

**Stock Code 6485**

**ASolid Technology Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2025 and 2024 and  
Independent Auditors' Review Report**

## **INDEPENDENT REVIEW REPORT**

ASolid Technology Co., Ltd.

### **Introduction**

We have reviewed the consolidated financial statements of ASolid Technology Co., Ltd (the “Corporation”) and its subsidiaries (collectively, the ”Group”) which comprise the consolidated balance sheets as of June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and the related 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 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 Statement of Auditing Standards 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months ended June 30, 2025 and 2024, and 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 Zhi-Yuan Wen and Tung-Hui Yeh.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 13, 2025

### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 consolidated financial statements are those generally*

*applied in the Republic of China. For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2025, JUNE 30, 2024 AND DECEMBER 31, 2024**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

ASSETS	June 30, 2025 (Reviewed)		December 31, 2024 (Audited)		June 30, 2024 (Reviewed)		LIABILITIES AND EQUITY	June 30, 2025 (Reviewed)		December 31, 2024 (Audited)		June 30, 2024 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>							<b>CURRENT LIABILITIES</b>						
Cash and cash equivalents (Note 6 and 28)	\$ 617,454	28	\$ 368,588	17	\$ 317,367	14	Short-term borrowings (Note 16 and 28)	\$ 93,760	4	\$ 65,580	3	\$ 29,205	2
Financial assets at amortized cost—current (Note 7, 28 and 30)	21,131	1	21,064	1	20,145	1	Contract liability—current (Note 21)	49,055	2	53,218	3	6,223	-
Accounts Receivable—non-related parties (Note 9, 21 and 28)	152,131	7	159,451	8	166,519	8	Accounts payable (Note 17 and 28)	127,135	6	68,825	3	171,991	8
Other receivables (Note 9 and 28)	8,263	-	875	-	-	-	Other payables (Note 18 and 28)	124,369	6	82,005	4	139,559	6
Current income tax assets (Note 4 and 23)	4,680	-	48,670	2	38,341	2	Current tax liabilities (Note 4 and 23)	6,700	-	15,600	1	19,400	1
Inventories (Note 10)	306,193	14	489,660	23	652,061	29	Other current liabilities (Note 18)	604	-	1,871	-	726	-
Prepayments (Note 15)	32,427	1	27,851	1	42,527	2	Total current liabilities	401,623	18	287,099	14	367,104	17
Other current assets (Note 15)	32,376	1	17,415	1	19,336	1	<b>NON-CURRENT LIABILITIES</b>						
Total current assets	1,174,655	52	1,133,574	53	1,256,296	57	Deferred tax liabilities (Note 4 and 23)	6,180	-	6,180	-	6,180	-
<b>NON-CURRENT ASSETS</b>							Guarantee deposits received (Note 28)	114	-	114	-	114	-
Financial assets at fair value through other comprehensive income—non-current (Note 8 and 28)	2,300	-	-	-	-	-	Total non-current liabilities	6,294	-	6,294	-	6,294	-
Financial assets at amortized cost—non-current (Note 7, 28 and 30)	5,233	-	5,209	-	5,185	-	Total liabilities	407,917	18	293,393	14	373,398	17
Property, plant and equipment (Note 12 and 30)	951,185	43	929,554	44	885,454	40	<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 20)</b>						
Intangible assets (Note 14)	85,622	4	39,800	2	38,366	2	Capital						
Deferred tax assets (Note 4 and 23)	22,583	1	22,583	1	22,583	1	Common shares	452,470	20	451,515	21	446,760	20
Guarantee deposits paid (Note 28)	632	-	2,046	-	1,996	-	Capital collected in advance	10	-	955	-	4,755	-
Total non-current assets	1,067,555	48	999,192	47	953,584	43	Total capital	452,480	20	452,470	21	451,515	20
							Capital surplus						
							Additional paid-in capital	670,900	30	693,498	32	690,960	31
							Employee share options	39,785	2	36,500	2	29,064	2
							Total capital surplus	710,685	32	729,998	34	720,024	33
							Retained earnings						
							Legal reserve	159,700	7	159,700	8	159,700	7
							Unappropriated earnings	511,063	23	496,840	23	504,883	23
							Total retained earnings	670,763	30	656,540	31	664,583	30
							Other equity	17	-	17	-	13	-
							Total equity attributable to shareholders of the Company	1,833,945	82	1,839,025	86	1,836,135	83
							<b>NON-CONTROLLING INTERESTS</b>						
								348	-	348	-	347	-
							Total equity	1,834,293	82	1,839,373	86	1,836,482	83
<b>TOTAL ASSETS</b>	<b>\$ 2,242,210</b>	<b>100</b>	<b>\$ 2,132,766</b>	<b>100</b>	<b>\$ 2,209,880</b>	<b>100</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,242,210</b>	<b>100</b>	<b>\$ 2,132,766</b>	<b>100</b>	<b>\$ 2,209,880</b>	<b>100</b>

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

(With Deloitte & Touche review report dated Aug 13, 2025)

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS AND THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)  
**(Reviewed, Not Audited)**

	For the Three Months Ended June 30, 2025		For the Three Months Ended June 30, 2024		For the Six Months Ended June 30, 2025		For the Six Months Ended June 30, 2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	\$ 333,023	100	\$ 320,399	100	\$ 729,999	100	\$ 578,630	100
OPERATING COSTS (Note 10)	( 176,896)	( 53)	( 174,710)	( 55)	( 375,349)	( 51)	( 318,865)	( 55)
GROSS PROFIT	<u>156,127</u>	<u>47</u>	<u>145,689</u>	<u>45</u>	<u>354,650</u>	<u>49</u>	<u>259,765</u>	<u>45</u>
OPERATING EXPENSES (Note 22)								
Marketing	( 20,067)	( 6)	( 19,055)	( 6)	( 40,835)	( 6)	( 36,683)	( 7)
General and administrative	( 42,247)	( 13)	( 30,031)	( 9)	( 75,427)	( 10)	( 57,650)	( 10)
Research and development	( 118,052)	( 35)	( 115,864)	( 36)	( 237,834)	( 33)	( 226,421)	( 39)
Total operating expenses	( 180,366)	( 54)	( 164,950)	( 51)	( 354,096)	( 49)	( 320,754)	( 56)
OPERATING INCOME (LOSS)	( 24,239)	( 7)	( 19,261)	( 6)	554	-	( 60,989)	( 11)
NON-OPERATING INCOME AND EXPENSES (Note 22 and 26)								
Interest income	2,092	1	1,472	-	2,808	1	2,324	-
Other income	1,120	-	395	-	1,491	-	881	-
Other gains and losses	742	-	1,849	1	2,406	-	2,948	1
Financial costs	( 724)	-	( 1,211)	-	( 1,806)	-	( 2,250)	-
Total non-operating income and expenses	<u>3,230</u>	<u>1</u>	<u>2,505</u>	<u>1</u>	<u>4,899</u>	<u>1</u>	<u>3,903</u>	<u>1</u>
PROFIT (LOSS) BEFORE INCOME TAX	( 21,009)	( 6)	( 16,756)	( 5)	5,453	1	( 57,086)	( 10)
INCOME TAX BENEFIT (Note 4 and 23)	<u>9,778</u>	<u>3</u>	<u>3,577</u>	<u>1</u>	<u>8,770</u>	<u>1</u>	<u>3,572</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE PERIOD	( 11,231)	( 3)	( 13,179)	( 4)	14,223	2	( 53,514)	( 9)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(\$ 11,231)</u>	<u>( 3)</u>	<u>(\$ 13,179)</u>	<u>( 4)</u>	<u>\$ 14,223</u>	<u>2</u>	<u>(\$ 53,514)</u>	<u>( 9)</u>
NET PROFIT (LOSS) ATTRIBUTED TO :								
Shareholders of the Company	(\$ 11,231)	( 3)	(\$ 13,179)	( 4)	\$ 14,223	2	(\$ 53,514)	( 9)
Non-controlling interests	-	-	-	-	-	-	-	-
	<u>(\$ 11,231)</u>	<u>( 3)</u>	<u>(\$ 13,179)</u>	<u>( 4)</u>	<u>\$ 14,223</u>	<u>2</u>	<u>(\$ 53,514)</u>	<u>( 9)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO :								
Shareholders of the Company	(\$ 11,231)	( 3)	(\$ 13,179)	( 4)	\$ 14,223	2	(\$ 53,514)	( 9)
Non-controlling interests	-	-	-	-	-	-	-	-
	<u>(\$ 11,231)</u>	<u>( 3)</u>	<u>(\$ 13,179)</u>	<u>( 4)</u>	<u>\$ 14,223</u>	<u>2</u>	<u>(\$ 53,514)</u>	<u>( 9)</u>
EARNINGS (LOSS) PER SHARE (Note 24)								
Basic	<u>(\$ 0.25)</u>		<u>(\$ 0.29)</u>		<u>\$ 0.31</u>		<u>(\$ 1.19)</u>	
Diluted	<u>(\$ 0.25)</u>		<u>(\$ 0.29)</u>		<u>\$ 0.31</u>		<u>(\$ 1.19)</u>	

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated Aug 13, 2025)

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

**(In Thousands of New Taiwan Dollars)**

**(Reviewed, Not Audited)**

**Equity Attributable to Shareholders of the Corporation**

	Share Capital		Capital surplus		Retained Earnings		Other Equity		Non-controlling Interests	Total Equity
	Shares (In thousands)	Amount	Capital Collected In Advance	Additional Paid-in Capital	Employee Share Options	Legal Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve		
BALANCE, JANUARY 1, 2024	44,676	\$ 446,760	\$ 4,755	\$ 690,960	\$ 20,838	\$ 150,786	\$ 621,493	\$ 13	\$ 347	\$ 1,935,952
Appropriations of 2023 earnings										
Legal capital reserve	-	-	-	-	-	8,914	( 8,914 )	-	-	-
Cash dividends to shareholders	-	-	-	-	-	-	( 54,182 )	-	-	( 54,182 )
Net loss for the six months ended June 30, 2024	-	-	-	-	-	-	( 53,514 )	-	-	( 53,514 )
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	( 53,514 )	-	-	( 53,514 )
Other changes in capital surplus :										
Recognition of employee share options by the Company	-	-	-	-	8,226	-	-	-	-	8,226
BALANCE, JUNE 30, 2024	<u>44,676</u>	<u>\$ 446,760</u>	<u>\$ 4,755</u>	<u>\$ 690,960</u>	<u>\$ 29,064</u>	<u>\$ 159,700</u>	<u>\$ 504,883</u>	<u>\$ 13</u>	<u>\$ 347</u>	<u>\$ 1,836,482</u>
BALANCE, JANUARY 1, 2025	45,152	\$ 451,515	\$ 955	\$ 693,498	\$ 36,500	\$ 159,700	\$ 496,840	\$ 17	\$ 348	\$ 1,839,373
Appropriations of 2024 earnings										
Legal capital reserve	-	-	-	-	-	-	-	-	-	-
Issue of ordinary shares under employee share options	95	955	( 945 )	26	( 8 )	-	-	-	-	28
Net profit for the six months ended June 30, 2025	-	-	-	-	-	-	14,223	-	-	14,223
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	14,223	-	-	14,223
Other changes in capital surplus :										
Recognition of compensation costs of employee share options by the Company	-	-	-	-	3,293	-	-	-	-	3,293
Cash distribution from capital surplus	-	-	-	( 22,624 )	-	-	-	-	-	( 22,624 )
BALANCE, JUNE 30, 2025	<u>45,247</u>	<u>\$ 452,470</u>	<u>\$ 10</u>	<u>\$ 670,900</u>	<u>\$ 39,785</u>	<u>\$ 159,700</u>	<u>\$ 511,063</u>	<u>\$ 17</u>	<u>\$ 348</u>	<u>\$ 1,834,293</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated Aug 13, 2025)

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

**(In Thousands of New Taiwan Dollars)**

**(Reviewed, Not Audited)**

	<b>For the Six Months Ended June 30, 2025</b>	<b>For the Six Months Ended June 30, 2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (Loss) before income tax	\$ 5,453	(\$ 57,086)
Adjustments for :		
Depreciation expenses	14,468	12,960
Amortization expense	23,448	17,666
Finance costs	1,806	2,250
Interest income	( 2,808)	( 2,324)
Compensation cost of share-based payments	3,293	8,226
Inventory obsolescence reversal (gain) losses	( 18,000)	2,400
Net loss (gain) on foreign currency exchange	146	( 6,437)
Net changes related to operating assets and liabilities		
Accounts receivable	( 3,430)	52,215
Other receivables	( 7,388)	5,577
Inventories	201,467	( 237,643)
Prepayments	( 4,576)	( 25,259)
Other current assets	( 14,961)	177
Contract liabilities	( 5,458)	2,601
Accounts payable	63,895	26,753
Other payables	18,518	( 32,993)
Other current liabilities	<u>28</u>	<u>( 797)</u>
Cash generated from operations	275,901	( 231,714)
Interest paid	( 1,806)	( 2,250)
Income tax paid (received)	<u>43,860</u>	<u>( 267)</u>
Net cash (used in) generated from operating activities	<u>317,955</u>	<u>( 234,231)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	( 2,300)	-
Purchase of financial assets at amortized cost	( 91)	( 80)
Payment for property, plant and equipment	( 34,889)	( 8,805)
Decrease (increase) in refundable deposits	1,414	( 312)
Payment for intangible assets	( 69,270)	( 1,090)
Interest received	<u>2,808</u>	<u>2,324</u>
Net cash used in investing activities	<u>( 102,328)</u>	<u>( 7,963)</u>

(Continued)

	<b>For the Six Months Ended June 30, 2025</b>	<b>For the Six Months Ended June 30, 2024</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	\$ 199,055	\$ 149,422
Decrease in short-term loans	( 163,396)	( 215,225)
Exercise of employee share options	<u>28</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>35,687</u>	<u>( 65,803)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>( 2,448)</u>	<u>4,969</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	248,866	( 303,028)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>368,588</u>	<u>620,395</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 617,454</u>	<u>\$ 317,367</u>

The accompanying notes are an integral part of these consolidated financial statements.  
(With Deloitte & Touche review report dated Aug 13, 2025)

# ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024 (Reviewed, Not Audited)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

**1. GENERAL INFORMATION**

ASOLID TECHNOLOGY CO., LTD. (the “Corporation”) was incorporated in February 2008 under the Company Act of the Republic of China (“ROC”). The Corporation mainly designs and sells flash memory controllers and peripheral system applications.

The Corporation’s shares have been traded on the Taipei Exchange since November 2015.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

ASOLID TECHNOLOGY CO., LTD. and its subsidiaries are collectively referred to as the consolidated company.

**2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Corporation’s board of directors on August 13, 2025.

**3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS**

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

Amendments to IAS 21 “Lack of exchangeability”

The amendment to IAS 21 regarding “lack of exchangeability” does not have any material impact on the consolidated company’s accounting policies.

b. Effect of new issuances of IFRS issued by the IASB from 2026 are as follows

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance Contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – comparative information"	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the consolidated company

is continuously assessing the possible impact that the application of the aforementioned standards and interpretations will have on the consolidated company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs issued by IASB, but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1 : Unless stated otherwise, the above new, amended and revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- The income statement should divide incomes, expenses and taxes into business, investment, financing, income tax and discontinued operation categories.
- The income statement should list the subtotal and the total of the operating income, the profit or loss before financing and tax, and the profit or loss.
- Guidance provided for consolidation of the rules of aggregation and disaggregation: The consolidated company should identify the assets, liabilities, equity, incomes, expenses, losses and cash flows being generated from individual transactions and other events, and classify and aggregate based on their common characteristics to ensure that every item listed in each single column in the primary financial statements share at least one similar characteristic. In the primary financial statements and the notes thereto, items with different characteristics shall be disaggregated. The consolidated company lists items as “others” only when the consolidated company is unable to find a more informative name for such items.
- Addition of the disclosure of the performance measurement defined by the management: For conducting public communication beyond financial statements and sharing a specific concept of overall financial performance with users of the financial statements, the consolidated company shall disclose, in the notes to the financial statements, the information of the performance measurement defined by the management, including description of the measurement, calculation methods, adjustment of the subtotal or total amount specified in the IFRSs, and income tax and non-controlling interest effects.

As of the date the consolidated financial statements were authorized for issue, the consolidated company is continuously assessing the possible impact that the application of aforementioned standards and interpretations will have on the consolidated company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Statement of Compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### **b. Basis of Preparation**

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

##### **c. Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Corporation’s ownership interests in subsidiaries that do not result in the Corporation losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interest of the Corporation and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 11, Tables 2 and Tables 3 following the Notes to Consolidated Financial Statements for detailed information on subsidiaries (including the percentage of ownership and main businesses).

**d. Other significant accounting policies**

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

**5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Please refer to the explanation of major sources of uncertainties in major accounting judgments, estimates and assumptions in the 2024 consolidated financial report.

**6. CASH AND CASH EQUIVALENTS**

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,730	\$ 1,785	\$ 1,918
Checking accounts and demand deposits	115,724	166,803	215,449
Cash on hand Time deposits with original maturity within 3 months	<u>500,000</u>	<u>200,000</u>	<u>100,000</u>
	<u>\$ 617,454</u>	<u>\$ 368,588</u>	<u>\$ 317,367</u>

**7. FINANCIAL ASSETS AT AMORTIZED COST**

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Restricted demand deposits	<u>\$ 21,131</u>	<u>\$ 21,064</u>	<u>\$ 20,145</u>
<u>Non-Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 5,233</u>	<u>\$ 5,209</u>	<u>\$ 5,185</u>

- a. The interest rates on June 30, 2025, December 31, 2024 and June 30, 2024, time deposits with original maturities of more than 3 months and restricted demand deposits are 0.73% ~ 1.23%、

0.71%~1.23% and 0.725%~1.23% per annum.

- b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Non-Current</u>			
Domestic unlisted (OTC) common stocks			
Common stock-EmBestor Technology Inc.	\$ 2,300	\$ -	\$ -

In line with its medium- to long-term strategic investment objectives, the Company acquired common shares of EmBestor Technology Inc. in the first half of 2025 for NT\$2,300 thousand. Management considers that recognizing short-term fluctuations in fair value of such investment in profit or loss would be inconsistent with the Company's long-term investment strategy. Accordingly, the Company has elected to designate the investment as financial assets measured at fair value through other comprehensive income.

## 9. ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 175,512	\$ 182,832	\$ 189,900
Less: Loss allowance	( 23,381 )	( 23,381 )	( 23,381 )
	<u>\$ 152,131</u>	<u>\$ 159,451</u>	<u>\$ 166,519</u>
<u>Other receivables</u>			
Income tax refund receivable	\$ 8,263	\$ 875	\$ -

### Accounts receivable

The average credit period of sales of goods was 60 days to 90 days. No interest was charged on accounts receivable. The consolidated company adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is the use of other publicly available financial information and historical transaction records to rate major customers. The consolidated company continues to monitor the credit risk and the credit rating of the counterparty, and distributes the total transaction amount to different customers with qualified credit ratings. In addition, it manages the credit risk through the counterparty credit line reviewed and approved by the Risk Management Committee every year.

The consolidated company measures the loss allowance for accounts receivables at an amount Equal to lifetime expected credit losses. The expected credit losses on accounts receivables are estimated using an allowance matrix by reference to past default experience with the respective debtors and an analysis of each debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the consolidated

company's historical credit losses experience does not show significantly different loss patterns for different customer segments, the loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the consolidated company's customer base.

The consolidated company writes off an accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, such as liquidation of the debtor. For accounts receivables that have been written off, the consolidated company continues to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The consolidated company measures the allowance loss of accounts receivable according to the reserve matrix as follows :

June 30, 2025

	Not past due	Past due 1-120 days	Past due 121-180 days	Past due 181-365 days	Past due over 365 days	Total
Gross carrying amount	\$151,208	\$ 24,304	\$ -	\$ -	\$ -	\$175,512
Loss allowance (lifetime expected credit losses)	-	( 23,381 )	-	-	-	( 23,381 )
Amortized cost	<u>\$151,208</u>	<u>\$ 923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$152,131</u>

December 31, 2024

	Not past due	Past due 1-120 days	Past due 121-180 days	Past due 181-365 days	Past due over 365 days	Total
Gross carrying amount	\$128,939	\$ 37,994	\$ -	\$ -	\$ 15,899	\$182,832
Loss allowance (lifetime expected credit losses)	-	( 7,482 )	-	-	( 15,899 )	( 23,381 )
Amortized cost	<u>\$128,939</u>	<u>\$ 30,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$159,451</u>

June 30, 2024

	Not past due	Past due 1-120 days	Past due 121-180 days	Past due 181-365 days	Past due over 365 days	Total
Gross carrying amount	\$123,787	\$ 40,990	\$ -	\$ 14,900	\$ 10,223	\$189,900
Loss allowance (lifetime expected credit losses)	-	( 10,178 )	-	( 2,980 )	( 10,223 )	( 23,381 )
Amortized cost	<u>\$123,787</u>	<u>\$ 30,812</u>	<u>\$ -</u>	<u>\$ 11,920</u>	<u>\$ -</u>	<u>\$166,519</u>

The movements of the loss allowance of account receivables were as follows:

	Six Months Ended June 30	
	2025	2024
Balance, beginning of period	\$ 23,381	\$ 27,325
Less: Reversal	-	( 3,944 )
Balance, end of period	<u>\$ 23,381</u>	<u>\$ 23,381</u>

## 10. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	\$ 171,876	\$ 248,888	\$ 329,181
Work in process	8,545	7,699	10,504
Raw materials	122,256	206,429	267,696
Merchandise	<u>3,516</u>	<u>26,644</u>	<u>44,680</u>
	<u>\$ 306,193</u>	<u>\$ 489,660</u>	<u>\$ 652,061</u>

The nature of the cost of sales is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
The cost of inventory sold	\$ 194,896	\$ 172,310	\$ 393,349	\$ 316,465
Inventory write-downs and obsolescence losses (reversal gains)	( <u>18,000</u> )	<u>2,400</u>	( <u>18,000</u> )	<u>2,400</u>
	<u>\$ 176,896</u>	<u>\$ 174,710</u>	<u>\$ 375,349</u>	<u>\$ 318,865</u>

## 11. SUBSIDIARIES

### Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Principal Activities	Proportion of Ownership (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
ASolid Technology Co., Ltd	Advanced Memory Technology Co., Ltd	Integrated circuit design	37.12	37.12	37.12	1、2
	Innostor Technology (Samoa) Limited	Investment holding company	100	100	100	2
Innostor Technology (Samoa) Limited	Innostor Technology (Shenzhen ) Ltd.	Consumer electronics, services business	100	100	100	2

Note:

- The Company acquired 37.12% equity of Advanced Memory Technology Co., Ltd. Because over 50% directors of Advanced Memory Technology Co., Ltd., who have the power to dominate the relevant activities, are assigned by the consolidated company, the consolidated company listed Advanced Memory Technology Co., Ltd. as a subsidiary.
- The financial statements of the immaterial subsidiaries have not been reviewed.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Research and Development Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2025	\$ 505,881	\$ 380,936	\$ 47,154	\$ 37,042	\$ 55,673	\$ 1,026,686
Additions	-	143	3,991	15,564	16,413	36,111
Disposals	-	-	-	( 1,083 )	-	( 1,083 )
Effect of rate changes	-	-	( 19 )	( 63 )	-	( 82 )
Balance at June 30, 2025	<u>\$ 505,881</u>	<u>\$ 381,079</u>	<u>\$ 51,126</u>	<u>\$ 51,460</u>	<u>\$ 72,086</u>	<u>\$ 1,061,632</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2025	\$ -	\$ 32,232	\$ 32,830	\$ 32,070	\$ -	\$ 97,132
Depreciation expense	-	5,855	4,084	4,529	-	14,468
Disposals	-	-	-	( 1,083 )	-	( 1,083 )
Effect of rate changes	-	-	( 8 )	( 62 )	-	( 70 )
Balance at June 30, 2025	<u>\$ -</u>	<u>\$ 38,087</u>	<u>\$ 36,906</u>	<u>\$ 35,454</u>	<u>\$ -</u>	<u>\$ 110,447</u>
Balance at June 30, 2025, net	<u>\$ 505,881</u>	<u>\$ 342,992</u>	<u>\$ 14,220</u>	<u>\$ 16,006</u>	<u>\$ 72,086</u>	<u>\$ 951,185</u>
Balance at December 31, 2024 and Balance at January 1, 2025, net	<u>\$ 505,881</u>	<u>\$ 348,704</u>	<u>\$ 14,324</u>	<u>\$ 4,972</u>	<u>\$ 55,673</u>	<u>\$ 929,554</u>
<u>Cost</u>						
Balance at January 1, 2024	\$ 505,881	\$ 380,936	\$ 38,572	\$ 35,825	\$ -	\$ 961,214
Additions	-	-	7,884	992	-	8,876
Disposals	-	-	-	( 504 )	-	( 504 )
Effect of rate changes	-	-	5	19	-	24
Balance at June 30, 2024	<u>\$ 505,881</u>	<u>\$ 380,936</u>	<u>\$ 46,461</u>	<u>\$ 36,332</u>	<u>\$ -</u>	<u>\$ 969,610</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ -	\$ 20,531	\$ 25,162	\$ 25,987	\$ -	\$ 71,680
Depreciation expense	-	5,851	3,704	3,405	-	12,960
Disposals	-	-	-	( 504 )	-	( 504 )
Effect of rate changes	-	-	1	19	-	20
Balance at June 30, 2024	<u>\$ -</u>	<u>\$ 26,382</u>	<u>\$ 28,867</u>	<u>\$ 28,907</u>	<u>\$ -</u>	<u>\$ 84,156</u>
Balance at June 30, 2024, net	<u>\$ 505,881</u>	<u>\$ 354,554</u>	<u>\$ 17,594</u>	<u>\$ 7,425</u>	<u>\$ -</u>	<u>\$ 885,454</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their following estimated useful lives as follows:

Buildings	10-35 years
Research and Development Equipment	1-3 years
Other Equipment	1-5 years

Property, plant and equipment pledged as collateral for bank borrowings are disclosed in Note 29.

## 13. LEASE ARRANGEMENTS

### Other lease information

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Short-term rental expenses	<u>\$ 2,149</u>	<u>\$ 2,969</u>	<u>\$ 5,321</u>	<u>\$ 5,826</u>
The total amount of cash (outflow) from the lease			<u>( \$ 5,321 )</u>	<u>( \$ 5,826 )</u>

The consolidated company leases certain office equipment which qualify as short-term leases and parking space and certain office equipment. The consolidated company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

#### 14. OTHER INTANGIBLE ASSETS

	Photomask	Computer Software	Technology Licensing	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 139,285	\$ 28,602	\$ 134,454	\$ 302,341
Additions	47,371	6,234	15,665	69,270
Disposals	<u>-</u>	<u>( 1,155)</u>	<u>( 7,583)</u>	<u>( 8,738)</u>
Balance at June 30, 2025	<u>\$ 186,656</u>	<u>\$ 33,681</u>	<u>\$ 142,536</u>	<u>\$ 362,873</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2025	\$ 114,375	\$ 18,493	\$ 129,673	\$ 262,541
Amortization	15,593	4,008	3,847	23,448
Disposals	<u>-</u>	<u>( 1,155)</u>	<u>( 7,583)</u>	<u>( 8,738)</u>
Balance at June 30, 2025	<u>\$ 129,968</u>	<u>\$ 21,346</u>	<u>\$ 125,937</u>	<u>\$ 277,251</u>
Balance at June 30, 2025, net	<u>\$ 56,688</u>	<u>\$ 12,335</u>	<u>\$ 16,599</u>	<u>\$ 85,622</u>
Balance at December 31, 2024 and Balance at January 1, 2025, net	<u>\$ 24,910</u>	<u>\$ 10,109</u>	<u>\$ 4,781</u>	<u>\$ 39,800</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 117,685	\$ 26,792	\$ 134,454	\$ 278,931
Additions	<u>-</u>	<u>1,090</u>	<u>-</u>	<u>1,090</u>
Balance at June 30, 2024	<u>\$ 117,685</u>	<u>\$ 27,882</u>	<u>\$ 134,454</u>	<u>\$ 280,021</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 91,111	\$ 12,826	\$ 120,052	\$ 223,989
Amortization	<u>9,664</u>	<u>2,698</u>	<u>5,304</u>	<u>17,666</u>
Balance at June 30, 2024	<u>\$ 100,775</u>	<u>\$ 15,524</u>	<u>\$ 125,356</u>	<u>\$ 241,655</u>
Balance at June 30, 2024, net	<u>\$ 16,910</u>	<u>\$ 12,358</u>	<u>\$ 9,098</u>	<u>\$ 38,366</u>

The above items of intangible assets are amortized on a straight-line basis over their following estimated useful lives:

Photomask	2 years
Computer software	1-3 years
Technology Licensing	1-3 years

#### 15. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
prepayments			
prepaid expenses	\$ 16,999	\$ 10,326	\$ 24,219
prepayment for purchases	15,108	17,205	1,264
tax credit carryforward	<u>320</u>	<u>320</u>	<u>17,044</u>
	<u>\$ 32,427</u>	<u>\$ 27,851</u>	<u>\$ 42,527</u>
	June 30, 2025	December 31, 2024	June 30, 2024
<u>Other Assets</u>			
Temporary payments	\$ 32,366	\$ 17,405	\$ 19,326
Other	<u>10</u>	<u>10</u>	<u>10</u>
	<u>\$ 32,376</u>	<u>\$ 17,415</u>	<u>\$ 19,336</u>

## 16. LOANS

### Short-Term Loans

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Unsecured loans</u>			
Credit Limit loans	\$ 93,760	\$ 65,580	\$ 29,205

As of June 30, 2025, December 31, 2024 and June 30, 2024, the interest rates on bank credit limit loans were 4.78%~5.08%, 5.26%~5.50% and 5.93%~6.49%.

## 17. ACCOUNTS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Accounts payable</u>			
Arising from operating activities	\$ 127,135	\$ 68,825	\$ 171,991

## 18. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Other payables			
Salaries and bonuses payable	\$ 40,480	\$ 42,685	\$ 34,676
Equipment payment payable	16,980	1,222	71
Labor and health insurances payable	11,373	9,858	10,122
Research fees payable	9,832	4,519	7,761
Employees' compensation and remuneration of directors payable	4,130	3,787	13,683
Fees payable	2,537	2,610	1,802
Dividend payable	22,624	-	54,182
Others	16,413	17,324	17,262
	<u>\$ 124,369</u>	<u>\$ 82,005</u>	<u>\$ 139,559</u>
Other Liabilities			
Receipts under custody	\$ 604	\$ 576	\$ 723
Refund liabilities	-	-	3
Temporary receipts	-	1,295	-
	<u>\$ 604</u>	<u>\$ 1,871</u>	<u>\$ 726</u>

## 19. RETIREMENT BENEFIT PLANS

### Defined contribution plan

Except the Innostor Technology (Shenzhen) Ltd, the Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

## 20. EQUITY

### a. Common shares

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>45,247</u>	<u>45,152</u>	<u>44,676</u>
Shares issued	<u>\$ 452,470</u>	<u>\$ 451,515</u>	<u>\$ 446,760</u>

### b. Capital collected in advance

	June 30, 2025	December 31, 2024	June 30, 2024
Capital collected in advance	<u>\$ 10</u>	<u>\$ 955</u>	<u>\$ 4,755</u>

Fully paid issued common shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

The shareholders' meeting resolved to approve the private placement of common shares on June 18, 2025, with a maximum limit of 3.9 million shares, authorizing the Board of Directors to handle the matter in one or two times within one year from the date of the shareholders' meeting resolution. As of June 30, 2025, the Company has not yet completed the private placement of common shares.

The rights and obligations of the private placement of common shares are the same as the common shares already issued by the company, and they will not be issued in physical form. However, in accordance with Article 43-8 of the Securities and Exchange Act, except under specific circumstances, the shares are generally subject to a restriction on free transfer for three years from the date of delivery. Three years after the delivery of the privately placed common shares, the company intends to apply for public issuance and listing on the OTC market in accordance with relevant regulations.

Of the Corporation’s authorized capital shares, 10,000 thousand shares were reserved for the issuance of employee share options.

The change in paid-in capital in advance is due to the receipt of funds from employees exercising their employee stock warrants.

c. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of common shares	\$ 552,948	\$ 575,572	\$ 575,572
Employee share options have been adjusted to issuance of common shares	117,952	117,926	115,388
<u>May not be used for any purpose</u>			
Employee share options	<u>39,785</u>	<u>36,500</u>	<u>29,064</u>
	<u>\$ 710,685</u>	<u>\$ 729,998</u>	<u>\$ 720,024</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).

d. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years (including adjustment of the unappropriated earnings amount), setting aside as legal reserve 10% of the remaining profit until the accumulated legal capital reserve equals to the paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with the beginning balance of undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration to directors and supervisors before and after amendment, refer to Note 22(g) "employees' compensation and remuneration of directors and supervisors".

The Corporation's dividend distribution policy takes into consideration the current and future investment environment, capital requirements, domestic and international competition, capital budget plans, shareholders' interests, cash dividends should be at least 10% of the total dividends distributed. However, the Corporation may adjust the principle of distribution of cash dividends and stock dividends as necessary, depending on economic conditions, industrial development and capital needs

A legal reserve shall be charged until its balance amounts to the total amount of the Corporation's paid-in share capital. A legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for the years ended December 31, 2023 was approved in shareholders' meeting on June 20, 2024 and was as follows:

	<u>2023</u>
Legal reserve	<u>\$ 8,914</u>
Cash dividends	<u>\$ 54,182</u>
Cash dividends per share (NT\$)	\$ 1.20

The dividend distribution proposal of a cash distribution of NT\$22,624 thousand (NT\$0.5 per share) from capital reserve was approved at the meeting of shareholders on June 18, 2025.

e. Non-controlling interests

	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Balance, beginning and end of period	<u>\$ 348</u>	<u>\$ 347</u>

## 21. REVENUE

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers				
Merchandise sales revenue	<u>\$ 333,023</u>	<u>\$ 320,399</u>	<u>\$ 729,999</u>	<u>\$ 578,630</u>
a. Contract balances				
	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Accounts Receivable (Note 8)	<u>\$ 152,131</u>	<u>\$ 159,451</u>	<u>\$ 166,519</u>	<u>\$ 208,478</u>
Contract Liability-current				
Merchandise sales	<u>\$ 49,055</u>	<u>\$ 53,218</u>	<u>\$ 6,223</u>	<u>\$ 2,739</u>

b. Segmentation of revenue from contracts with customers

1) Main product and services income

The income analysis of the main products and services of the combined company is as follows:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Flash Controller	<u>\$ 321,563</u>	<u>\$ 291,773</u>	<u>\$ 711,161</u>	<u>\$ 525,374</u>
Packaged Controller	1,730	4,498	4,576	8,424
Others	<u>9,730</u>	<u>24,128</u>	<u>14,262</u>	<u>44,832</u>
	<u>\$ 333,023</u>	<u>\$ 320,399</u>	<u>\$ 729,999</u>	<u>\$ 578,630</u>

2) Regional Information

The main regional operations of the combined company are Taiwan, China and South Korea. The consolidated company revenue from external customers is listed below according to the location of operations:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
China	\$ 139,953	\$ 136,810	\$ 317,359	\$ 245,161
Taiwan	79,531	80,012	198,190	146,489
South Korea	25,979	64,333	63,284	124,103
Others	87,560	39,244	151,166	62,877
	<u>\$ 333,023</u>	<u>\$ 320,399</u>	<u>\$ 729,999</u>	<u>\$ 578,630</u>

**22. NET PROFIT**

a. Interest income

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	<u>\$ 2,092</u>	<u>\$ 1,472</u>	<u>\$ 2,808</u>	<u>\$ 2,324</u>

b. Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Government subsidies (Note 25)	\$ 483	\$ -	\$ 483	\$ 75
Others	637	395	1,008	806
	<u>\$ 1,120</u>	<u>\$ 395</u>	<u>\$ 1,491</u>	<u>\$ 881</u>

c. Other gains and losses

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net foreign exchange gains (loss)	\$ 758	\$ 1,864	\$ 2,435	\$ 2,973
Other	( 16)	( 15)	( 29)	( 25)
	<u>\$ 742</u>	<u>\$ 1,849</u>	<u>\$ 2,406</u>	<u>\$ 2,948</u>

d. Finance costs

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Interest on bank loans	<u>\$ 724</u>	<u>\$ 1,211</u>	<u>\$ 1,806</u>	<u>\$ 2,250</u>

e. Depreciation and amortization

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating expenses	<u>\$ 7,828</u>	<u>\$ 6,664</u>	<u>\$ 14,468</u>	<u>\$ 12,960</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 14,414</u>	<u>\$ 8,848</u>	<u>\$ 23,448</u>	<u>\$ 17,666</u>

f. Employee benefits expense

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits				
Defined contribution plans	\$ 4,777	\$ 4,268	\$ 8,980	\$ 8,360
Share-based payment (Note 24)				
Equity settlement	( 970)	4,113	3,293	8,226
Other employee benefits	<u>118,527</u>	<u>105,335</u>	<u>230,893</u>	<u>212,276</u>
Total employee benefits	<u>\$ 122,334</u>	<u>\$ 113,716</u>	<u>\$ 243,166</u>	<u>\$ 228,862</u>
Employee benefits recognized in operating expenses	<u>\$ 122,334</u>	<u>\$ 113,716</u>	<u>\$ 243,166</u>	<u>\$ 228,862</u>

g. Employees' compensation and remuneration of directors

The Corporation accrued employees' compensation and remuneration of directors at the rates of 7% to 17% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company amended its Articles of Incorporation as resolved at the shareholders' meeting on June 18, 2025, to appropriate no less than 1% of profit before tax, before deduction of employees' and directors' and supervisors' remuneration, as compensation for non-managerial employees.

The estimated employees' compensation and remuneration of directors for 2025 and 2024 from April 1 to June 30, 2025 and 2024 from January 1 to June 30 as follows:

Amount

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Employees' compensation	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 3,750</u>	<u>\$ -</u>
Remuneration of directors	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 380</u>	<u>\$ -</u>

If there is a change in the amounts after the annual consolidation financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

As the Company incurred a loss before tax for the year 2024, no employee compensation or directors' remuneration was accrued.

The employees' compensation and remuneration of directors for 2023 was resolved by the board of directors on March 12, 2024 as follows:

	<u>2023</u>
	<u>Cash Dividends</u>
Employees' compensation	\$ 11,340
Remuneration of directors	1,060

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidation financial statements for the years ended December 31, 2023.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Foreign exchange gains	\$ 19,938	\$ 5,909	\$ 24,025	\$ 7,644
Foreign exchange losses	( 19,180)	( 4,045)	( 21,590)	( 4,671)
Net (losses) gains	<u>\$ 758</u>	<u>\$ 1,864</u>	<u>\$ 2,435</u>	<u>\$ 2,973</u>

**23. INCOME TAXES**

a. Income tax recognized in profit or loss:

The major components of tax expense were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current year	(\$ 2,921)	\$ -	(\$ 2,659)	\$ 5
Prior year adjustments	( 6,857)	( 3,577)	( 6,111)	( 3,577)
Income tax expense recognized in profit or loss	(\$ 9,778)	(\$ 3,577)	(\$ 8,770)	(\$ 3,572)

b. Income tax assessment

Income tax returns through 2023 have been assessed by the tax authorities.

**24. EARNINGS (LOSS) PER SHARE**

Unit: NT\$ Per Share

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings (loss) per share	(\$ 0.25)	(\$ 0.29)	\$ 0.31	(\$ 1.19)
Diluted earnings (loss) per share	(\$ 0.25)	(\$ 0.29)	\$ 0.31	(\$ 1.19)

The earnings and weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

**Net Profit (Loss) for the Period**

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Earnings used in the computation of basic earnings (loss) per share	(\$ 11,231)	(\$ 13,179)	\$ 14,223	(\$ 53,514)

**Shares**

Unit: Thousands of Shares

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Weighted-average number of common shares used in the computation of basic earnings (loss) per share	45,247	45,152	45,247	45,152
Effect of potentially dilutive common shares:				
Share plan for employees	-	-	-	-
Employees' compensation	-	-	70	-
Weighted-average number of common shares used in the computation of basic earnings (loss) per share	<u>45,247</u>	<u>45,152</u>	<u>45,317</u>	<u>45,152</u>

If the consolidated company offered to settle compensation or bonuses paid to employees in cash or shares, the consolidated company assumed the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 25. SHARE-BASED PAYMENT ARRANGEMENTS

### Restricted stock option plan for employees

#### a. Stock option plan for employees in 2019

On December 31, 2019, the Corporation gave 2,500 units of equity to employees, each of which can subscribe for 1 share of common stock, to employees who include the Company's specific conditions. The retention period of the rights issue shall be 6 years, and the holder may exercise a certain proportion of the rights to be given to it from the date of the issuance of the certificate for 2 years. The above-mentioned employee warrants are declared effective by Rule No. 1080339350 issued by the Financial Supervisory Commission.

Information on share plan for employees was as follows:

Share plan for employees	Six Months Ended June 30			
	2025		2024	
	Unit	Weighted average execution price	Unit	Weighted average execution price
Balance at January 1	19	\$ 28.30	657	\$ 28.70
Executed	( 1 )	28.00	( 475 )	28.70
Balance at June 30	<u>18</u>	28.00	<u>182</u>	28.30
Balance at June 30 can be executed	<u>18</u>		<u>182</u>	

The remuneration costs recognized from April 1 to June 30, 2025 and 2024, from January 1 to June 30, 2025 and 2024, both are \$0 thousand.

#### b. Stock option plan for employees in 2023

On March 6, 2023, the Corporation gave 1,500 units of equity to employees, each of which can subscribe for 1 share of common stock, to employees who include the Company's specific conditions. The retention period of the rights issue shall be 6 years, and the holder may exercise a certain proportion of the rights to be given to it from the date of the issuance of the certificate for 2 years. The above-mentioned employee warrants are declared effective by Rule No. 1110336561 issued by the Financial Supervisory Commission.

Information on share plan for employees was as follows:

Share plan for employees	Six Months Ended June 30			
	2025		2024	
	Unit	Weighted average execution price	Unit	Weighted average execution price
Balance at January 1	1,424	\$ 76.30	1,424	\$ 77.50
Granted	( 144 )		-	
Balance at June 30	<u>1,280</u>	76.30	<u>1,424</u>	76.30
Balance at June 30 can be executed	<u>750</u>		<u>-</u>	

The expected volatility is based on the standard deviation over the life of the simulated company's historical average stock price volatility over time and is annualized.

The remuneration costs recognized from April 1 to June 30, 2025 and 2024, from January 1 to June 30 (reversal), 2025 and 2024 are (\$4,177) thousand, \$4,113 thousand, (\$2,052) thousand and \$8,226 thousand.

c. Stock option plan for employees in 2025

On January 22, 2025, the Corporation gave 2,000 units of equity to employees, each of which can subscribe for 1 share of common stock, to employees who include the Company's specific conditions. The retention period of the rights issue shall be 6 years, and the holder may exercise a certain proportion of the rights to be given to it from the date of the issuance of the certificate for 2 years. The above-mentioned employee warrants are declared effective by Rule No. 1140330044 issued by the Financial Supervisory Commission.

Information on share plan for employees was as follows:

Employee Stock Option	Six Months Ended June 30, 2025	
	Unit	Weighted average execution price
Outstanding at the beginning of period	2,000	\$ 49.95
Executed	-	-
Balance at June 30	<u>2,000</u>	49.95
Outstanding at the end of period	<u>-</u>	
Weighted-average fair value of stock options granted during the period (in NT\$)	<u>\$ 17.40</u>	

In January 2025, the Corporation gave its employees a share issue using the Black-Scholes evaluation model, which uses the following input values:

	January 2025
Fair value (NT \$)	49.95
The execution price (NT\$)	49.95
Expected volatility	46.98%~63.47%
Period	2~4 years
Expected dividend rate	-
Risk-free interest rates	1.3804%~1.4684%

The remuneration costs recognized from April 1 to June 30, 2025, from January 1 to June 30, 2025, are \$3,207 thousand and \$5,345 thousand.

## 26. GOVERNMENT SUBSIDIES

In 2025 and 2024, the company obtained a government subsidy of \$ 483 thousand and \$ 75 thousand from the " Youth Employment Flagship Program " and the " Ministry of Labor Security Program " (accounted for other income in 2025 and 2024).

## 27. CAPITAL MANAGEMENT

Based on the overall operating environment and the future development of the consolidated company, and taking into account external competition and environmental changes and other related factors, the consolidated company's capital structure is regularly reviewed by the main management, including consideration of the cost of various types of capital and related risks, in order to determine

the appropriate capital structure of the consolidated company. Objective to maintain the consolidated company's working capital requirements, research and development costs and dividend expenses for the future period, and to ensure that the consolidated company can continue to operate, give back to shareholders while taking into account the interests of other stakeholders, and maintain the best capital structure to enhance shareholder value in the long term.

The capital structure of the consolidated company consists of net debts (borrowings offset by cash and cash equivalents) and equity (comprising share capital, capital surplus, retained earnings and other equities).

The consolidated company is not subject to any externally imposed capital requirements.

Key management personnel of the consolidated company review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the consolidated company may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

## 28. FINANCIAL INSTRUMENTS

### a. Fair Value Information – Financial instruments not measured at fair value

For the consolidated financial statements as of June 30, 2025, December 31, 2024, and June 30, 2024, the carrying amounts of financial assets and financial liabilities not measured at fair value did not differ materially from their fair values.

### b. Fair Value Information – Financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value</u>				
<u>through other comprehensive</u>				
<u>income</u>				
Equity Instrument Investments				
- Domestic Unlisted (OTC)				
Stocks	\$ -	\$ -	\$ 2,300	\$ 2,300

As of June 30, 2025, there were no transfers between Level 1 and Level 2 fair value measurements. As of December 31, 2024 and June 30, 2024, the Company had no financial instruments measured at fair value on a recurring basis.

#### 2) Level 3 fair value measurement reconciliation

For the six months ended June 30, 2025

<u>Financial assets</u>	<u>Financial assets at fair value through other comprehensive income</u>
	<u>Equity Instruments</u>
Beginning balance	\$ -
Acquired	<u>2,300</u>
Ending balance	<u>\$ 2,300</u>

3) Valuation techniques and inputs used in level 3 fair value measurements

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at amortized costs (Note 1)	\$ 804,844	\$ 557,233	\$ 511,212
Financial assets at fair value through other comprehensive income			
Equity instrument investment	2,300	-	-
<u>Financial liabilities</u>			
Financial liabilities at amortized costs (Note 2)	345,378	216,524	340,869

Note 1: Including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable (including related parties), other receivables and refundable deposits.

Note 2: Including financial liabilities measured at amortized cost such as short-term loan, accounts payable, other payables and deposits.

d. Financial risk management objectives and policies

The consolidated company's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The consolidated company's financial management department provides services to the business unit and coordinates access to domestic and international financial markets. The risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The consolidated company's activities expose it primarily to the financial risks of changes in foreign currency rates (please refer below a)) and interest rates (please refer below b)). The consolidated company engages in a variety of derivative financial instruments to manage the foreign currency exchange rate risks assumed.

The consolidated company's approach to the risk of market risks in financial instruments and the way in which they are managed and measured has not changed.

a) Foreign currency risk

The consolidated company had foreign currency sales and purchases, which exposed the consolidated company to foreign currency risk. About 100% of the consolidated company's sales are not denominated in functional currencies, while about 100% of the cost amounts are not denominated in functional currencies.

The book value of monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date, as well as the book value of derivatives with exchange rate risk, please refer to Note 31.

### Sensitivity analysis

The consolidated company was mainly exposed to the US dollar.

The following table details the consolidated company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts its translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit and other equity associated with the New Taiwan dollar strengthens 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	Impact of USD	
	Six Months Ended June 30	
	2025	2024
Impact of USD	\$ (150)(i)	\$ 345(i)

(i). Mainly derived from the consolidated company's balance sheet date is still in circulation and no cash flow risk aversion in U.S. dollar-denominated bank savings, receivables, payables and loan.

#### b) Interest rate risk

As the consolidated company borrows funds at both fixed and floating rates, interest rate risk arises. The consolidated company manages interest rate risk by maintaining an appropriate fixed and floating interest rate portfolio. The consolidated company regularly evaluates risk aversion activities to bring them into line with interest rate perspectives and established risk appetites to ensure the most cost-effective risk aversion strategies are adopted.

The carrying amount of the consolidated company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
– Financial assets	\$ 505,233	\$ 205,209	\$ 105,185
Cash flow interest rate risk			
– Financial assets	136,855	187,868	235,594
– Financial liabilities	93,760	65,580	29,205

### Sensitivity analysis

The following sensitivity analysis is based on the risk of interest rate risk at the balance sheet date for derivatives and non-derivatives. For floating rate assets, the analysis is based on the assumption that the amount of assets in circulation on the balance sheet day is in circulation during the reporting period. The rate of change used to report interest rates to key management within the consolidated company increases or decreases by 1% per year, which also represents management's assessment of the reasonable range of possible changes in interest rates.

If increases or decreases rates had been 1% higher and all other variables were held constant, the consolidated company's pre-tax profit for the ended June 30, 2025 and 2024 would increase or decrease by \$215 thousand and \$1,032 thousand, respectively. The main reason is the net risk of the Corporation's interest-bearing bank deposits and loan at variable interest rates.

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the consolidated company. As at the end of the reporting period, the consolidated company's maximum exposure to credit risk, which would cause a financial loss to the consolidated company due to a failure of counterparties to discharge an obligation and financial guarantees provided by the consolidated company, comes from the carrying amounts of the respective recognized financial assets as stated in the parent company only balance sheets.

The consolidated company's credit risk is mainly concentrated in the consolidated company's top five customers, as of June 30, 2025 and December 31, 2024 and June 30, 2024, the total accounts receivable from the aforementioned customer's ratio of 82%, 74% and 73%, respectively.

#### 3) Liquidity risk

The consolidated company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the consolidated company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The consolidated company relies on bank borrowings as a significant source of liquidity. June 30, 2025 and December 31, 2024 and June 30, 2024, the consolidated company's available unutilized bank loan facilities please refer below b).

##### a) Liquidity and interest risk rate table for non-derivative financial liabilities

The analysis of the remaining contractual maturity of non-derivative financial liabilities is prepared based on the earliest possible date of repayment by the combined company, based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). The bank borrowings that the consolidated company may be required to repay immediately are within the earliest period in the table below, regardless of the probability that the bank will immediately execute the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

June 30, 2025

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year
Non-interest bearing liabilities			
Account payable	\$ 60,072	\$ 66,530	\$ 533
Other payables	26,075	7,335	1
Floating interest rate instruments	<u>56,044</u>	<u>45,508</u>	<u>-</u>
	<u>\$ 142,191</u>	<u>\$ 119,373</u>	<u>\$ 534</u>

December 31, 2024

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year
Non-interest bearing liabilities			
Account payable	\$ 41,261	\$ 25,874	\$ 1,690
Other payables	25,583	5,989	34
Floating interest rate instruments	<u>-</u>	<u>66,313</u>	<u>-</u>
	<u>\$ 66,844</u>	<u>\$ 98,176</u>	<u>\$ 1,724</u>

June 30, 2024

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year
Non-interest bearing liabilities			
Account payable	\$ 84,375	\$ 87,616	\$ -
Other payables	30,645	6,372	1
Floating interest rate instruments	<u>29,205</u>	<u>-</u>	<u>-</u>
	<u>\$ 144,225</u>	<u>\$ 93,988</u>	<u>\$ 1</u>

Note: The amount of the above-mentioned other payables excludes salaries and bonuses payable, pensions payable, remuneration payable to employees and directors, dividends payable.

The amount of the above-mentioned floating rate instruments for non-derivative financial assets and liabilities will vary depending on the variable rate and the interest rate estimated at the balance sheet date.

## b) Bank loan facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Uncollateralized Bank loan facilities			
— Utilized	\$ 93,760	\$ 65,580	\$ 29,205
— Unutilized	<u>166,240</u>	<u>194,420</u>	<u>330,795</u>
	<u>\$ 260,000</u>	<u>\$ 260,000</u>	<u>\$ 360,000</u>
Collateralized Bank loan facilities			
— Unutilized	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>

## 29. RELATED PARTY TRANSACTIONS

Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties are disclosed below:

### Compensation of key management personnel

The total remuneration of directors and other major management staff is as follows :

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 12,905</u>	<u>\$ 15,544</u>	<u>\$ 24,652</u>	<u>\$ 28,581</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

## 30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the bank loan and tariff of imported raw materials:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial assets at amortized cost - current	\$ 26,364	\$ 26,273	\$ 25,330
Land	44,592	44,592	44,592
Buildings	<u>22,792</u>	<u>23,214</u>	<u>23,636</u>
	<u>\$ 93,748</u>	<u>\$ 94,079</u>	<u>\$ 93,558</u>

## 31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The consolidated company's monetary financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Unit: Each foreign currency /NTD thousand

<u>June 30, 2025</u>	<u>Foreign Currencies</u>	<u>Exchange Rates</u>	<u>Carrying Amount</u>
Financial assets			
<u>Monetary</u>			
USD	\$ 7,177	29.30	\$ 210,286
CNY	123	4.09	503
KRW	210	0.02	<u>4</u>
			<u>\$ 210,793</u>
Financial liabilities			
<u>Monetary</u>			
USD	7,688	29.30	<u>\$ 225,258</u>

December 31, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rates</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 5,735	32.79	\$ 188,050
CNY	128	4.48	573
KRW	210	0.02	<u>5</u>
			<u>\$ 188,628</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	4,142	32.79	<u>\$ 135,816</u>

June 30, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rates</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary</u>			
USD	\$ 7,158	32.45	\$ 232,277
CNY	164	4.45	729
KRW	210	0.02	<u>5</u>
			<u>\$ 233,011</u>
<u>Financial liabilities</u>			
<u>Monetary</u>			
USD	6,110	32.45	<u>\$ 198,270</u>

Foreign exchange gains and loss (unrealized) towards each foreign currency with significant impact were as follows:

	<u>Three Months Ended June 30</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Exchange Rate</u>	<u>Net exchange gain and loss</u>	<u>Exchange Rate</u>	<u>Net exchange gain and loss</u>
<u>Foreign Currencies</u>				
USD	29.3 (USD:NTD)	<u>\$ 3</u>	32.45 (USD:NTD)	<u>\$5,277</u>

  

	<u>Six Months Ended June 30</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Exchange Rate</u>	<u>Net exchange gain and loss</u>	<u>Exchange Rate</u>	<u>Net exchange gain and loss</u>
<u>Foreign Currencies</u>				
USD	29.30 (USD:NTD)	<u>(\$ 146)</u>	32.45 (USD:NTD)	<u>\$ 6,437</u>

## 32. ADDITIONAL DISCLOSURES

- a. Information about significant transactions:
- 1) Financing provided to others. (None)
  - 2) Endorsements/guarantees provided. (None)

- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (None).
  - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
  - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
  - 6) Others: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 1)
- b. Information of investees. (Table 2)
- c. Information on investment in mainland China
- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee. (Table 3)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses.: (None).
    - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - (3) The amount of property transactions and the amount of the resultant gains or losses.
    - (4) The balance of negotiable instrument endorsements, guarantees or pledges of collateral at the end of the period and their purposes.
    - (5) (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
    - (6) (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

### **33. SEGMENT INFORMATION**

The consolidated company engages mainly in integrated circuit design, and there was single operating segment for January 1 to June 30, 2025 and 2024. Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

**TABLE 1**

**ASOLID TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details (Note 3)			Transactions Terms
				Financial Statement Accounts	Amount	percentage to Total Sales or Assets	
0	ASolid Technology Co., Ltd	Innostor Technology (Shenzhen) Ltd	1	Research experiment service fee	\$ 30,559	3.13%	—
			1	Prepaid Expense	1,087	0.05%	—

Note 1: The information on the business transactions between the parent company and its subsidiaries should be indicated in the serial number column respectively, and the serial number should be filled in as follows :

1. Fill in 0 for parent company.
2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to the company.

Note 2: The relationship with the trader has the following three types, indicating the type :

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to Subsidiary.

Note 3: Balances and transactions between the company and its subsidiaries have been eliminated on consolidation.

TABLE 2

## ASOLID TECHNOLOGY CO., LTD.

**INFORMATION ON INVESTEEES**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor	Company Investee	Company Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				June 30, 2025	December 31, 2024	Shares	%	Carrying Amount			
ASOLID TECHNOLOGY CO., LTD	Advanced Memory Technology Co., Ltd	Taipei	Integrated circuit design	\$ 21,860	\$ 21,860	2,450	37.12%	\$ 216	\$ —	\$ —	—
	Innostor Technology (Samoa) Limited	Samoa	Investment	2,626 ( USD 80)	2,626 ( USD 80)	80	100%	183	27	27	—

Note: Information on Investment in Mainland China, please refer to TABLE 3.

TABLE 3

## ASOLID TECHNOLOGY CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Amounts in Thousands of New Taiwan Dollars/USD, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	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 Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of June 30, 2025	Accumulated Inward Remittance of Earnings as of June 30, 2025	NOTE
					Outflow	Inflow							
Innostor Technology (Shenzhen) Ltd.	Consumer electronics, services business	\$ 2,626 (USD 80)	Indirectly invested through companies registered in a third region	\$ 2,626 ( USD 80)	\$ -	\$ -	\$ 2,626 (USD 80)	\$ 27	100%	\$ 27	\$ 183	\$ -	Subsidiary

Accumulated Investments in Mainland China as of June 30, 2025	Investment Amounts Authorized by the Investment Commission, MOEA	Limit on Investments (Note)
\$2,626 (USD 80)	\$2,626 (USD 80)	\$1,100,367

Note 1: In accordance with the Provisions on the Examination of Investment or Technical Cooperation in the Mainland Area as stipulated by the Investment Commission of the Ministry of Economic Affairs.

Note 2: The aforementioned related party transactions have been eliminated in the consolidated financial statements.