-	-
	<u>\$ 8,387,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



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	Carrying amounts	June 30, 2024			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 1,056,590	-	-	-	-
Accounts payable	3,692,487	-	-	-	-
Salaries and bonuses payable	2,351,356	-	-	-	-
Dividends payable	1,152,999	-	-	-	-
Other payables – related parties	8,263	-	-	-	-
Lease liabilities (current and non-current)	16,935	-	-	-	-
Guarantee deposits received (current and non-current)	<u>973,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 9,252,130</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

(i) Non-derivative financial instruments

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

(ii) Derivative financial instruments

Forward foreign exchange contracts are measured based on the current forward exchange rate.

(c) There was no transfer between the different levels of fair value hierarchy for the six months ended June 30, 2025 and 2024.

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

The Group'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 Group'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 multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

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Quantified information regarding significant unobservable inputs are as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at FVTPL – venture capital funds	Asset approach	<ul style="list-style-type: none"> <li>● Lack of market liquidity</li> </ul>	<ul style="list-style-type: none"> <li>● The higher the level of lacking liquidity, the lower the estimate of fair value</li> </ul>
Financial assets at FVOCI – equity investments without an active market	Market approach (comparable with price-book ratio of the peers)	<ul style="list-style-type: none"> <li>● P/B ratio multiplier (1.23~7.20, 1.37~7.94 and 1.79~3.94 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively)</li> <li>● Discount for lack of market liquidity ( 30%~60% as of June 30, 2025, December 31, 2024 and June 30, 2024)</li> </ul>	<ul style="list-style-type: none"> <li>● The higher the P/B ratio, the higher the fair value</li> <li>● The higher the market liquidity discount rate, the lower the fair value</li> </ul>

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

	<b>Financial assets at FVTPL – venture capital funds</b>	
	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance as of January 1	\$ 35,000	-
Total gain/loss		
Recognized in profit and loss	(1,672)	-
Balance as of June 30	<u>\$ 33,328</u>	<u>-</u>
	<b>Financial assets at FVOCI – equity investments without an active market</b>	
	<b>For the six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance as of January 1	\$ 284,575	114,517
Total gain/loss		
Recognized in other comprehensive income	(147,116)	(34,634)
Balance as of June 30	<u>\$ 137,459</u>	<u>79,883</u>

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.

**Raydium Semiconductor Corporation and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

(22) Financial risk management

Market price risk of interest rate movements: All of the Group's assets and liabilities bear floating interest rates, and thus suffer from cash flow interest rate risk exposure.

The goals and policies of the Group's financial risk management were not materially different from those disclosed in note 6(22) of the consolidated financial statements for the year ended December 31, 2024.

(23) Capital management

The objectives, policies and procedures of the Group's capital management have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2024. Refer to Note 6(23) of the consolidated financial statements for the year ended December 31, 2024 for the relevant information.

(24) Financing activities of non-cash transactions

Reconciliation of liabilities arising from financing activities was as follows:

	<b>January 1, 2025</b>	<b>Cash flows</b>	<b>Changes in foreign Exchange and other</b>	<b>June 30, 2025</b>
Short-term borrowings	\$ 130,868	609,203	5,722	745,793
Lease liabilities	13,500	(5,960)	10,304	17,844
Guarantee deposits received	817,925	(138,725)	(81,160)	598,040
Total liabilities from financing activities	<u>\$ 962,293</u>	<u>464,518</u>	<u>(65,134)</u>	<u>1,361,677</u>
			<b>Changes in foreign Exchange and other</b>	
	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>June 30, 2024</b>	
Short-term borrowings	\$ 589,278	455,998	11,314	1,056,590
Lease liabilities	16,684	(4,444)	4,695	16,935
Guarantee deposits received	1,075,130	(138,725)	37,095	973,500
Total liabilities from financing activities	<u>\$ 1,681,092</u>	<u>312,829</u>	<u>53,104</u>	<u>2,047,025</u>

**Raydium Semiconductor Corporation and Subsidiaries**  
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**7. Related-party transactions**

(1) Names and relationship with related parties

The following are summaries of related parties that have had transactions with the Group during the periods presented in the consolidated financial statements.

<u>Name of related parties</u>	<u>Relationship with the Group</u>
AUO Corporation (AUO)	AUO accounted for its 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
HeilongJiang Talenda Smart Display Technology Co., Ltd (Talenda)	Subsidiary of ADP
Sungen Power Corp.	Subsidiary of AUO

(2) The Group's significant related party transactions and balances were as follows:

A. Sales

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

<u>Relationship</u>	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
AUOSZ	\$ 478,991	503,163	1,026,925	939,022
AUOXM	251,014	380,702	568,596	772,022
AUO	140,905	147,824	307,147	199,971
Other related parties	49,732	50,578	96,528	113,938
	<u>\$ 920,642</u>	<u>1,082,267</u>	<u>1,999,196</u>	<u>2,024,953</u>

For the six months ended June 30, 2025 and 2024, the collection terms for sales to related parties were 60 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.

**Raydium Semiconductor Corporation and Subsidiaries**  
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B. Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Receivables from related parties	AUOSZ	\$ 742,856	937,697	754,908
Receivables from related parties	AUOXM	439,711	519,307	623,815
Receivables from related parties	AUO	206,444	149,305	173,529
Receivables from related parties	Other related parties	<u>75,787</u>	<u>81,238</u>	<u>80,783</u>
		<u><u>\$ 1,464,798</u></u>	<u><u>1,687,547</u></u>	<u><u>1,633,035</u></u>

C. Other payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other accounts payable from related parties	AUO	\$ 12,363	2,291	8,234
Other accounts payable from related parties	Other related parties	<u>521</u>	<u>516</u>	<u>29</u>
		<u><u>\$ 12,884</u></u>	<u><u>2,807</u></u>	<u><u>8,263</u></u>
Refund liabilities	Other related parties	<u><u>\$ 15,837</u></u>	<u><u>4,952</u></u>	<u><u>892</u></u>

D. Other

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
AUO	<u><u>\$ -</u></u>	<u><u>31,750</u></u>	<u><u>-</u></u>	<u><u>31,750</u></u>

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

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
AUO	\$ 9,101	7,902	18,025	15,752
Other related parties	<u>320</u>	<u>86</u>	<u>666</u>	<u>118</u>
	<u><u>\$ 9,421</u></u>	<u><u>7,988</u></u>	<u><u>18,691</u></u>	<u><u>15,870</u></u>

**Raydium Semiconductor Corporation and Subsidiaries**  
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(c) The costs of acquiring leasehold improvements from related-parties were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Other related parties	\$ 189	-	849	-

(d) The prepayments of the Group were as follows:

Account	Relationship	June 30, 2025	December 31, 2024	June 30, 2024
Other current assets	AUO	\$ -	7,854	7,837
Other current assets	Other related parties	29	-	14
		\$ 29	7,854	7,851

(3) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 40,285	71,344	89,734	132,032
Post-employment benefits	189	189	378	378
	\$ 40,474	71,533	90,112	132,410

**8. Pledged assets:**

The carrying values of pledged assets were as follows:

Asset Name	Pledged to secure	June 30, 2025	December 31, 2024	June 30, 2024
Restricted cash in bank (recognized in other financial assets — current)	Import guarantee for customs	\$ 34,496	34,458	34,420
Restricted cash in bank (recognized in other financial assets — current)	Import Guarantee	220,130	220,130	220,130
		\$ 254,626	254,588	254,550

**Raydium Semiconductor Corporation and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

**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 \$313,650 thousand (tax included) had been paid as of June 30, 2025.
- (2) 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:

By item	By function	For the three months ended June 30,					
		2025			2024		
		Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits							
Salary		43,585	653,422	697,007	52,062	826,456	878,518
Labor and health insurance		3,261	38,250	41,511	3,184	37,659	40,843
Pension		1,426	19,562	20,988	1,321	17,243	18,564
Other employee benefits		1,386	24,868	26,254	1,438	22,471	23,909
Depreciation		234	27,885	28,119	190	53,494	53,684
Amortization		89	81,342	81,431	59	45,158	45,217

By item	By function	For the six months ended June 30,					
		2025			2024		
		Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits							
Salary		86,043	1,385,265	1,471,308	92,586	1,560,730	1,653,316
Labor and health insurance		6,545	77,177	83,722	5,985	72,422	78,407
Pension		2,854	38,440	41,294	2,615	33,744	36,359
Other employee benefits		2,762	48,619	51,381	2,736	42,626	45,362
Depreciation		454	55,994	56,448	343	107,717	108,060
Amortization		175	164,462	164,637	100	88,083	88,183

## Raydium Semiconductor Corporation and Subsidiaries

### Notes to the Consolidated Financial Statements

#### 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 Group:

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	2,193,736	598,040	598,040	364,338	-	5.45 %	5,484,341	Y	N	Y

Note 1: The maximum amount of the Group'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 Group's endorsement/guarantee for others shall not exceed 50% of the net value of the latest financial statements audited or reviewed by accountants.

##### C. Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands 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	29,142	463,033	-	463,033	
The Company	Fubon Chi-Hsiang Money Market Fund	-	"	15,232	250,672	-	250,672	
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	178,564	0.19 %	178,564	
The Company	Shares of ARK Semiconductor Inc.	The company represented as an director of ARK	"	1,983	117,875	15.81 %	117,875	

##### D. 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	968,897	9 %	EOM 120 days	Please refer to note 7	Please refer to note 7	707,533	20%
The Company	AUOXM	Subsidiary of AUO	Sales	559,395	5 %	EOM 120 days	Please refer to note 7	Please refer to note 7	431,956	12%
The Company	AUO	AUO accounted for its investment in the Company using the equity method	Sales	307,147	3 %	EOM 120 days	Please refer to note 7	Please refer to note 7	206,444	6%

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E. Receivables from related parties with amounts 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	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note)	Allowance for Bad Debts
					Amount	Action Taken		
The Company	AUOSZ	Subsidiary of AUO	707,533	2.45	-	On the spot collection	150,797	-
The Company	AUOXM	Subsidiary of AUO	431,956	2.43	-	On the spot collection	84,436	-
The Company	AUO	AUO accounted for its investment in the Company using the equity method	206,444	3.45	-	On the spot collection	53,693	-

Note: Amounts collected in subsequent period as of July 28, 2025.

F. The business relationship between the parent and the subsidiaries and significant transactions between them: None.

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

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

Investor Company	Investee Company	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of Profits/Losses of Investee	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	RSA	SAMOA	Investment Holding	329,576	248,280	10,550	100.00 %	197,238	(9,745)	(9,745)	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 Thousands of New Taiwan Dollars)

Investee Company	Main businesses and products	Total amount paid-in capital	Method of investment (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the investee (Note 3)	Percentage of ownership	Investment income (loss) (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 (USD8,000 thousand)	2	245,200	-	-	245,200	(10,423)	100.00%	(10,423)	119,807	-
Raydium Semiconductor (Hefei) Co., Ltd.	Development, design and sale of the IC	164,919 (RMB36,000 thousand)	3	-	81,296	-	81,296	(1,961)	100.00%	(1,961)	148,625	-

**Raydium Semiconductor Corporation and Subsidiaries**  
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B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 4)
326,496 (USD10,450 thousand)	326,496 (USD10,450 thousand)	6,581,209

Note 1: Method of investment:

1. Direct investment in Mainland China.
2. Investment in companies in Mainland China through the existing companies in SAMOA.
3. Others: Jointly established through RSA and RKS.

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 Group'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 (the "MOEA").

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

C. Significant transactions with the investees in Mainland China:

The significant inter-company transactions with the subsidiary in Mainland China for the six months ended June 30, 2025, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

**14. Segment information:**

The Group mainly engage in development, design and sales of integrate circuits. It only has a single operating segment to be reported. The Group's operating segment above were consistent with the related accounts shown in the consolidated balance sheets and consolidated statements of income. Please refer to the consolidated balance sheet and the consolidated income statement for details of departmental profit and loss, departmental information, and departmental liability information.