

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

**HOLTEK SEMICONDUCTOR INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements  
With Independent Auditors' Review Report**

**For the Nine Months Ended  
September 30, 2024 and 2023**

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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 of Holtek Semiconductor Inc.:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Holtek Semiconductor Inc. and its subsidiaries (collectively as “the Group”) as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2024 and 2023, as well as the consolidated statements of changes in equity, and cash flows for the nine months ended September 30, 2024 and 2023, 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 the International Accounting Standards (“IASs”) 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 review.

### **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Standards on Review Engagements No. 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity”. 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 generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,008,178 thousand and \$691,684 thousand, constituting 18% and 11% of the consolidated total assets; and the total liabilities amounting to \$26,665 thousand and \$28,476 thousand, both constituting 1% of the consolidated total liabilities as of September 30, 2024 and 2023, respectively; as well as the total comprehensive income amounting to \$7,164 thousand, \$10,555 thousand, \$14,422 thousand, and \$(40,684) thousand, the absolute value constituting 16%, 13%, 4%, and 17% of the consolidated total comprehensive income for the three and nine months ended September 30, 2024 and 2023, respectively.

## Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, 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 the Group as of September 30, 2024 and 2023, and of its consolidated financial performance for the three and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flow for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “*Interim Financial Reporting*” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Hsinchu, Taiwan (Republic of China)

October 29, 2024

### Notice to Readers

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

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

**Holtek Semiconductor Inc. and Subsidiaries**

**Consolidated Balance Sheets**

**September 30, 2024, and December 31 and September 30, 2023**

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

| Assets                     |  | September 30, 2024  |            | December 31, 2023 |            | September 30, 2023 |            |      | Liabilities and Equity                                  | September 30, 2024  |            | December 31, 2023 |            | September 30, 2023 |            |
|----------------------------|--|---------------------|------------|-------------------|------------|--------------------|------------|------|---|---------------------|------------|-------------------|------------|--------------------|------------|
|                            |  | Amount              | %          | Amount            | %          | Amount             | %          |      |   | Amount              | %          | Amount            | %          | Amount             | %          |
| <b>Current assets:</b>     |  |                     |            |                   |            |                    |            |      | <b>Current liabilities:</b>                             |                     |            |                   |            |                    |            |
| 1100                       | Cash and cash equivalents (note 6(1))                                  | \$ 713,686          | 12         | 831,410           | 13         | 1,057,911          | 17         | 2100 | Short-term loans (note 6(11))                           | \$ 1,000,000        | 18         | 1,000,000         | 17         | 1,000,000          | 16         |
| 1110                       | Financial assets measured at fair value through profit or loss-current | 180,669             | 3          | 236,652           | 4          | 573,115            | 9          | 2170 | Notes and accounts payable                              | 277,811             | 5          | 138,186           | 3          | 177,638            | 3          |
|                            | (note 6(2))  |                     |            |                   |            |                    |            | 2180 | Accounts payable from related parties (note 7)          | 2,044               | -          | 414               | -          | 578                | -          |
| 1170                       | Notes and accounts receivable, net (note 6(4))                         | 72,831              | 1          | 43,959            | 1          | 46,005             | 1          | 2201 | Salary and bonus payable                                | 213,149             | 4          | 314,949           | 5          | 314,259            | 5          |
| 1180                       | Accounts receivable from related parties (notes 6(4) and 7)            | 346,093             | 6          | 281,008           | 4          | 468,533            | 7          | 2230 | Current income tax liabilities                          | 11,574              | -          | 15,553            | -          | 12,566             | -          |
| 130X                       | Inventories (note 6(5))  | 1,290,832           | 23         | 1,593,148         | 26         | 1,776,880          | 28         | 2280 | Lease liabilities— current (note 6(12))                 | 18,596              | -          | 19,472            | -          | 18,933             | -          |
| 1476                       | Other financial assets— current (notes 6(6) 、7 and 8)                  | 1,851,940           | 32         | 1,280,546         | 21         | 490,531            | 8          | 2399 | Other current liabilities (note 7)                      | <u>68,261</u>       | <u>1</u>   | <u>100,636</u>    | <u>1</u>   | <u>124,207</u>     | <u>2</u>   |
| 1479                       | Other current assets   | <u>83,140</u>       | <u>2</u>   | <u>73,920</u>     | <u>1</u>   | <u>50,749</u>      | <u>1</u>   |      |   | <u>1,591,435</u>    | <u>28</u>  | <u>1,589,210</u>  | <u>26</u>  | <u>1,648,181</u>   | <u>26</u>  |
|                            |  | <u>4,539,191</u>    | <u>79</u>  | <u>4,340,643</u>  | <u>70</u>  | <u>4,463,724</u>   | <u>71</u>  |      | <b>Non-current liabilities:</b>                         |                     |            |                   |            |                    |            |
| <b>Non-current assets:</b> |  |                     |            |                   |            |                    |            | 2570 | Deferred tax liabilities                                | 331,940             | 6          | 331,940           | 6          | 422,707            | 7          |
| 1518                       | Equity instruments measured at fair value through other comprehensive  |                     |            |                   |            |                    |            | 2580 | Lease liabilities— non-current (note 6(12))             | 76,117              | 1          | 88,798            | 1          | 92,368             | 1          |
|                            | income— non-current (note 6(3))  | 6,629               | -          | 679,811           | 11         | 601,427            | 9          | 2640 | Net defined benefit liabilities— non-current            | 20,494              | -          | 30,015            | -          | 31,134             | 1          |
| 1550                       | Investments accounted for using equity method (notes 6(7) and 7)       | 502,940             | 9          | 490,671           | 8          | 463,736            | 7          | 2645 | Guarantee deposit received                              | <u>34,339</u>       | <u>1</u>   | <u>51,361</u>     | <u>1</u>   | <u>53,681</u>      | <u>1</u>   |
| 1600                       | Property, plant and equipment (note 6(8))                              | 392,704             | 7          | 411,557           | 7          | 368,111            | 6          |      |   | <u>462,890</u>      | <u>8</u>   | <u>502,114</u>    | <u>8</u>   | <u>599,890</u>     | <u>10</u>  |
| 1755                       | Right-of-use assets (note 6(9))  | 91,883              | 2          | 105,866           | 2          | 109,077            | 2          |      | <b>Total liabilities</b>                                | <u>2,054,325</u>    | <u>36</u>  | <u>2,091,324</u>  | <u>34</u>  | <u>2,248,071</u>   | <u>36</u>  |
| 1780                       | Intangible assets (note 6(10))   | 59,892              | 1          | 22,994            | -          | 45,497             | 1          |      | <b>Equity (note 6(15)) :</b>                            |                     |            |                   |            |                    |            |
| 1840                       | Deferred tax assets  | 59,660              | 1          | 78,011            | 1          | 145,436            | 2          |      | Equity attributable to shareholders of the parent :     |                     |            |                   |            |                    |            |
| 1900                       | Other non-current assets (note 9)                                      | <u>68,751</u>       | <u>1</u>   | <u>61,386</u>     | <u>1</u>   | <u>127,850</u>     | <u>2</u>   | 3110 | Ordinary share capital                                  | 2,261,682           | 40         | 2,261,682         | 36         | 2,261,682          | 36         |
|                            |  | <u>1,182,459</u>    | <u>21</u>  | <u>1,850,296</u>  | <u>30</u>  | <u>1,861,134</u>   | <u>29</u>  | 3200 | Capital surplus   | 142,309             | 2          | 142,309           | 2          | 142,309            | 2          |
|                            |  |                     |            |                   |            |                    |            | 3300 | Retained earnings                                       | 1,239,145           | 22         | 1,279,893         | 21         | 1,297,157          | 20         |
|                            |  |                     |            |                   |            |                    |            | 3400 | Other equity  | <u>(32,183)</u>     | <u>(1)</u> | <u>355,914</u>    | <u>6</u>   | <u>314,964</u>     | <u>5</u>   |
|                            |  |                     |            |                   |            |                    |            |      | Total equity attributable to shareholders of the parent | <u>3,610,953</u>    | <u>63</u>  | <u>4,039,798</u>  | <u>65</u>  | <u>4,016,112</u>   | <u>63</u>  |
|                            |  |                     |            |                   |            |                    |            | 36XX | Non-controlling interests                               | <u>56,372</u>       | <u>1</u>   | <u>59,817</u>     | <u>1</u>   | <u>60,675</u>      | <u>1</u>   |
|                            |  |                     |            |                   |            |                    |            |      | <b>Total equity</b>                                     | <u>3,667,325</u>    | <u>64</u>  | <u>4,099,615</u>  | <u>66</u>  | <u>4,076,787</u>   | <u>64</u>  |
| <b>Total assets</b>        |  | <u>\$ 5,721,650</u> | <u>100</u> | <u>6,190,939</u>  | <u>100</u> | <u>6,324,858</u>   | <u>100</u> |      | <b>Total liabilities and equity</b>                     | <u>\$ 5,721,650</u> | <u>100</u> | <u>6,190,939</u>  | <u>100</u> | <u>6,324,858</u>   | <u>100</u> |

(See accompanying notes to consolidated financial statements.)

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

**Holtek Semiconductor Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three and nine months ended September 30, 2024 and 2023**  
(Expressed in thousands of New Taiwan Dollars, except for Earnings per Share)

|  | For the three months ended<br>September 30, |             |               |           | For the nine months ended<br>September 30, |             |                |           |
|--|---|-------------|---------------|-----------|--|-------------|----------------|-----------|
|  | 2024  |             | 2023          |           | 2024                                       |             | 2023           |           |
|  | Amount                                      | %           | Amount        | %         | Amount                                     | %           | Amount         | %         |
| 4000 Revenues (notes 6(18) and 7)  | \$ 683,295                                  | 100         | 631,284       | 100       | 1,809,409                                  | 100         | 2,107,840      | 100       |
| 5000 Costs of goods sold (notes 6(5)、(13)、(17)、7 and 12)   | 422,815                                     | 62          | 378,244       | 60        | 1,106,718                                  | 61          | 1,161,044      | 55        |
| <b>Gross profits</b>   | 260,480                                     | 38          | 253,040       | 40        | 702,691                                    | 39          | 946,796        | 45        |
| 5910 Unrealized gross profits on sales to associates   | 2,041                                       | -           | (74,391)      | (12)      | (35,412)                                   | (2)         | (166,210)      | (8)       |
| <b>Realized gross profits</b>  | 258,439                                     | 38          | 327,431       | 52        | 738,103                                    | 41          | 1,113,006      | 53        |
| <b>Operating expenses</b> (notes 6(17) and 12) :   |   |             |               |           |  |             |                |           |
| 6100 Selling   | 37,613                                      | 6           | 36,912        | 6         | 103,782                                    | 6           | 109,311        | 5         |
| 6200 General and administrative  | 82,630                                      | 12          | 83,096        | 13        | 259,130                                    | 14          | 239,498        | 12        |
| 6300 Research and development  | 216,542                                     | 32          | 207,826       | 33        | 624,411                                    | 35          | 616,856        | 29        |
| 6450 Expected credit impairment loss (reversal gain) (note 6(4))   | -   | -           | -             | -         | (51,880)                                   | (3)         | -              | -         |
|  | 336,785                                     | 50          | 327,834       | 52        | 935,443                                    | 52          | 965,665        | 46        |
| <b>Operating income (loss)</b>   | (78,346)                                    | (12)        | (403)         | -         | (197,340)                                  | (11)        | 147,341        | 7         |
| <b>Non-operating income and expenses:</b>  |   |             |               |           |  |             |                |           |
| 7020 Other gains and losses (notes 6(19) and 7)  | 7,551                                       | 1           | 43,727        | 7         | 48,059                                     | 3           | 49,549         | 2         |
| 7060 Investment income accounted for using equity method (note 6(7))   | (7,794)                                     | (1)         | (22,794)      | (3)       | (17,787)                                   | (1)         | (80,717)       | (4)       |
| 7100 Interest income   | 12,923                                      | 2           | 7,456         | 1         | 31,869                                     | 2           | 22,649         | 1         |
| 7510 Interest expense  | (5,575)                                     | (1)         | (3,555)       | (1)       | (16,955)                                   | (1)         | (4,202)        | -         |
|  | 7,105                                       | 1           | 24,834        | 4         | 45,186                                     | 3           | (12,721)       | (1)       |
| <b>Income (loss) before income tax</b>   | (71,241)                                    | (11)        | 24,431        | 4         | (152,154)                                  | (8)         | 134,620        | 6         |
| 7950 Income tax (note 6(14))   | 561   | -           | (13,799)      | (2)       | 685  | -           | 2,614          | -         |
| <b>Net income (loss)</b>   | (71,802)                                    | (11)        | 38,230        | 6         | (152,839)                                  | (8)         | 132,006        | 6         |
| 8300 <b>Other comprehensive income :</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(3))   | (1,843)                                     | -           | (9,493)       | (2)       | (248,302)                                  | (14)        | 106,857        | 5         |
| 8360 <b>Items that may be reclassified subsequently to profit or loss</b>  |   |             |               |           |  |             |                |           |
| 8361 Exchange differences on translation of financial statements of foreign affiliates   | 24,244                                      | 4           | 47,192        | 8         | 65,942                                     | 4           | 3,339          | -         |
| 8371 Exchange differences on translation of financial statements of invested associates accounted for using equity method(note 6(7)) | 11,651                                      | 2           | 20,658        | 3         | 28,252                                     | 1           | 3,671          | -         |
| 8399 Less : Income tax relating to items that may be reclassified subsequently(note 6(14))   | 6,988                                       | 1           | 13,196        | 2         | 18,344                                     | 1           | 1,384          | -         |
| <b>Total items that may be reclassified subsequently to profit or loss</b>   | 28,907                                      | 5           | 54,654        | 9         | 75,850                                     | 4           | 5,626          | -         |
| 8300 <b>Other comprehensive income (loss)</b>  | 27,064                                      | 5           | 45,161        | 7         | (175,452)                                  | (10)        | 112,483        | 5         |
| <b>Total comprehensive income (loss)</b>   | <u>\$ (44,738)</u>                          | <u>(6)</u>  | <u>83,391</u> | <u>13</u> | <u>(325,291)</u>                           | <u>(18)</u> | <u>244,489</u> | <u>11</u> |
| <b>Net income (loss) attributable to:</b>  |   |             |               |           |  |             |                |           |
| 8610 Shareholders of the parent  | \$ (72,690)                                 | (11)        | 36,516        | 6         | (152,142)                                  | (8)         | 129,396        | 6         |
| 8620 Non-controlling interests   | 888   | -           | 1,714         | -         | (697)                                      | -           | 2,610          | -         |
|  | <u>\$ (71,802)</u>                          | <u>(11)</u> | <u>38,230</u> | <u>6</u>  | <u>(152,839)</u>                           | <u>(8)</u>  | <u>132,006</u> | <u>6</u>  |
| <b>Total comprehensive income (loss) attributable to:</b>  |   |             |               |           |  |             |                |           |
| 8710 Shareholders of the parent  | \$ (46,580)                                 | (6)         | 79,807        | 12        | (327,069)                                  | (18)        | 241,788        | 11        |
| 8720 Non-controlling interests   | 1,842                                       | -           | 3,584         | 1         | 1,778                                      | -           | 2,701          | -         |
|  | <u>\$ (44,738)</u>                          | <u>(6)</u>  | <u>83,391</u> | <u>13</u> | <u>(325,291)</u>                           | <u>(18)</u> | <u>244,489</u> | <u>11</u> |
| <b>Earnings per share</b> (New Taiwan Dollars) (note 6(16))  |   |             |               |           |  |             |                |           |
| 9750 Basic earnings per share  | <u>\$ (0.32)</u>                            |             | <u>0.16</u>   |           | <u>(0.67)</u>                              |             | <u>0.57</u>    |           |
| 9850 Diluted earnings per share  | <u>\$ (0.32)</u>                            |             | <u>0.16</u>   |           | <u>(0.67)</u>                              |             | <u>0.57</u>    |           |

(See accompanying notes to consolidated financial statements.)

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

**Holtek Semiconductor Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in thousands of New Taiwan Dollars)**

|  | Equity attributed to shareholders of the parent |                 |                  |                 |                                  |   | Total other equity interest  |                 |                             |   |                           |                  |
|--|---|-----------------|------------------|-----------------|----------------------------------|---|--|-----------------|-----------------------------|---|---------------------------|------------------|
|  | Retained earnings                               |                 |                  |                 |                                  | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) from investments measured at fair value through other comprehensive income |                 | Total other equity interest | Total equity attributed to shareholders of the parent | Non-controlling interests | Total equity     |
|  | Ordinary share capital                          | Capital surplus | Legal reserve    | Special reserve | Unappropriated retained earnings | Total retained earnings   |  |                 |                             |   |                           |                  |
| <b>Balance as of January 1, 2023</b>   | \$ 2,261,682                                    | 142,309         | 955,160          | 2,642           | 1,114,632                        | 2,072,434   | (29,710)   | 232,282         | 202,572                     | 4,678,997   | 65,644                    | 4,744,641        |
| Net income for the period  | -   | -               | -                | -               | 129,396                          | 129,396   | -  | -               | -                           | 129,396   | 2,610                     | 132,006          |
| Other comprehensive income for the period  | -   | -               | -                | -               | -                                | -   | 5,535  | 106,857         | 112,392                     | 112,392   | 91                        | 112,483          |
| Total comprehensive income for the period  | -   | -               | -                | -               | 129,396                          | 129,396   | 5,535  | 106,857         | 112,392                     | 241,788   | 2,701                     | 244,489          |
| Appropriation and distribution of retained earnings:                                     |   |                 |                  |                 |                                  |   |  |                 |                             |   |                           |                  |
| Appropriation for legal reserve  | -   | -               | 111,462          | -               | (111,462)                        | -   | -  | -               | -                           | -   | -                         | -                |
| Cash dividends distributed to shareholders   | -   | -               | -                | -               | (904,673)                        | (904,673)   | -  | -               | -                           | (904,673)   | -                         | (901,673)        |
| Cash dividends from subsidiaries   | -   | -               | -                | -               | -                                | -   | -  | -               | -                           | -   | (7,670)                   | (7,670)          |
| Reversal of special reserve  | -   | -               | -                | (101)           | 101                              | -   | -  | -               | -                           | -   | -                         | -                |
| <b>Balance as of September 30, 2023</b>  | <u>\$ 2,261,682</u>                             | <u>142,309</u>  | <u>1,066,622</u> | <u>2,541</u>    | <u>227,994</u>                   | <u>1,297,157</u>  | <u>(24,175)</u>  | <u>339,139</u>  | <u>314,964</u>              | <u>4,016,112</u>                                      | <u>60,675</u>             | <u>4,076,787</u> |
| <b>Balance as of January 1, 2024</b>   | \$ 2,261,682                                    | 142,309         | 1,066,622        | 2,541           | 210,730                          | 1,279,893   | (58,929)   | 414,843         | 355,914                     | 4,039,798   | 59,817                    | 4,099,615        |
| Net income for the period  | -   | -               | -                | -               | (152,142)                        | (152,142)   | -  | -               | -                           | (152,142)   | (697)                     | (152,839)        |
| Other comprehensive income for the period  | -   | -               | -                | -               | -                                | -   | 73,375   | (248,302)       | (174,927)                   | (174,927)   | 2,475                     | (172,452)        |
| Total comprehensive income for the period  | -   | -               | -                | -               | (152,142)                        | (152,142)   | 73,375   | (248,302)       | (174,927)                   | (327,069)   | 1,778                     | (325,291)        |
| Appropriation and distribution of retained earnings:                                     |   |                 |                  |                 |                                  |   |  |                 |                             |   |                           |                  |
| Appropriation for legal reserve  | -   | -               | 11,223           | -               | (11,223)                         | -   | -  | -               | -                           | -   | -                         | -                |
| Cash dividends distributed to shareholders   | -   | -               | -                | -               | (101,776)                        | (101,776)   | -  | -               | -                           | (101,776)   | -                         | (101,776)        |
| Disposal of equity instruments measured at fair value through other comprehensive income | -   | -               | -                | -               | 213,170                          | 213,170   | -  | (213,170)       | (213,170)                   | -   | -                         | -                |
| Cash dividends from subsidiaries   | -   | -               | -                | -               | -                                | -   | -  | -               | -                           | -   | (2,835)                   | (2,835)          |
| Non-controlling interests  | -   | -               | -                | -               | -                                | -   | -  | -               | -                           | -   | (2,388)                   | (2,388)          |
| <b>Balance as of September 30, 2024</b>  | <u>\$ 2,261,682</u>                             | <u>142,309</u>  | <u>1,077,845</u> | <u>2,541</u>    | <u>158,759</u>                   | <u>1,239,145</u>  | <u>14,446</u>  | <u>(46,629)</u> | <u>(32,183)</u>             | <u>3,610,953</u>                                      | <u>56,372</u>             | <u>3,667,325</u> |

(See accompanying notes to consolidated financial statements.)

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

**Holtek Semiconductor Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the nine months ended September 30, 2024 and 2023**  
(Expressed in thousands of New Taiwan Dollars)

|  | For the nine months ended September 30, |                  |
|--|---|------------------|
|  | 2024                                    | 2023             |
| <b>Cash flows from operating activities:</b>   |   |                  |
| Income (loss) before income tax  | \$ (152,154)                            | 134,620          |
| <b>Adjustments:</b>  |   |                  |
| Adjustments to reconcile profit (loss)   |   |                  |
| Depreciation   | 53,116                                  | 57,786           |
| Amortization   | 68,728                                  | 53,308           |
| Gain from price recovery of inventory  | (20,000)                                | -                |
| Expected credit impairment loss (reversal gain)  | (51,880)                                | -                |
| Interest expense   | 16,955                                  | 4,202            |
| Interest income  | (31,869)                                | (22,649)         |
| Investment loss accounted for using equity method  | 17,787                                  | 80,717           |
| Gains on disposals of investments  | -                                       | (12,763)         |
| Unrealized gross profit on sales to associates   | (35,412)                                | (166,210)        |
| Other items not affecting cash flows, net  | 6,018                                   | (1,828)          |
| Changes in operating assets and liabilities:   |   |                  |
| Financial assets measured at fair value through profit or loss                                       | 55,975                                  | (331,926)        |
| Notes and accounts receivable (including related parties)  | (48,971)                                | 397,087          |
| Inventories  | 335,012                                 | 41,311           |
| Other operating assets   | (8,655)                                 | (176)            |
| Notes and accounts payable (including related parties)   | 122,521                                 | (480,888)        |
| Net defined benefit liability  | (9,706)                                 | (17,732)         |
| Other operating liabilities  | (104,772)                               | (344,948)        |
| Cash flows from (used in) operations   | 212,693                                 | (610,089)        |
| Interest received  | 27,658                                  | 27,347           |
| Dividends received   | 28,234                                  | 33,937           |
| Interest paid  | (16,955)                                | (4,135)          |
| Income tax paid  | (4,617)                                 | (27,989)         |
| <b>Net cash flows from (used in) operating activities</b>  | <b>247,013</b>                          | <b>(580,929)</b> |
| <b>Cash flows from investing activities:</b>   |   |                  |
| Acquisition of financial assets at fair value through other comprehensive income                     | -                                       | (9,500)          |
| Proceeds from disposal of financial assets at fair value through other comprehensive income          | 406,787                                 | -                |
| Acquisition of investments accounted for using equity method   | (2,671)                                 | -                |
| Proceeds from disposal of investments accounted for using equity method                              | -                                       | 15,032           |
| Proceeds from capital reduction of investments accounted for using equity method                     | -                                       | 12,423           |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 18,093                                  | 18,041           |
| Proceeds from disposal of property, plant and equipment  | 105                                     | 15,172           |
| Acquisitions of property, plant and equipment  | (7,107)                                 | (88,768)         |
| Decrease in Guarantee deposit paid   | 393                                     | 1,535            |
| Acquisition of intangible assets   | (105,189)                               | (75,307)         |
| Decrease (increase) in other financial assets  | (540,184)                               | 728,812          |
| Increase in other non-current assets   | (440)                                   | (15,082)         |
| <b>Net cash flows from (used in) investing activities</b>  | <b>(230,213)</b>                        | <b>602,358</b>   |
| <b>Cash flows from financing activities:</b>   |   |                  |
| Increase in short-term loans   | -                                       | 1,000,000        |
| Increase (decrease) in Guarantee deposit received  | (17,219)                                | 30,976           |
| Payments of lease liabilities  | (14,969)                                | (18,214)         |
| Cash dividends paid  | (101,776)                               | (904,673)        |
| Decrease in non-controlling interests  | (5,223)                                 | (7,670)          |
| <b>Net cash flows from (used in) financing activities</b>  | <b>(139,187)</b>                        | <b>100,419</b>   |
| <b>Effect of foreign exchange changes</b>  | <b>4,663</b>                            | <b>2,085</b>     |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>(117,724)</b>                        | <b>123,933</b>   |
| <b>Cash and cash equivalents at the beginning of period</b>  | <b>831,410</b>                          | <b>933,978</b>   |
| <b>Cash and cash equivalents at the end of period</b>  | <b>\$ 713,686</b>                       | <b>1,057,911</b> |

(See accompanying notes to consolidated financial statements.)



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

**Holtek Semiconductor Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements**

**September 30, 2024 and 2023**

**(Amounts expressed in thousands of New Taiwan Dollars,  
except for per share information and unless otherwise noted)**

**1. Organization**

Holtek Semiconductor Inc. (“the Company”) was incorporated on October 1, 1998, as a company limited by shares under the laws of the Republic of China (“ROC”) and the ROC Statute for the Establishment and Administration of the Science-Based Industrial Park. The Company began operations on December 11, 1998. The Company established a Hong Kong branch in April 2000. The shares of the Company have been listed on the Taipei Exchange (“TPEX”) since November 4, 2002, and then listed on the Taiwan Stock Exchange (“TWSE”) since September 27, 2004.

The Company and its subsidiaries (collectively as “the Group”) are engaged mainly in the research, development, production, manufacture and sales of integrated circuits.

**2. Approval Date and Procedures of the Financial Statements**

The consolidated financial statements were authorized for issue by the Board of Directors on October 29, 2024.

**3. New Standards, Amendments and Interpretations Adopted**

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “*Classification of Liabilities as Current or Non-current*”
- Amendments to IAS 1 “*Non-current Liabilities with Covenants*”
- Amendments to IAS 7 and IFRS 7 “*Supplier Finance Arrangements*”
- Amendments to IFRS16 “*Lease Liability in a Sale and Leaseback*”

## Holtek Semiconductor and Subsidiaries

### Notes to Consolidated Financial Statements

#### (2) The impact of IFRS 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, 2025, would not have a significant impact on its consolidated financial statements:

— Amendments to IAS 21 “*Lack of Exchangeability*”

#### (3) The impact of IFRS issued by 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 International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

| Standards or Interpretations  | Content of amendment  | Effective date per IASB |
|---|---|-------------------------|
| IFRS 18<br>“ <i>Presentation and Disclosure in Financial Statements</i> ” | <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         |

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.

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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 17 “*Insurance Contracts*” and amendments to IFRS 17 “*Insurance Contracts*”
- IFRS 19 “*Subsidiaries without Public Accountability: Disclosures*”
- Amendments to IFRS 9 and IFRS 7 “*Amendments to the Classification and Measurement of Financial Instruments*”
- Annual Improvements to IFRS Accounting Standards

#### **4 、 Summary of Significant Accounting Policies**

##### **(1) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “*Interim Financial Reporting*” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

(2) Basis of consolidation

A. Principles of preparation of the consolidated financial statements

Principles of preparation of the consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2023. Refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2023.

B. List of subsidiaries in the consolidated financial statements

| Name of Investor | Name of Subsidiary                                     | Business                                    | Percentage of Ownership at, |                   |                    |
|------------------|--|---|-----------------------------|-------------------|--------------------|
|                  |  |   | September 30, 2024          | December 31, 2023 | September 30, 2023 |
| the Company      | MCU Holdings Ltd. (MCU)                                | Investment holding company                  | 100%                        | 100%              | 100%               |
| the Company      | Holtek Semiconductor Holding (BVI) Ltd. (Holtek BVI)   | Investment holding company                  | 100%                        | 100%              | 100%               |
| the Company      | Sigmos Holdings Ltd. (Sigmos)                          | Investment holding company                  | 100%                        | 100%              | 100%               |
| the Company      | Kingtek Semiconductor Holding (BVI) Ltd. (Kingtek BVI) | Investment holding company                  | 100%                        | 100%              | 100%               |
| the Company      | Holtek Investment Co., Ltd. (Holtek Investment)        | Specialized investment corporation          | 100%<br>(Note3)             | 100%<br>(Note3)   | 100%<br>(Note3)    |
| MCU              | Best Health Electronics Corp. (Best Health)            | Investment holding company                  | 75%                         | 75%               | 75%                |
| Best Health      | Best Health Electronics (Dongguan) Corporation         | Manufacturing, sales and technical services | 100%                        | 100%              | 100%               |
| Best Health      | Best Health Electronics HK Limited (Best Health HK)    | Manufacturing, sales and technical services | 100%                        | 100%              | 100%               |
| MCU              | Anchip Technology Corporation (Anchip)                 | Investment holding company                  | 60%                         | 60%               | 60%                |
| Anchip           | Anchip Technology (Dongguan) Corporation               | Manufacturing, sales and technical services | 100%                        | 100%              | 100%               |
| MCU              | Best Driver-tech Corporation. (Best Driver-tech)       | Investment holding company                  | 100%<br>(Note4)             | 80%               | 80%                |
| Best Driver-tech | Best Driver-tech (Hangzhou) Corporation                | Manufacturing, sales and technical services | 100%                        | 100%              | 100%               |
| MCU              | Best Module-tech Corporation (Best Module-tech)        | Investment holding company                  | 100%                        | 100%              | 100%               |
| Best Module-tech | Best Module-tech (Xiamen) Corporation                  | Manufacturing, sales and technical services | 100%                        | 100%              | 100%               |

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

| Name of Investor                  | Name of Subsidiary                                       | Business                                    | Percentage of Ownership at, |                    |                    |
|-----------------------------------|--|---|-----------------------------|--------------------|--------------------|
|                                   |  |   | September 30, 2024          | December 31, 2023  | September 30, 2023 |
| Holtek BVI                        | Xinqun Semiconductor (XIAMEN) Inc. (Xinqun)              | Manufacturing, sales and technical services | 100%<br>(Note 3)            | 100%<br>(Note 3)   | 100%<br>(Note 3)   |
| Holtek BVI                        | Holtek Semiconductor (China) Inc.                        | Manufacturing, sales and technical services | 100%<br>(Note 3)            | 100%<br>(Note 3)   | 100%<br>(Note 3)   |
| Sigmos                            | Holtek Semiconductor (USA) Inc. (Holtek (USA))           | Manufacturing, sales and technical services | 100%                        | 100%               | 100%               |
| Kingtek BVI                       | Holtek Semiconductor (Suzhou) Inc.                       | Manufacturing, sales and technical services | 100%<br>(Note 3)            | 100%<br>(Note 3)   | 100%<br>(Note 3)   |
| the Company and Holtek Investment | Holtek Semiconductor (INDIA) Private Ltd. (Holtek INDIA) | Manufacturing, sales and technical services | 100%<br>(Note 1)            | 100%<br>(Note 1)   | 100%<br>(Note 1)   |
| Holtek Investment                 | Best Solution Technology Inc. (Best Solution)            | Manufacturing, sales and technical services | 54.75%<br>(Note 2)          | 54.75%<br>(Note 2) | 54.75%<br>(Note 2) |
| Best Solution                     | Best Solution Electronics Inc. (Best Solution BVI)       | Investment holding company                  | 100%                        | 100%               | 100%               |
| Best Solution BVI                 | Best Solution Technology (Dongguan) Inc.                 | Manufacturing, sales and technical services | 100%                        | 100%               | 100%               |
| Holtek Investment                 | Best Modules Corp. (Best Modules)                        | Manufacturing, sales and technical services | 100%                        | 100%               | 100%               |
| Best Modules                      | Best Modules (BVI) Corp. (Best Modules BVI)              | Investment holding company                  | 100%                        | 100%               | 100%               |
| Best Modules BVI                  | Best Modules Electronic Commerce ( Xiamen ) Corp.        | Manufacturing, sales and technical services | 100%                        | 100%               | 100%               |
| Holtek Investment                 | BestComm RF Electronics Inc. (BestComm)                  | Manufacturing, sales and technical services | 100%                        | 100%               | 100%               |
| BestComm                          | BestComm RF Electronics (BVI) Inc. (BestComm BVI)        | Investment holding company                  | 100%                        | 100%               | 100%               |
| BestComm BVI                      | BestComm RF Electronics (Dongguan) Inc.                  | Manufacturing, sales and technical services | 100%                        | 100%               | 100%               |

Note 1 : The combined shareholding ratio is calculated both 99.9% owned by Holtek Investment and 0.1% owned by the Company.

Note 2 : The combined shareholding ratio is calculated both 40% owned by Holtek Investment directly and 36.875% indirectly held by the associate company which Holtek Investment owns its 40% shareholdings.

Note 3 : The financial statements have been reviewed, the other non-significant subsidiary have not been reviewed.

Note 4 : MCU acquired remaining equity of Best Driver-tech in August 2024, and shareholding ratio is adjusted from 80% to 100% owned.

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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

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

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

- A. It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. It holds the asset primarily for the purpose of trading;
- C. It expects to realize the asset within twelve months after the reporting period; or
- D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- A. It expects to settle the liability in its normal operating cycle;
- B. It holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period; or
- D. It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(4) Income tax

The Group measures and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34, *Interim Financial Reporting*.

Income tax expense is best estimated by multiplying pre-tax income of the interim period by a projected annual effective tax rate, and is recognized as current tax expense.

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.

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

(5) 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.

**5 、Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34, *Interim Financial Reporting*, as endorsed and issued into effect by the FSC requires management to make judgments, estimates and assumptions 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 estimation 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, 2023.

**6 、Description of Significant Accounts**

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those described in note 6 of the consolidated financial statements for the year ended December 31, 2023.

**(1) Cash and cash equivalents**

|                       | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|-----------------------|-------------------------------|------------------------------|-------------------------------|
| Cash and cash in bank | \$ 102,289                    | 505,353                      | 716,372                       |
| Time deposits         | 611,397                       | 326,057                      | 341,539                       |
|                       | <b><u>\$ 713,686</u></b>      | <b><u>831,410</u></b>        | <b><u>1,057,911</u></b>       |

**(2) Financial assets measured at fair value through profit or loss**

|                          | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|--------------------------|-------------------------------|------------------------------|-------------------------------|
| Beneficiary certificates | <b><u>\$ 180,669</u></b>      | <b><u>236,652</u></b>        | <b><u>573,115</u></b>         |

A. Please refer to note 6(20) for the sensitivity analysis, fair value and market risk.

B. The Group's financial assets above were not pledged as collateral.

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

**(3) Equity instruments measured at FVOCI- non-current**

|  | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|--|-------------------------------|------------------------------|-------------------------------|
| Equity securities – unlisted company         |                               |                              |                               |
| Shieh Yong Investment Co., Ltd. (Shieh Yong) | \$ -                          | 599,353                      | 532,819                       |
| Unitech Capital Inc. (Unitech)               | -                             | 67,053                       | 56,189                        |
| Precision Sensor Design Inc. (Precision)     | 6,629                         | 13,141                       | 11,935                        |
| Gingy Technology Corporation. (Gingy)        | -                             | 264                          | 484                           |
|  | <b><u>\$ 6,629</u></b>        | <b><u>679,811</u></b>        | <b><u>601,427</u></b>         |

The purpose that the Group invests in the abovementioned equity securities is for long-term strategies, but rather for trading purpose.

The Group sold Shieh Yong and Unitech, which were measured at fair value through other comprehensive income due to operational plans on June 27, 2024 and May 30, 2024, respectively. The fair values of the disposals were \$366,587 and \$40,200, respectively. The accumulated disposal gains or losses were \$259,720 and \$(46,550), respectively, which have been transferred from other equity to retained earnings.

A. Please refer to note 6(20) for the sensitivity analysis, fair value and market risk.

B. The Group's financial assets above were not pledged as collateral.

**(4) Notes and accounts receivable, net (including related parties)**

|                                       | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|---------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Notes receivable                      | \$ 1,606                      | 4,597                        | 3,879                         |
| Accounts receivable                   | 72,314                        | 45,363                       | 54,178                        |
| Receivables from related parties      | <u>349,567</u>                | <u>330,902</u>               | <u>577,336</u>                |
|                                       | 423,487                       | 380,862                      | 635,393                       |
| Less: allowance for doubtful accounts | <u>(4,563)</u>                | <u>(55,895)</u>              | <u>(120,855)</u>              |
|                                       | <b><u>\$ 418,924</u></b>      | <b><u>324,967</u></b>        | <b><u>514,538</u></b>         |

The Group applies the simplified approach to provide for its loss allowance used for ECL, which permit the use of lifetime expected loss provision for notes and accounts receivable. The ECL on notes and accounts receivable by reference to past default experience of the customers and credit risk characteristics, as well as forward looking information.



**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

The loss allowance was determined as follows:

|                           | <b>September 30, 2024</b>    |                                   |                       |
|---------------------------|------------------------------|-----------------------------------|-----------------------|
|                           | <b>Gross carrying amount</b> | <b>Weighted-average loss rate</b> | <b>Loss allowance</b> |
| Not past due              | \$ 413,376                   | 0.50%~1.50%                       | 4,095                 |
| Past due 0~90days         | 10,034                       | 3.89%                             | 391                   |
| Past due more than 90days | 77                           | 100.00%                           | 77                    |
|                           | <b><u>\$ 423,487</u></b>     |                                   | <b><u>4,563</u></b>   |

  

|                           | <b>December 31, 2023</b>     |                                   |                       |
|---------------------------|------------------------------|-----------------------------------|-----------------------|
|                           | <b>Gross carrying amount</b> | <b>Weighted-average loss rate</b> | <b>Loss allowance</b> |
| Not past due              | \$ 303,874                   | 0.50%~7.00%                       | 20,750                |
| Past due 0~90days         | 57,242                       | 30.03%                            | 17,189                |
| Past due more than 90days | 12,966                       | 100.00%                           | 12,966                |
|                           | <b><u>\$ 374,082</u></b>     |                                   | <b><u>50,905</u></b>  |

Individual customers' accounts receivable amounted to \$6,780 as of December 31, 2023, which has been assessed as having default risk. Therefore, the Group provides the loss allowance for the customer amounted to \$4,990 as of December 31, 2023.

|                           | <b>September 30, 2023</b>    |                                   |                       |
|---------------------------|------------------------------|-----------------------------------|-----------------------|
|                           | <b>Gross carrying amount</b> | <b>Weighted-average loss rate</b> | <b>Loss allowance</b> |
| Not past due              | \$ 381,747                   | 0.50%~7.00%                       | 25,563                |
| Past due 0~90days         | 73,463                       | 28.78%                            | 21,142                |
| Past due more than 90days | 6,476                        | 100.00%                           | 6,476                 |
|                           | <b><u>\$ 461,686</u></b>     |                                   | <b><u>53,181</u></b>  |

Individual customers' accounts receivable amounted to \$173,707 as of September 30, 2023, which has been assessed as having default risk. Therefore, the Group provides the loss allowance for the customer amounted to \$67,674 as of September 30, 2023.

The movement in the allowance for notes and trade receivable was as follows:

|                                    | <b>For the nine months ended September 30,</b> |                       |
|------------------------------------|--|-----------------------|
|                                    | <b>2024</b>                                    | <b>2023</b>           |
| Beginning balance                  | \$ 55,895                                      | 120,747               |
| Reversal gains of impairment losse | (51,880)                                       | -                     |
| Effect of foreign exchange changes | 548  | 108                   |
| Ending balance                     | <b><u>\$ 4,563</u></b>                         | <b><u>120,855</u></b> |

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

The Group did not provide any notes and accounts receivable as collateral for its loans.

**(5) Inventories**

|  | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|--|-------------------------------|------------------------------|-------------------------------|
| Raw materials                              | \$ 792,953                    | 1,101,841                    | 1,098,893                     |
| Work in process                            | 297,591                       | 357,622                      | 433,442                       |
| Finished goods and merchandise inventories | <u>200,288</u>                | <u>133,685</u>               | <u>244,545</u>                |
|  | <b><u>\$ 1,290,832</u></b>    | <b><u>1,593,148</u></b>      | <b><u>1,776,880</u></b>       |

The details of operating costs were as follows:

|                         | <b>For the three months ended<br/>September 30,</b> |                       | <b>For the nine months ended<br/>September 30,</b> |                         |
|-------------------------|---|-----------------------|--|-------------------------|
|                         | <b>2024</b>   | <b>2023</b>           | <b>2024</b>  | <b>2023</b>             |
| Cost of goods sold      | \$ 422,076  | 377,810               | 1,122,076  | 1,156,820               |
| Recovery of inventories | -   | -                     | (20,000)   | -                       |
| Cost of scrap materials | <u>739</u>  | <u>434</u>            | <u>4,642</u>                                       | <u>4,224</u>            |
|                         | <b><u>\$ 422,815</u></b>                            | <b><u>378,244</u></b> | <b><u>1,106,718</u></b>                            | <b><u>1,161,044</u></b> |

The Group did not provide any inventories as collateral for its loans.

**(6) Other financial assets — current**

|                                    | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Time deposits (more than 3 months) | \$ 1,826,884                  | 1,259,611                    | 472,539                       |
| Restricted cash in banks           | 2,351                         | 9,024                        | 8,924                         |
| Others                             | <u>22,705</u>                 | <u>11,911</u>                | <u>9,068</u>                  |
|                                    | <b><u>\$ 1,851,940</u></b>    | <b><u>1,280,546</u></b>      | <b><u>490,531</u></b>         |

No impairment loss of other financial assets-current were occurred and recognized for the three and nine months ended September 30, 2024 and 2023.

Please refer to note 6 (20) for further information of credit risk.

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**(7) Investments accounted for using equity method**

Investments in equity-accounted investees at the reporting dates consisted of the following:

|   | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|---|-------------------------------|------------------------------|-------------------------------|
| Total amount of equities in associates                | \$ 591,120                    | 614,263                      | 629,816                       |
| Less: unrealized gross profits on sales to associates | <u>(88,180)</u>               | <u>(123,592)</u>             | <u>(166,080)</u>              |
|   | <b><u>\$ 502,940</u></b>      | <b><u>490,671</u></b>        | <b><u>463,736</u></b>         |

There is no individually significant associate for the Group. The following table summarized the amount recognized by the Group at its share of those associates:

|   | <b>For the three months ended<br/>September 30,</b> |                       | <b>For the nine months ended<br/>September 30,</b> |                        |
|---|---|-----------------------|--|------------------------|
|   | <b>2024</b>   | <b>2023</b>           | <b>2024</b>  | <b>2023</b>            |
| Other comprehensive income attributable to the Group: |   |                       |  |                        |
| Net income (loss) from continuing operation           | \$ (7,794)  | (22,794)              | (17,787)   | (80,717)               |
| Other comprehensive income                            | <u>11,651</u>                                       | <u>20,658</u>         | <u>28,252</u>                                      | <u>3,671</u>           |
| Total comprehensive income                            | <b><u>\$ 3,857</u></b>                              | <b><u>(2,136)</u></b> | <b><u>10,465</u></b>                               | <b><u>(77,046)</u></b> |

The Group agreed to sell the remaining equity of ETEK technology company Ltd.. As of September 30, 2024, the Group has not yet received the price, which will be recorded in other financial assets — current.

Bestway has reduced its capital and the Group received \$3,470 from the capital reduction in May 2023.

EST Technology Integration Corp. has reduced its capital \$8,953 in July 2023. The Group sold the remaining equity and received of \$15,032 in July 2023.

The Group received dividends of \$28,234 and \$33,937 from the equity method during the nine months ended September 30, 2024 and 2023.

The Group did not provide any investment accounted for using equity method as collaterals for its loans.

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**Notes to Consolidated Financial Statements**

**(8) Property, plant and equipment**

|                                    |    | <b>Land</b>   | <b>Buildings</b> | <b>Machinery<br/>and<br/>equipment</b> | <b>Other<br/>equipment</b> | <b>Total</b>     |
|------------------------------------|----|---------------|------------------|--|----------------------------|------------------|
| Cost:                              |    |               |                  |  |                            |                  |
| Balance on January 1, 2024         | \$ | 26,676        | 625,069          | 366,072                                | 126,692                    | 1,144,509        |
| Additions                          |    | -             | 767              | 4,953                                  | 1,387                      | 7,107            |
| Disposals                          |    | -             | -                | (63,106)                               | (16,410)                   | (79,516)         |
| Effect of foreign exchange changes |    | -             | 15,826           | 5,300                                  | 3,318                      | 24,444           |
| Balance on September 30, 2024      | \$ | <u>26,676</u> | <u>641,662</u>   | <u>313,219</u>                         | <u>114,987</u>             | <u>1,096,544</u> |
| Balance on January 1, 2023         | \$ | 26,676        | 523,653          | 393,425                                | 113,260                    | 1,057,014        |
| Additions                          |    | -             | 80,938           | 4,299                                  | 3,530                      | 88,767           |
| Disposals                          |    | -             | (9,539)          | (24,124)                               | (4,303)                    | (37,966)         |
| Effect of foreign exchange changes |    | -             | (93)             | 133                                    | 91                         | 131              |
| Balance on September 30, 2023      | \$ | <u>26,676</u> | <u>594,959</u>   | <u>373,733</u>                         | <u>112,578</u>             | <u>1,107,946</u> |
| Accumulated depreciation:          |    |               |                  |  |                            |                  |
| Balance on January 1, 2024         | \$ | -             | 324,026          | 314,861                                | 94,065                     | 732,952          |
| Depreciation for the period        |    | -             | 13,909           | 16,600                                 | 7,219                      | 37,728           |
| Disposals                          |    | -             | -                | (61,908)                               | (15,720)                   | (77,628)         |
| Effect of foreign exchange changes |    | -             | 4,536            | 4,081                                  | 2,171                      | 10,788           |
| Balance on September 30, 2024      | \$ | <u>-</u>      | <u>342,471</u>   | <u>273,634</u>                         | <u>87,735</u>              | <u>703,840</u>   |
| Balance on January 1, 2023         | \$ | -             | 315,875          | 318,604                                | 96,292                     | 730,771          |
| Depreciation for the period        |    | -             | 11,139           | 23,610                                 | 4,739                      | 39,488           |
| Disposals                          |    | -             | (5,293)          | (21,570)                               | (3,802)                    | (30,665)         |
| Effect of foreign exchange changes |    | -             | 63               | 102                                    | 76                         | 241              |
| Balance on September 30, 2023      | \$ | <u>-</u>      | <u>321,784</u>   | <u>320,746</u>                         | <u>97,305</u>              | <u>739,835</u>   |
| Carrying amount:                   |    |               |                  |  |                            |                  |
| Balance on January 1, 2024         | \$ | <u>26,676</u> | <u>301,043</u>   | <u>51,211</u>                          | <u>32,627</u>              | <u>411,557</u>   |
| Balance on September 30, 2024      | \$ | <u>26,676</u> | <u>299,191</u>   | <u>39,585</u>                          | <u>27,252</u>              | <u>392,704</u>   |
| Balance on January 1, 2023         | \$ | <u>26,676</u> | <u>207,778</u>   | <u>74,821</u>                          | <u>16,968</u>              | <u>326,243</u>   |
| Balance on September 30, 2023      | \$ | <u>26,676</u> | <u>273,175</u>   | <u>52,987</u>                          | <u>15,273</u>              | <u>368,111</u>   |

The Group did not provide any property, plant and equipment as collaterals for its loans.

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**Notes to Consolidated Financial Statements**

**(9) Right-of-use assets**

|                               | <b>Land</b>      | <b>Buildings</b> | <b>Total</b>   |
|-------------------------------|------------------|------------------|----------------|
| Carrying amount :             |                  |                  |                |
| Balance at January 1, 2024    | \$ <u>52,277</u> | <u>53,589</u>    | <u>105,866</u> |
| Balance at September 30, 2024 | \$ <u>49,971</u> | <u>41,912</u>    | <u>91,883</u>  |
| Balance at January 1, 2023    | \$ <u>55,352</u> | <u>30,450</u>    | <u>85,802</u>  |
| Balance at September 30, 2023 | \$ <u>53,046</u> | <u>56,031</u>    | <u>109,077</u> |

There were no significant additions, disposal for the nine months ended September 30, 2024 and 2023. Information on depreciation for the period is discussed in Note 12. For other related information, please refer to note 6(9) of the consolidated financial statement for the year ended December 31, 2023.

**(10) Intangible assets**

|                               | <b>Computer<br/>Software</b> | <b>Acquired<br/>Special<br/>Technology</b> | <b>Total</b>  |
|-------------------------------|------------------------------|--|---------------|
| Carrying amount :             |                              |  |               |
| Balance at January 1, 2024    | \$ <u>22,482</u>             | <u>512</u>                                 | <u>22,994</u> |
| Balance at September 30, 2024 | \$ <u>59,892</u>             | <u>-</u>                                   | <u>59,892</u> |
| Balance at January 1, 2023    | \$ <u>16,837</u>             | <u>6,661</u>                               | <u>23,498</u> |
| Balance at September 30, 2023 | \$ <u>43,447</u>             | <u>2,050</u>                               | <u>45,497</u> |

There were no significant additions, disposal for the nine months ended September 30, 2024 and 2023. Information on amortization for the period is discussed in Note 12. For other related information, please refer to note 6(10) of the consolidated financial statement for the year ended December 31, 2023.

The Group did not provide any intangible assets as collaterals for its loans.

**(11) Short-term loans**

|                                | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|--------------------------------|-------------------------------|------------------------------|-------------------------------|
| Unsecured bank loans           | \$ <u>1,000,000</u>           | <u>1,000,000</u>             | <u>1,000,000</u>              |
| Unused short-term credit lines | \$ <u>1,200,000</u>           | <u>1,200,000</u>             | <u>700,000</u>                |
| Range of interest rates        | <u>1.98%~2.09%</u>            | <u>1.85%~1.93%</u>           | <u>1.85%~1.93%</u>            |

The Group did not provide any short-term loans as collaterals for its loans.

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**(12) Lease liabilities**

The amount of lease liabilities was as follows:

|             | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|-------------|-------------------------------|------------------------------|-------------------------------|
| Current     | <u>\$ 18,596</u>              | <u>19,472</u>                | <u>18,933</u>                 |
| Non-current | <u>\$ 76,117</u>              | <u>88,798</u>                | <u>92,368</u>                 |

For the maturity analysis, please refer to note 6(20).

The amounts recognized in profit or loss were as follows:

|  | <b>For the three months<br/>ended September 30,</b> |              | <b>For the nine months<br/>ended September 30,</b> |              |
|--|---|--------------|--|--------------|
|  | <b>2024</b>   | <b>2023</b>  | <b>2024</b>  | <b>2023</b>  |
| Interest on lease liabilities  | <u>\$ 342</u>                                       | <u>373</u>   | <u>1,068</u>                                       | <u>1,020</u> |
| Expenses relating to short-term leases   | <u>\$ 2,187</u>                                     | <u>2,080</u> | <u>6,582</u>                                       | <u>6,397</u> |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | <u>\$ 124</u>                                       | <u>147</u>   | <u>378</u>   | <u>464</u>   |

The amounts recognized in the statement of cash flows for the Group was as follows:

|                               | <b>For the nine months ended<br/>September 30,</b> |               |
|-------------------------------|--|---------------|
|                               | <b>2024</b>  | <b>2023</b>   |
| Total cash outflow for leases | <u>\$ 22,997</u>                                   | <u>26,095</u> |

As of September 30, 2024 and 2023, the Group leases land and buildings for its office space. The leases of land typically run for a period of 20 years, and of buildings for 2 to 20 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of office buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

The rental amount of the land contract shall be adjusted by the fluctuation of the current land value in the local area and the amortized expenditures used in public infrastructures.

**Holtek Semiconductor and Subsidiaries**  
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**(13) Employee benefits**

Given there was no significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off event in the prior fiscal year, pension costs in the financial statements are measured and disclosed according to the actuarial results determined on December 31, 2023 and 2022.

For information related to the Group's pension costs, please refer to note 12.

**(14) Income tax**

Income tax expense is best estimated by multiplying pre-tax income of the interim period by a projected annual effective tax rate as forecasted by the management.

The amount of income tax expenses (benefit) was as follows:

|                                      | <b>For the three months ended<br/>September 30,</b> |                 | <b>For the nine months ended<br/>September 30,</b> |              |
|--------------------------------------|---|-----------------|--|--------------|
|                                      | <b>2024</b>   | <b>2023</b>     | <b>2024</b>  | <b>2023</b>  |
| Current income tax expense (benefit) |   |                 |  |              |
| Current period                       | <b>\$ 561</b>                                       | <b>(13,799)</b> | <b>685</b>   | <b>2,614</b> |

The amount of income tax expense (benefit) recognized in other comprehensive income was as follows:

|  | <b>For the three months<br/>ended September 30,</b> |               | <b>For the nine months<br/>ended September 30,</b> |              |
|--|---|---------------|--|--------------|
|  | <b>2024</b>   | <b>2023</b>   | <b>2024</b>  | <b>2023</b>  |
| Items that may be reclassified<br>subsequently to profit or loss:  |   |               |  |              |
| Exchange differences on<br>translation of financial<br>statements of foreign affiliates \$                                       | 4,848   | 9,439         | 13,188   | 668          |
| Exchange differences on<br>translation of financial<br>statements of invested<br>associates accounted for using<br>equity method | 2,140   | 3,757         | 5,156  | 716          |
|  | <b>\$ 6,988</b>                                     | <b>13,196</b> | <b>18,344</b>                                      | <b>1,384</b> |

The tax authorities have assessed the Company's income tax returns through 2021.

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**(15) Capital and other equity interest**

Except for as described in the following paragraph, there were no significant changes in the Group's capital and other equity interest for the nine months ended September 30, 2024 and 2023. For related information about the shareholders' equity, please refer to note 6(15) of the consolidated financial statements for the year ended December 31, 2023.

**Retained earnings**

According to the Company's Articles of Incorporation, if the Company has profit as a result of the accounting year, the Company shall first pay taxes, offset its losses in previous years and set aside a legal reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, then set aside special capital reserve in accordance with relevant laws or regulations or as requested by business. Any rest balance, added to the accumulated undistributed earnings in previous years, shall be allocated by board of directors and shall be approved in shareholders' meeting.

The amount of dividends distributed to shareholders shall be no less than 50% of the distributable earnings of the year and no less than 50% of the shareholder's dividends shall be in the form of cash.

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of special reserve resulting from the first-time adoption of the IFRSs endorsed by the FSC and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods due to the first-time adoption of the IFRSs endorsed by the FSC. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.



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The following are the appropriation of earnings in 2023 and 2022 which were approved in the shareholders' meeting held on May 29, 2024 and May 24, 2023, respectively:

|   | <b>2023</b>                     |                         | <b>2022</b>                     |                         |
|---|---------------------------------|-------------------------|---------------------------------|-------------------------|
|   | <b>NT dollars<br/>per share</b> | <b>Total<br/>amount</b> | <b>NT dollars<br/>per share</b> | <b>Total<br/>amount</b> |
| Cash dividends distributed to<br>ordinary shareholders: | <b>\$ 0.4500</b>                | <b>101,776</b>          | <b>4.0000</b>                   | <b>904,673</b>          |

The information is available on the Market Observation Post System website.

**(16) Earnings per share**

The Company's calculation of basic earnings per share was as follows:

|   | <b>For the three months ended<br/>September 30,</b> |                | <b>For the nine months ended<br/>September 30,</b> |                |
|---|---|----------------|--|----------------|
|   | <b>2024</b>   | <b>2023</b>    | <b>2024</b>  | <b>2023</b>    |
| Basic earnings per share:   |   |                |  |                |
| Net income (loss) for the period  | <b>\$ (72,690)</b>                                  | <b>36,516</b>  | <b>(152,142)</b>                                   | <b>129,396</b> |
| Weighted-average number of ordinary<br>shares outstanding during the year<br>(in thousands)           | <b>226,168</b>                                      | <b>226,168</b> | <b>226,168</b>                                     | <b>226,168</b> |
| Basic earnings per share (NT dollars)   | <b>\$ (0.32)</b>                                    | <b>0.16</b>    | <b>(0.67)</b>                                      | <b>0.57</b>    |
| Diluted earnings per share:   |   |                |  |                |
| Net income (loss) for the period  | <b>\$ (72,690)</b>                                  | <b>36,516</b>  | <b>(152,142)</b>                                   | <b>129,396</b> |
| Weighted-average number of ordinary<br>shares outstanding during the year<br>(in thousands)           | 226,168   | 226,168        | 226,168  | 226,168        |
| Effect of potential diluted ordinary<br>shares (in thousands)   | -   | 249            | -  | 486            |
| Weighted-average number of ordinary<br>shares outstanding during the year<br>(diluted) (in thousands) | <b>226,168</b>                                      | <b>226,417</b> | <b>226,168</b>                                     | <b>226,654</b> |
| Diluted earnings per share (NT dollars)   | <b>\$ (0.32)</b>                                    | <b>0.16</b>    | <b>(0.67)</b>                                      | <b>0.57</b>    |

Since the Company incurred net loss for the nine months ended September 30, 2024, there were no potential ordinary shares with dilutive effect for the period.

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**(17) Remuneration to employees and directors**

According to the Company's Articles of Incorporation, when allocating the net profits for each fiscal year, the Company shall distribute 5~15% of profit of the current year distributable as employees' compensation and no more than 1.5% of profit of the current year distributable as remuneration of directors and supervisors. However, the company's accumulated losses shall have been covered.

The remunerations to employees amounted to \$0, \$2,822, \$0 and \$15,395, and the remunerations to directors amounted to \$0, \$336, \$0 and \$1,833 for the three and nine months ended September 30, 2024 and 2023, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company's Article of Incorporation. These remunerations were expensed under cost of goods sold or expenses for the years 2023 and 2022. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing market price of the shares on the day preceding the board of directors' meeting.

For the year ended December 31, 2023 and 2022, the remuneration to employees amounted to \$8,504 and \$160,430, and the remuneration to directors amounted to \$1,012 and \$19,099, respectively, which were paid in cash. The aforementioned approved amounts are the same as the amounts charged against earnings of 2023 and 2022. The information is available on the Market Observation Post System website.

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**(18) Revenue from Contracts with Customers**

A. Segmentation of revenue

|                                       | For the three months ended<br>September 30, |                       | For the nine months ended<br>September 30, |                         |
|---------------------------------------|---|-----------------------|--|-------------------------|
|                                       | 2024  | 2023                  | 2024                                       | 2023                    |
| Revenues from major regional markets: |   |                       |  |                         |
| China                                 | \$ 484,508                                  | 436,267               | 1,284,348                                  | 1,349,296               |
| Taiwan                                | 77,021                                      | 45,722                | 207,479                                    | 237,134                 |
| Others                                | 121,766                                     | 149,295               | 317,582                                    | 521,410                 |
|                                       | <u><b>\$ 683,295</b></u>                    | <u><b>631,284</b></u> | <u><b>1,809,409</b></u>                    | <u><b>2,107,840</b></u> |
| Revenue from major products:          |   |                       |  |                         |
| Sales of integrated circuits          | \$ 681,261                                  | 630,111               | 1,801,203                                  | 2,101,411               |
| Design and IC programming             | 2,034                                       | 1,173                 | 8,206                                      | 6,429                   |
|                                       | <u><b>\$ 683,295</b></u>                    | <u><b>631,284</b></u> | <u><b>1,809,409</b></u>                    | <u><b>2,107,840</b></u> |

B. Contract balance

Please refer to note 6(4) for the amount of accounts receivables and impairment loss.

**(19) Non-operating income and expenses**

The details of other gains and losses were as follows:

|                             | For the three months ended<br>September 30, |                      | For the nine months ended<br>September 30, |                      |
|-----------------------------|---|----------------------|--|----------------------|
|                             | 2024  | 2023                 | 2024                                       | 2023                 |
| Foreign exchange gains, net | \$ 170                                      | 18,657               | 18,713                                     | 5,653                |
| Others                      | 7,381                                       | 25,070               | 29,346                                     | 43,896               |
|                             | <u><b>\$ 7,551</b></u>                      | <u><b>43,727</b></u> | <u><b>48,059</b></u>                       | <u><b>49,549</b></u> |

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**(20) Financial instruments**

Except as described in the following paragraph, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk liquidity risk and market risk. For related information about the fair value of financial instruments, please refer to note 6(20) of the consolidated financial statements for the year ended December 31, 2023.

**A. Credit risk**

**(a) Credit risk exposure**

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

**(b) Concentration of credit risk**

The main sales of the Group are domestic and foreign companies with good reputation, in addition to the credit line according to the operation procedures, and continue to understand the credit status of customers. As of September 30, 2024 and December 31 and September 30, 2023 customers (including related parties) who notes and accounts receivables that accounted for more than 10% have amounted to \$126,507, \$186,894 and \$370,679, respectively. The Group has concentration of credit risk arising from sales transactions. The Group have estimated the recoverable amount and recognized allowance for doubtful accounts, the management expected that no significant impairment loss will occurred.

**(c) Credit risk of Receivables**

For credit risk exposure of note and trade receivables, please refer to note 6(4).

Other financial assets at amortized cost include time deposits (more than 3 months) and restricted cash in banks. The details and loss allowance, please refer to note 6(6).

The above financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7) of the consolidated financial statements for the year ended December 31, 2023.

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**B. Liquidity risk**

The following table shows the contractual maturities of financial liabilities, except for salary and bonus payable and other current liabilities:

|   | <u>Carrying<br/>amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within<br/>1 year</u> | <u>Over<br/>1 year</u> |
|---|----------------------------|-----------------------------------|--------------------------|------------------------|
| <b>September 30, 2024</b>                                   |                            |                                   |                          |                        |
| Non-derivative financial liabilities                        |                            |                                   |                          |                        |
| Short-term loans  | \$ 1,000,000               | 1,003,037                         | 1,003,037                | -                      |
| Notes and accounts payables<br>(including related parties)  | 279,855                    | 279,855                           | 279,855                  | -                      |
| Salary and bonus payable                                    | 213,149                    | 213,149                           | 213,149                  | -                      |
| Accrued expenses (recorded in other<br>current liabilities) | 32,118                     | 32,118                            | 32,118                   | -                      |
| Guarantee deposit received                                  | 34,339                     | 34,339                            | -                        | 34,339                 |
| Lease liabilities   | 94,713                     | 103,031                           | 19,784                   | 83,247                 |
|   | <u><b>\$ 1,654,174</b></u> | <u><b>1,665,529</b></u>           | <u><b>1,547,943</b></u>  | <u><b>117,586</b></u>  |
| <b>December 31, 2023</b>                                    |                            |                                   |                          |                        |
| Non-derivative financial liabilities                        |                            |                                   |                          |                        |
| Short-term loans  | \$ 1,000,000               | 1,013,504                         | 1,013,504                | -                      |
| Notes and accounts payables<br>(including related parties)  | 138,600                    | 138,600                           | 138,600                  | -                      |
| Salary and bonus payable                                    | 314,949                    | 314,949                           | 314,949                  | -                      |
| Accrued expenses (recorded in other<br>current liabilities) | 39,817                     | 39,817                            | 39,817                   | -                      |
| Guarantee deposit received                                  | 51,361                     | 51,361                            | -                        | 51,361                 |
| Lease liabilities   | 108,270                    | 117,604                           | 20,843                   | 96,761                 |
|   | <u><b>\$ 1,652,997</b></u> | <u><b>1,675,835</b></u>           | <u><b>1,527,713</b></u>  | <u><b>148,122</b></u>  |
| <b>September 30, 2023</b>                                   |                            |                                   |                          |                        |
| Non-derivative financial liabilities                        |                            |                                   |                          |                        |
| Short-term loans  | \$ 1,000,000               | 1,000,000                         | 1,000,000                | -                      |
| Notes and accounts payables<br>(including related parties)  | 178,216                    | 178,216                           | 178,216                  | -                      |
| Salary and bonus payable                                    | 314,259                    | 314,259                           | 314,259                  | -                      |
| Accrued expenses (recorded in other<br>current liabilities) | 38,873                     | 38,873                            | 38,873                   | -                      |
| Guarantee deposit received                                  | 53,681                     | 53,681                            | -                        | 53,681                 |
| Lease liabilities   | 111,301                    | 120,987                           | 20,347                   | 100,640                |
|   | <u><b>\$ 1,696,330</b></u> | <u><b>1,706,016</b></u>           | <u><b>1,551,695</b></u>  | <u><b>154,321</b></u>  |

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

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C. Market risk

Currency risk

(a) Exposure to currency risk

The Group's financial assets and liabilities exposed to exchange rate risk were as follows:

|                              | September 30, 2024  |                  |        |         | December 31, 2023   |                  |         | September 30, 2023  |                  |         |
|------------------------------|---------------------|------------------|--------|---------|---------------------|------------------|---------|---------------------|------------------|---------|
|                              | Foreign<br>currency | Exchange<br>rate |        | NTD     | Foreign<br>currency | Exchange<br>rate | NTD     | Foreign<br>currency | Exchange<br>rate | NTD     |
| <u>Financial assets</u>      |                     |                  |        |         |                     |                  |         |                     |                  |         |
| <u>Monetary items</u>        |                     |                  |        |         |                     |                  |         |                     |                  |         |
| USD                          | \$                  | 11,214           | 31.60  | 354,374 | 10,617              | 30.665           | 325,466 | 11,315              | 32.22            | 364,569 |
| RMB                          |                     | 58,807           | 4.4971 | 264,460 | 44,834              | 4.2998           | 192,779 | 42,985              | 4.3904           | 188,721 |
| <u>Non-monetary items</u>    |                     |                  |        |         |                     |                  |         |                     |                  |         |
| USD                          | \$                  | 14,796           | 31.60  | 467,561 | 15,792              | 30.665           | 484,095 | 15,540              | 32.22            | 500,691 |
| <u>Financial liabilities</u> |                     |                  |        |         |                     |                  |         |                     |                  |         |
| <u>Monetary items</u>        |                     |                  |        |         |                     |                  |         |                     |                  |         |
| USD                          | \$                  | 3,571            | 31.60  | 112,853 | 1,672               | 30.665           | 51,240  | 3,225               | 32.22            | 103,902 |
| RMB                          |                     | 3,109            | 4.4971 | 13,981  | 1,508               | 4.2998           | 6,486   | 1,594               | 4.3904           | 6,997   |

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, and accounts payable that are denominated in foreign currency. A fluctuation in the NTD/USD and NTD/RMB exchange rate on the reporting date, with other factors remaining constant, would have increased or decreased the net income amounted to \$3,936 and \$3,539 for the nine months ended September 30, 2024 and 2023, respectively.

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

Due to the variety of the functional currencies of the Group's entities, the Group's foreign exchange gains on monetary items amounted to \$170, \$18,657, \$18,713, and \$5,653 for the three and nine months ended September 30, 2024 and 2023, respectively.

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(d) Other price risk

For the years ended December 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

| Prices of securities at the reporting date | For the nine months ended September 30, |                |                                      |                |
|--|---|----------------|--------------------------------------|----------------|
|  | 2024                                    |                | 2023                                 |                |
|  | Other comprehensive income after tax    | Net income     | Other comprehensive income after tax | Net income     |
| 1% increase                                | \$ <u>53</u>                            | <u>1,445</u>   | <u>4,811</u>                         | <u>4,585</u>   |
| 1% decrease                                | \$ <u>(53)</u>                          | <u>(1,445)</u> | <u>(4,811)</u>                       | <u>(4,585)</u> |

D. Fair value of financial instruments

(a) Categories of financial instruments and fair value

The fair value of financial assets and liabilities at fair value through profit or loss and fair value through other comprehensive income is measured on a recurring basis. The Group's carrying amount and the fair value of financial assets and liabilities (including information for fair value hierarchy, but excluding financial instruments whose fair values approximate the carrying amounts and equity investments which cannot be estimated reliably in an active market) were as follows:

|  | September 30, 2024 |                |          |                |                |
|--|--------------------|----------------|----------|----------------|----------------|
|  | Carrying amount    | Fair value     |          |                |                |
|  |                    | Level1         | Level2   | Level3         | Total          |
| Financial assets measured at fair value through profit or loss             | \$ 180,669         | 180,669        | -        | -              | 180,669        |
| Financial assets measured at fair value through other comprehensive income | 6,629              | -              | -        | 6,629          | 6,629          |
|  | <u>\$ 187,298</u>  | <u>180,669</u> | <u>-</u> | <u>6,629</u>   | <u>187,298</u> |
|  | December 31, 2023  |                |          |                |                |
|  | Carrying amount    | Fair value     |          |                |                |
|  |                    | Level1         | Level2   | Level3         | Total          |
| Financial assets measured at fair value through profit or loss             | \$ 236,652         | 236,652        | -        | -              | 236,652        |
| Financial assets measured at fair value through other comprehensive income | 679,811            | -              | -        | 679,811        | 679,811        |
|  | <u>\$ 916,463</u>  | <u>236,652</u> | <u>-</u> | <u>679,811</u> | <u>916,463</u> |

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|  | September 30, 2023  |                |          |                |                  |
|--|---------------------|----------------|----------|----------------|------------------|
|  | Carrying<br>amount  | Fair value     |          |                | Total            |
|  |                     | Level1         | Level2   | Level3         |                  |
| Financial assets measured at fair value through profit or loss             | \$ 573,115          | 573,115        | -        | -              | 573,115          |
| Financial assets measured at fair value through other comprehensive income | 601,427             | -              | -        | 601,427        | 601,427          |
|  | <b>\$ 1,174,542</b> | <b>573,115</b> | <b>-</b> | <b>601,427</b> | <b>1,174,542</b> |

(b) Valuation techniques for financial instruments that are measured at fair value

- The Group's valuation techniques and assumptions used for financial instruments of financial assets with standard terms and conditions and traded in active markets are determined with reference to quoted market prices.
- The Group's financial assets at the equity investment without an active market were as follows:

Unquoted equity instruments : The Group invests companies. Asset value method is used to reflect corporate value by evaluating the aggregate value of individual assets and individual liabilities from the target of evaluation. For other investment the market price is established as the fair value if the quoted prices in active markets are available. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

(c) There was no transfer of fair value level as of September 30, 2024 and 2023.

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

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets at FVOCI—equity investments.

The Group classified the equity investments without an active market as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent; therefore, there is no correlation between them.



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Quantified information of significant unobservable inputs was as follows:

| <b>Item</b>  | <b>Valuation technique</b>   | <b>Significant unobservable inputs</b>   | <b>Inter-relationship between significant unobservable inputs and fair value measurement</b>  |
|--|--|--|---|
| Financial assets at FVOCI -equity investments without an active market | Market approach (Compared to the price-equity ratio of market practice among listed companies) | <ul style="list-style-type: none"> <li>• Price-equity ratio (2024.9.30 、 2023.12.31 and 2023.09.30: 1.83% 、 1.32%~1.42% and 1.28%, respectively.)</li> <li>• Discount for lack of marketability (2024.9.30 、 2023.12.31 and 2023.09.30:25%)</li> </ul> | <ul style="list-style-type: none"> <li>• The higher the price-equity ratio, the higher the fair value.</li> <li>• The higher the discount for lack of marketability, The lower the fair value.</li> </ul> |
| Financial assets at FVOCI -equity investments without an active market | Net Asset Value Method   | <ul style="list-style-type: none"> <li>• Net Asset Value</li> <li>• Discount for lack of marketability (2023.12.31 and 2023.09.30:10%)</li> </ul>  | <ul style="list-style-type: none"> <li>• Not applicable</li> <li>• The higher the discount for lack of marketability, The lower the fair value.</li> </ul>  |

(e) Reconciliation for fair value measurements categorized within Level 3

|   | <b>Financial assets measured at FVOCI — equity investments</b> |                |
|---|--|----------------|
|   | <b>For the nine months ended September 30,</b>                 |                |
|   | <b>2024</b>  | <b>2023</b>    |
| <b>Balance at beginning of the period</b>                 | \$ 679,811   | 503,111        |
| Additions   | -  | 9,500          |
| Disposals   | (406,787)  | -              |
| Capital reduction   | (18,093)   | (18,041)       |
| Net gains (losses) included in other comprehensive income | (248,302)  | 106,857        |
| <b>Balance at end of the period</b>                       | <b>\$ 6,629</b>  | <b>601,427</b> |

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Net gains or loss that were included in unrealized gains and losses from financial assets at fair value through other comprehensive income for the years ended September 30, 2024 and 2023, were as follows:

|  | <b>For the nine months ended<br/>September 30,</b> |                |
|--|--|----------------|
|  | <b>2024</b>  | <b>2023</b>    |
| Total gains and losses recognized:   |  |                |
| In other comprehensive income, and presented in<br>“unrealized gains and losses on financial assets at<br>fair value through other comprehensive income” | <u>\$ (6,775)</u>                                  | <u>106,857</u> |

**(21) Financial risk management**

There were no significant changes in the Group’s objectives and policies applied in the financial risk management from those in the consolidated financial statement for the year ended December 31, 2023. For related information about the financial risk management, please refer to note 6(21) of the consolidated financial statements for the year ended December 31, 2023.

**(22) Capital management**

The Group’s objectives, policies and processes for capital management were consistent with the consolidated financial statements for the year ended December 31, 2023. There were no significant changes in quantified factors of capital management from those in the consolidated financial statement for the year ended December 31, 2023. For related information about the capital management, please refer to note 6(22) of the consolidated financial statements for the year ended December 31, 2023.

**(23) Financing activities not affecting current cash flow**

The Group’s financing activities which did not affect the current cash flow were as follows:

A. Acquisition of right-of-use assets at leases, please refer to notes 6(9).

B. Reconciliation of liabilities arising from financing activities were as follows:

|   | <b>January 1,<br/>2024</b> | <b>Cash flow</b> | <b>Other</b> | <b>September 30,<br/>2024</b> |
|---|----------------------------|------------------|--------------|-------------------------------|
| Lease liabilities                           | \$ 108,270                 | (14,969)         | 1,412        | 94,713                        |
| Guarantee deposit received                  | 51,361                     | (17,219)         | 197          | 34,339                        |
| Short-term loans                            | <u>1,000,000</u>           | <u>-</u>         | <u>-</u>     | <u>1,000,000</u>              |
| Total liabilities from financing activities | <u>\$ 1,159,631</u>        | <u>(32,188)</u>  | <u>1,609</u> | <u>1,129,052</u>              |

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

|   | January 1,<br>2023 | Cash flow     | Other                    | September 30,<br>2023 |
|---|--------------------|---------------|--------------------------|-----------------------|
| Lease liabilities                           | \$ 88,121          | (18,214)      | 41,394 <sup>(Note)</sup> | 111,301               |
| Guarantee deposit received                  | 22,696             | 30,976        | 9                        | 53,681                |
| Total liabilities from financing activities | <u>\$ 110,817</u>  | <u>12,762</u> | <u>41,403</u>            | <u>164,982</u>        |

Note : The Group operations need to lease offices in 3Q23.

## 7 、 Related-party Transactions

### (1) Names and relationship with related parties

The followings are the related parties which had transaction with the Group during the periods covered in the consolidated financial statements.

| <u>Name of related parties</u>                  | <u>Relationship with the Group</u>   |
|---|--|
| Crown Rich Technology Holding Ltd. (Crown Rich) | An associate of the Group  |
| Fine Chip Electronics Inc. (Fine Chip)          | An associate of the Group  |
| ForIC Electronics Holding Ltd. (ForIC)          | An associate of the Group  |
| JXY Electronics Corporation (JXY)               | An associate of the Group  |
| New Wave Electronics Holding Ltd. (New Wave)    | An associate of the Group  |
| Newtek Electronics Ltd. (Newtek)                | An associate of the Group  |
| Quanding Technology Holding Ltd.(Quanding)      | An associate of the Group  |
| Santek Holdings Ltd.(Santek)                    | An associate of the Group  |
| Truetek Technology Ltd.(Truetek)                | An associate of the Group  |
| Signal Electronic Co., Ltd. (Signal)            | An associate of the Group  |
| Tech Wave Ltd. (Tech Wave)                      | An associate of the Group  |
| ETEK technology company Ltd. (ETEK)             | An associate of the Group, but MCU had agreed to sell its equity in July, 2024     |
| EST Technology Integration Corp. (EST)          | An associate of the Group, but Holtek Investment had sold its equity in July, 2023 |
| Bestway Electronic Inc.(Bestway)                | An associate of the Group, which had reduced its capital in May, 2023              |

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**Notes to Consolidated Financial Statements**

**(2) Significant related-party transactions**

**A. Sales**

The amounts of significant sales by the Group to related parties were as follows:

|            | <b>For the three months ended<br/>September 30,</b> |                | <b>For the nine months ended<br/>September 30,</b> |                  |
|------------|---|----------------|--|------------------|
|            | <b>2024</b>   | <b>2023</b>    | <b>2024</b>  | <b>2023</b>      |
| Signal     | \$ 90,770   | 116,626        | 264,037  | 482,705          |
| Crown Rich | 90,130  | 47,854         | 222,981  | 213,034          |
| Truetek    | 48,402  | 31,850         | 143,082  | 112,416          |
| New Wave   | 54,681  | 67,127         | 138,991  | 144,471          |
| Quanding   | 42,586  | 37,897         | 125,470  | 90,794           |
| Associates | 127,493   | 106,893        | 317,784  | 264,325          |
|            | <b>\$ 454,062</b>                                   | <b>408,247</b> | <b>1,212,345</b>                                   | <b>1,307,745</b> |

The Group will determine selling price by product type specification, and offer different discount based on the quantity. The credit terms for sales transactions for related parties ranged from 60 days. While the credit terms for routine sales transactions, which are usually decided upon the experiences and the result form credit evaluation, can be varied from advance payment, T/T on demand, or 30 to 60 days on open account.

As for the periods ended September 30, 2024, and December 31 and September 30, 2023, the Group recognized unrealized gross profits of sales to associates amounting to \$88,180, \$123,592 and \$166,080, respectively.

The receivables from related parties (including allowance for doubtful accounts) were as follows:

|            | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|------------|-------------------------------|------------------------------|-------------------------------|
| Signal     | \$ 63,823                     | 89,411                       | 108,207                       |
| Crown Rich | 62,684                        | 26,935                       | 51,810                        |
| Truetek    | 40,798                        | 25,482                       | 43,204                        |
| New Wave   | 39,322                        | 14,697                       | 72,389                        |
| Quanding   | 31,323                        | 42,009                       | 60,901                        |
| ForIC      | 28,347                        | 55,474                       | 77,372                        |
| Associates | 79,796                        | 27,000                       | 54,650                        |
|            | <b>\$ 346,093</b>             | <b>281,008</b>               | <b>468,533</b>                |

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The advance receipts from related parties were as follows:

|  | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|--|-------------------------------|------------------------------|-------------------------------|
| Advance receipts –Associates (recorded in other current liabilities – other) | <u><u>\$ 3,740</u></u>        | <u><u>11,521</u></u>         | <u><u>-</u></u>               |

**B. Purchases**

The amounts of significant purchases by the Group to related parties were as follows:

|            | <b>For the three months ended<br/>September 30,</b> |                   | <b>For the nine months ended<br/>September 30,</b> |                     |
|------------|---|-------------------|--|---------------------|
|            | <b>2024</b>   | <b>2023</b>       | <b>2024</b>  | <b>2023</b>         |
| Associates | <u><u>\$ 1,880</u></u>                              | <u><u>572</u></u> | <u><u>3,655</u></u>                                | <u><u>1,381</u></u> |

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

The payables to related parties were as follows:

|            | <b>September<br/>30, 2024</b> | <b>December<br/>31, 2023</b> | <b>September<br/>30, 2023</b> |
|------------|-------------------------------|------------------------------|-------------------------------|
| Associates | <u><u>\$ 2,044</u></u>        | <u><u>414</u></u>            | <u><u>578</u></u>             |

**C. Other transactions**

The Group's revenue from related parties about the human support service charge and disbursement have amounted to \$81, \$845, \$378, and \$2,185 for the three and nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024 and December 31 and September 30, 2023, the receivables classified under abovementioned other financial assets – current have amounting to \$744, \$333 and \$639, respectively.

**(3) Transactions with key management personnel**

Key management personnel compensation comprised:

|                              | <b>For the three months ended<br/>September 30,</b> |                     | <b>For the nine months ended<br/>September 30,</b> |                      |
|------------------------------|---|---------------------|--|----------------------|
|                              | <b>2024</b>   | <b>2023</b>         | <b>2024</b>  | <b>2023</b>          |
| Short-term employee benefits | \$ 6,781  | 6,097               | 21,267   | 22,222               |
| Post-employment benefits     | 108   | 108                 | 324  | 324                  |
|                              | <u><u>\$ 6,889</u></u>                              | <u><u>6,205</u></u> | <u><u>21,591</u></u>                               | <u><u>22,546</u></u> |

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**8 、Pledged Assets**

| <u>Assets</u>  | <u>Purpose of Pledged</u>                | <u>September<br/>30, 2024</u> | <u>December<br/>31, 2023</u> | <u>September<br/>30, 2023</u> |
|--|--|-------------------------------|------------------------------|-------------------------------|
| Time deposits (recorded in other financial assets – current) | Guarantee deposits from customs and HSPB | \$ 2,351                      | 9,024                        | 8,924                         |
| Time deposits (recorded in other non)                        | Guarantee deposits from customs and HSPB | 6,684                         | -                            | -                             |
|  |  | <u>\$ 9,035</u>               | <u>9,024</u>                 | <u>8,924</u>                  |

**9 、Significant Commitments and Contingencies**

- (1) The Group has signed the contract of technical authorization with ARM Ltd. When the Group sells products which apply the promised technique, it has to pay the royalty with certain amount according to the contract.
- (2) The Group has signed the contract of production capacity guarantee with one supplier and will paid the deposit (Other non-current assets). In the contract, the Group need to purchase the minimum quantity on the relevant years.

**10 、Losses due to major disasters: None.**

**11 、Significant Subsequent Events: None.**

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**12 、 Other**

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

| By item                    | By function | For the three months ended<br>September 30,2024 |   |         | For the three months ended<br>September 30,2023 |   |         |
|----------------------------|-------------|---|---|---------|---|---|---------|
|                            |             | Classified<br>as<br>operating<br>costs          | Classified<br>as<br>operating<br>expenses | Total   | Classified<br>as<br>operating<br>costs          | Classified<br>as<br>operating<br>expenses | Total   |
| Employee benefits          |             |   |   |         |   |   |         |
| Salaries                   |             | 7,927   | 197,826                                   | 205,753 | 7,278   | 185,863                                   | 193,141 |
| Labor and health insurance |             | 723   | 13,634                                    | 14,357  | 713   | 14,326                                    | 15,039  |
| Pensions                   |             | 452   | 25,257                                    | 25,709  | 452   | 22,169                                    | 22,621  |
| Others                     |             | 410   | 5,016                                     | 5,426   | 315   | 4,456                                     | 4,771   |
| Depreciation               |             | 188   | 17,005                                    | 17,193  | 367   | 18,100                                    | 18,467  |
| Amortization               |             | -   | 23,513                                    | 23,513  | -   | 19,650                                    | 19,650  |

| By item                    | By function | For the nine months ended<br>September 30,2024 |   |         | For the nine months ended<br>September 30,2023 |   |         |
|----------------------------|-------------|--|---|---------|--|---|---------|
|                            |             | Classified<br>as<br>operating<br>costs         | Classified<br>as<br>operating<br>expenses | Total   | Classified<br>as<br>operating<br>costs         | Classified<br>as<br>operating<br>expenses | Total   |
| Employee benefits          |             |  |   |         |  |   |         |
| Salaries                   |             | 22,641   | 565,334                                   | 587,975 | 21,866   | 519,944                                   | 541,810 |
| Labor and health insurance |             | 2,158  | 43,150                                    | 45,308  | 2,154  | 45,051                                    | 47,205  |
| Pensions                   |             | 1,350  | 60,916                                    | 62,266  | 1,359  | 62,138                                    | 63,497  |
| Others                     |             | 1,189  | 15,907                                    | 17,096  | 993  | 13,839                                    | 14,832  |
| Depreciation               |             | 714  | 52,402                                    | 53,116  | 1,236  | 56,550                                    | 57,786  |
| Amortization               |             | -  | 68,728                                    | 68,728  | -  | 53,308                                    | 53,308  |

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**13 、 Other disclosures**

(1) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- i. Loans to other parties: None.
- ii. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollar)

| No. | Name of guarantor         | Counter-party of guarantee and endorsement |                               | Limitation on amount of guarantees and endorsements for a specific enterprise | Highest balance for guarantees and endorsements during the period | Balance of guarantees and endorsements as of reporting date | Actual usage amount during the period | Property pledged for guarantees and endorsements (Amount) | Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements | Maximum amount for guarantees and endorsements | Parent company endorsements/ guarantees to third parties on behalf of subsidiary | Subsidiary endorsements/ guarantees to third parties on behalf of parent company | Endorsements/ guarantees to third parties on behalf of companies in Mainland China |
|-----|---------------------------|--|-------------------------------|---|---|---|---------------------------------------|---|---|--|--|--|--|
|     |                           | Name                                       | Relationship with the Company |   |   |   |                                       |   |   |  |  |  |  |
| 0   | Holtek Semiconductor Inc. | Xinqun Semiconductor (XIAMEN) Inc.         | Subsidiary of the Company     | 722,191   | 110,600   | 110,600   | 1,161                                 | -   | 3.02%   | 1,805,477                                      | Y  | N  | Y  |

Note1 : According to the Company 's guarantee and endorsement operating procedures: the amount of guarantee.

Note2 : The total amount of guarantee shall not exceed fifty percent (50%) of the Company’s net equity, and the total amount of the guarantee provided by the Company to any individual entity shall not exceed twenty percent (20%) of the Company’s net equity.



**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

iii. Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(Amounts in Thousands of New Taiwan Dollars)

| Name of holder              | Category and name of security      | Relationship with company | Account title  | Ending balance           |                |                             |            | Note |
|-----------------------------|------------------------------------|---------------------------|--|--------------------------|----------------|-----------------------------|------------|------|
|                             |                                    |                           |  | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value |      |
| The Company                 | FSITC Taiwan Bond Fund             | -                         | Financial assets measured at fair value through profit or loss – current                 | 7,560                    | 120,249        | -                           | 120,249    |      |
| The Company                 | UPAMC James Bond Money Market Fund | -                         | Financial assets measured at fair value through profit or loss – current                 | 3,487                    | 60,420         | -                           | 60,420     |      |
| Holtek Investment Co., Ltd. | Gingy Technology Co.               | -                         | Equity-investments measured at fair value through other comprehensive income-non current | 127                      | -              | 1.35%                       | -          |      |
| Holtek Investment Co., Ltd. | Precision Sensor Design Inc.       | -                         | Equity-investments measured at fair value through other comprehensive income-non current | 1,393                    | 6,629          | 19.48%                      | 6,629      |      |

iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: :

| Name of company             | Category and name of security   | Account name   | Name of counter-party           | Relationship with the company | Beginning Balance |         | Purchases |        | Sales         |         |         |                         | Ending Balance |        |
|-----------------------------|---------------------------------|--|---------------------------------|-------------------------------|-------------------|---------|-----------|--------|---------------|---------|---------|-------------------------|----------------|--------|
|                             |                                 |  |                                 |                               | Shares            | Amount  | Shares    | Amount | Shares        | Price   | Cost    | Gain (loss) on disposal | Shares         | Amount |
| Holtek Investment Co., Ltd. | Shieh Yong Investment Co., Ltd. | Equity-investments measured at fair value through other comprehensive income-non current | Hsun Chieh Investment Co., Ltd. | -                             | 65,014            | 599,353 | -         | -      | 63,205 (Note) | 366,587 | 106,867 | 259,720                 | -              | -      |

Note : Shieh Yong Investment Co., Ltd. has reduced its capital \$18,093 to Holtek Investment Co., Ltd. in May 2024, and Holtek Investment Co., Ltd. owned its remaining shares are 63,205 thousands shares.

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

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

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

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

| Name of company | Related party  | Nature of relationship     | Transaction details |         |                                      |                       | Transactions with terms different from others |               | Notes/Accounts receivable (payable) |   | Note  |
|-----------------|----------------|----------------------------|---------------------|---------|--------------------------------------|-----------------------|---|---------------|-------------------------------------|---|-------|
|                 |                |                            | Purchase /Sale      | Amount  | Percentage of total purchases /sales | Payment terms         | Unit price                                    | Payment terms | Ending balance (Note3)              | Percentage of total notes/accounts receivable (payable) |       |
| The Company     | Xinqun         | Subsidiary of the Company  | Sales               | 430,106 | 32%                                  | Open account 120 days | No significant difference                     | Note7         | 294,340                             | 68%   | Note1 |
| The Company     | Holtek (China) | Subsidiary of the Company  | Sales               | 279,937 | 21%                                  | Open account 120 days | No significant difference                     | Note7         | 41,407                              | 10%   | Note1 |
| Holtek (China)  | Crown Rich     | Related-party of the Group | Sales               | 118,379 | 24%                                  | Open account 60 days  | No significant difference                     | Note7         | 32,976                              | 23%   |       |

Note1 : The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

Note2 : One-way expression only for companies recognizing income and assets.

Note3 : Notes and accounts receivable, net include allowance for doubtful accounts.

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

(Amounts in Thousands of New Taiwan Dollars)

| Name of company | Related party | Nature of relationship | Ending balance | Turnover days | Overdue |                      | Amounts received in subsequent period | Allowance for bad debts |
|-----------------|---------------|------------------------|----------------|---------------|---------|----------------------|---------------------------------------|-------------------------|
|                 |               |                        |                |               | Amount  | Action taken         |                                       |                         |
| The Company     | Xinqun        | Subsidiary             | 297,333        | 2.92          | -       | Collection on demand | 35,406 (Note1)                        | 2,993                   |

Note1 : The amount is collected by October 15, 2024.

Note2 : The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

ix. Trading in derivative instruments: None.

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

x. Business relationships and significant intercompany transactions:

| No. | Name of company | Name of counter-party | Nature of relationship                   | Intercompany transactions |         |                       |  |
|-----|-----------------|-----------------------|--|---------------------------|---------|-----------------------|--|
|     |                 |                       |  | Account name              | Amount  | Trading terms         | Percentage of the consolidated net revenue or total assets |
| 0   | The Company     | Holtek (China)        | Parent company to subsidiary             | Sales                     | 279,937 | Open account 120 days | 15%  |
| 0   | The Company     | Xinqun                | Parent company to subsidiary             | Sales                     | 430,106 | Open account 120 days | 24%  |
| 0   | The Company     | Xinqun                | Parent company to subsidiary             | Accounts receivable       | 294,340 | Open account 120 days | 5%   |
| 0   | The Company     | Holtek (Suzhou)       | Parent company to subsidiary             | Sales                     | 10,974  | Open account 120 days | 1%   |
| 0   | The Company     | Best Solution         | Parent company to subsidiary             | Sales                     | 10,948  | Open account 60 days  | 1%   |
| 1   | Holtek (China)  | Best Solution         | Subsidiary to subsidiary                 | Sales                     | 15,669  | Open account 60 days  | 1%   |
| 1   | Holtek (China)  | Anchip                | Subsidiary to subsidiary                 | Sales                     | 49,406  | Open account 60 days  | 3%   |
| 1   | Holtek (Suzhou) | Xinqun                | Subsidiary to subsidiary                 | Sales                     | 26,846  | Open account 60 days  | 1%   |
| 1   | Holtek (Suzhou) | Xinqun                | Subsidiary to subsidiary                 | Accounts receivable       | 30,224  | Open account 60 days  | 1%   |
| 1   | Best Health     | The Company           | Second-tier subsidiary to parent company | Sales                     | 13,058  | Open account 60 days  | 1%   |
| 1   | Best Health     | Xinqun                | Second-tier subsidiary to subsidiary     | Sales                     | 11,546  | Open account 60 days  | 1%   |

Note1 : The transactions with amount that account for more than 0.5% of the comprehensive earnings or net assets are disclosed.

Note2 : The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

Note3 : Notes and accounts receivable, net include allowance for doubtful accounts.

(2) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024(excluding information on investees in Mainland China):

| Investor Company     | Investee Company                         | Location        | Main Businesses and Products                        | Original investment amount |                   | Balance as of September 30, 2024 |                         |                | Net income (losses) of investee | Share of profits/losses of investee | Note   |
|----------------------|--|-----------------|---|----------------------------|-------------------|----------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|--|
|                      |  |                 |   | September 30, 2024         | December 31, 2023 | Shares                           | Percentage of ownership | Carrying value |                                 |                                     |  |
| The Company          | Holtek Semiconductor Holding (BVI) Ltd.  | B.V.I.          | Overseas investment activities                      | 627,731                    | 665,449           | 20,803                           | 100.00%                 | 1,190,526      | (17,814)                        | (17,814)<br>Note 2                  | The Company's Subsidiary                           |
| The Company          | Kingtek Semiconductor Holding (BVI) Ltd. | B.V.I.          | Overseas investment activities                      | 69,542                     | 69,542            | 2,000                            | 100.00%                 | 124,918        | (36,611)                        | (36,611)<br>Note 2                  | The Company's Subsidiary                           |
| The Company          | Sigmos Holdings Ltd.                     | B.V.I.          | Overseas investment activities                      | 6,898                      | 6,898             | 200                              | 100.00%                 | 19,989         | (221)                           | (221)<br>Note 2                     | The Company's Subsidiary                           |
| Sigmos Holdings Ltd. | Holtek Semiconductor (USA) Inc.          | California, USA | Sales of integrated circuits and technical services | 6,898                      | 6,898             | 2,000                            | 100.00%                 | 19,989         | (221)                           | Note 1,2                            | The Company's second-tier subsidiary               |
| The Company          | MCU Holdings Ltd.                        | B.V.I.          | Overseas investment activities                      | 16,333                     | 16,333            | 500                              | 100.00%                 | 983,995        | 10,700                          | 10,700<br>Note 2                    | The Company's Subsidiary                           |
| MCU Holdings Ltd.    | ForIC Electronics Holding Ltd.           | B.V.I.          | Overseas investment activities                      | 9,733                      | 9,733             | 300                              | 40.00%                  | 15,434         | (23,795)                        | Note 1                              | The Subsidiary's investee company by equity method |
| MCU Holdings Ltd.    | Truetek Technology Ltd.                  | B.V.I.          | Overseas investment activities                      | 16,306                     | 16,306            | 920                              | 40.00%                  | 52,402         | (6,449)                         | Note 1                              | The Subsidiary's investee company by equity method |

# Holtek Semiconductor and Subsidiaries

## Notes to Consolidated Financial Statements

| Investor Company               | Investee Company                             | Location     | Main Businesses and Products                        | Original investment amount |                   | Balance as of September 30, 2024 |                         |                | Net income (losses) of investee | Share of profits/losses of investee | Note   |
|--------------------------------|--|--------------|---|----------------------------|-------------------|----------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|--|
|                                |  |              |   | September 30, 2024         | December 31, 2023 | Shares                           | Percentage of ownership | Carrying value |                                 |                                     |  |
| MCU Holdings Ltd.              | Quanding Technology Holding Ltd.             | B.V.I.       | Overseas investment activities                      | 31,124                     | 31,124            | 1,045                            | 40.00%                  | 58,040         | 19,769                          | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | Santek Holdings Ltd.                         | B.V.I.       | Overseas investment activities                      | 3,758                      | 3,758             | 180                              | 40.00%                  | 48,367         | 10,497                          | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | New Wave Electronics Holding Ltd.            | B.V.I.       | Overseas investment activities                      | 24,784                     | 24,784            | 800                              | 40.00%                  | 72,302         | 715                             | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | Newtek Electronics Ltd.                      | B.V.I.       | Overseas investment activities                      | 8,105                      | 8,105             | 1,501                            | 40.61%                  | 66,076         | (14,059)                        | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | Crown Rich Technology Holding Ltd.           | B.V.I.       | Overseas investment activities                      | 2,641                      | 2,641             | 80                               | 40.00%                  | 132,882        | (4,729)                         | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | Fine Chip Electronics Inc.                   | B.V.I.       | Overseas investment activities                      | 7,039                      | 7,039             | 1                                | 40.00%                  | 707            | 2,381                           | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | Anchip Technology Corporation                | B.V.I.       | Overseas investment activities                      | 2,937                      | 2,937             | 1                                | 60.00%                  | 40,738         | 2,451                           | Note 1, 2                           | The Company's second-tier subsidiary                                 |
| MCU Holdings Ltd.              | Tech Wave Ltd.                               | Hong Kong    | Sales of integrated circuits and technical services | 9,907                      | 9,907             | 2,400                            | 40.00%                  | 10,067         | (17,296)                        | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | ETEK technology company Ltd.                 | Hong Kong    | Sales of integrated circuits and technical services | -                          | 5,427             | -                                | -%                      | -              | (4,563)                         | Note 1, 3                           | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | JXY Electronics Corporation                  | B.V.I.       | Overseas investment activities                      | 9,076                      | 6,405             | 2                                | 40.00%                  | 11,284         | 632                             | Note 1                              | The Subsidiary's investee company by equity method                   |
| MCU Holdings Ltd.              | Best Health Electronics Corporation          | B.V.I.       | Overseas investment activities                      | 19,808                     | 19,808            | 5                                | 75.00%                  | 53,758         | 6,036                           | Note 1, 2                           | The Company's second-tier subsidiary                                 |
| Best Health Electronics Corp.  | Best Health Electronics HK Limited           | Hong Kong    | Sales of integrated circuits and technical services | 1,299                      | 1,299             | 300                              | 100.00%                 | 10,631         | 3,395                           | Note 1, 2                           | The Subsidiary's investee company by equity method invest subsidiary |
| MCU Holdings Ltd.              | Best Driver-Tech Corporation                 | B.V.I.       | Overseas investment activities                      | 9,141                      | 6,753             | 2                                | 100.00%                 | 11,873         | (5,809)                         | Note 1, 2                           | The Company's second-tier subsidiary                                 |
| MCU Holdings Ltd.              | Best Module-Tech Corporation                 | B.V.I.       | Overseas investment activities                      | 12,426                     | 12,426            | 3                                | 100.00%                 | 13,759         | (239)                           | Note 1, 2                           | The Company's second-tier subsidiary                                 |
| The Company                    | Holtek Semiconductor (India) Private Limited | INDIA        | Sales of integrated circuits and technical services | 3                          | 3                 | 6                                | 0.10%                   | 4              | 97                              | -<br>Note 2                         | The Company's second-tier subsidiary                                 |
| The Company                    | Holtek Investment Co., Ltd.                  | Hsinchu City | Domestic investment activities                      | 100,000                    | 429,826           | 10,000                           | 100.00%                 | 337,947        | (10,768)                        | (10,768)<br>Note 2                  | The Company's Subsidiary   |
| Holtek Investment Co., Ltd     | Signal Electronic Co., Ltd.                  | Taipei City  | Sales of integrated circuits and technical services | 95,941                     | 95,941            | 7,880                            | 40.00%                  | 127,240        | (10,771)                        | Note 1, 2                           | The Subsidiary's investee company by equity method                   |
| Signal Electronic Co., Ltd.    | Best Solution Technology Inc.                | Taipei City  | Sales of integrated circuits and technical services | 7,375                      | 7,375             | 738                              | 36.88%                  | 9,204          | (4,481)                         | Note 1, 2                           | The Company's second-tier subsidiary                                 |
| Holtek Investment Co., Ltd     | Best Solution Technology Inc.                | Taipei City  | Sales of integrated circuits and technical services | 8,000                      | 8,000             | 800                              | 40.00%                  | 9,984          | (4,481)                         | Note 1, 2                           | The Company's second-tier subsidiary                                 |
| Best Solution Electronics Inc. | Best Solution Electronics Inc.               | B.V.I.       | Overseas investment activities                      | 6,140                      | 6,140             | 200                              | 100.00%                 | 22,505         | 179                             | Note 1, 2                           | The Company's third-tier subsidiary                                  |

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

| Investor Company             | Investee Company                             | Location     | Main Businesses and Products   | Original investment amount |                   | Balance as of September 30, 2024 |                         |                | Net income (losses) of investee | Share of profits/losses of investee | Note   |
|------------------------------|--|--------------|--|----------------------------|-------------------|----------------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|--|
|                              |  |              |  | September 30, 2024         | December 31, 2023 | Shares                           | Percentage of ownership | Carrying value |                                 |                                     |  |
| Holtek Investment Co., Ltd   | TANGENT Microelectromechanics Corp.          | Hsinchu City | Electronic component manufacturing, electronic materials wholesale and retail, telecommunication equipment wholesale and retail, intellectual property rights, information service and international trade | 10,002                     | 10,002            | 380                              | 20.00%                  | -              | (1,183)                         | Note 1                              | The Subsidiary's investee company by equity method |
| Holtek Investment Co., Ltd   | BestComm RF Electronics Inc.                 | Hsinchu City | Sales of integrated circuits and technical services  | 40,000                     | 40,000            | 4,000                            | 100.00%                 | 27,850         | 1,773                           | Note 1,2                            | The Company's second-tier subsidiary               |
| BestComm RF Electronics Inc. | BestComm RF Electronics (BVI) Inc.           | B.V.I.       | Overseas investment activities   | 14,054                     | 14,054            | 30                               | 100.00%                 | 13,868         | (216)                           | Note 1,2                            | The Company's third-tier subsidiary                |
| Holtek Investment Co., Ltd   | Best Modules Corp.                           | Hsinchu City | Electronic component manufacturing, electronic materials wholesale and retail, retail trade not in stores or stalls, and international trade   | 105,000                    | 105,000           | 10,500                           | 100.00%                 | 88,578         | (5,573)                         | Note 1,2                            | The Company's second-tier subsidiary               |
| Best Modules Corp.           | Best Modules (BVI) Corp.                     | B.V.I.       | Overseas investment activities   | 28,326                     | 28,326            | 7                                | 100.00%                 | 31,356         | (1,694)                         | Note 1,2                            | The Company's third-tier subsidiary                |
| Holtek Investment Co., Ltd   | Holtek Semiconductor (India) Private Limited | INDIA        | Sales of integrated circuits and technical services  | 2,945                      | 2,945             | 6,479                            | 99.90%                  | 3,404          | 97                              | Note 1,2                            | The Company's second-tier subsidiary               |

Note1 : The share of profits/losses of the investee company is already included in the share of profits/losses of the investor company.

Note2 : The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

Note3 : The Group agreed to sell the remaining equity of ETEK technology company Ltd. in July, 2024.

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

(3) Information on investment in mainland China:

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

| Name of investee                               | Main businesses and products                        | Total amount of capital surplus | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2024 | Investment flows |        | Accumulated outflow of investment from Taiwan as of September 30, 2024 | Net income (losses) of the investee | Percentage of ownership | Gains (losses) on investments | Book value | Accumulated remittance of earnings in current period |
|--|---|---------------------------------|----------------------|---|------------------|--------|--|-------------------------------------|-------------------------|-------------------------------|------------|--|
|  |   |                                 |                      |   | Out-flow         | Inflow |  |                                     |                         |                               |            |  |
| Xinqun Semiconductor (XIAMEN) Inc.             | Sales of integrated circuits and technical services | 322,726                         | (Note 1)             | 290,645   | -                | -      | 290,645  | (18,927)                            | 100%                    | (18,927) Note5                | 311,796    | -  |
| Holtek Semiconductor (China) Inc.              | Sales of integrated circuits and technical services | 292,423                         | (Note 1)             | 272,221   | -                | -      | 272,221  | 1,063                               | 100%                    | 1,063 Note5                   | 836,673    | -  |
| Santek Electronics (Xiamen) Ltd.               | Sales of integrated circuits and technical services | 6,398                           | (Note 1)             | 2,506   | -                | -      | 2,506  | 7,415                               | 40%                     | 2,966                         | 22,443     | -  |
| New Wave Electronics (Shenzhen) Ltd.           | Sales of integrated circuits and technical services | 9,287                           | (Note 1)             | 3,928   | -                | -      | 3,928  | 677                                 | 40%                     | 271                           | 72,074     | -  |
| ForIC Electronics (Beijing) Ltd.               | Sales of integrated circuits and technical services | 19,361                          | (Note 1)             | 3,601   | -                | -      | 3,601  | (19,343)                            | 40%                     | (7,737)                       | (12,734)   | -  |
| E-Micro Technology (Qingdao) Ltd.              | Sales of integrated circuits and technical services | 6,315                           | (Note 1)             | 2,634   | -                | -      | 2,634  | (1,300)                             | 40%                     | (520)                         | 4,665      | -  |
| Newtek Electronics (Shenzhen) Ltd.             | Sales of integrated circuits and technical services | 65,860                          | (Note 1)             | 2,647   | -                | -      | 2,647  | (15,866)                            | 40.61%                  | (6,443)                       | 36,719     | -  |
| Truetek Technology (Shanghai) Ltd.             | Sales of integrated circuits and technical services | 30,293                          | (Note 1)             | 3,911   | -                | -      | 3,911  | (4,597)                             | 40%                     | (1,839)                       | 16,207     | -  |
| Crown Rich Technology (Shenzhen) Ltd.          | Sales of integrated circuits and technical services | 18,446                          | (Note 1)             | 1,964   | -                | -      | 1,964  | (4,651)                             | 40%                     | (1,860)                       | 131,974    | -  |
| Quanding Technology (Suzhou) Ltd.              | Sales of integrated circuits and technical services | 21,670                          | (Note 1)             | 1,600   | -                | -      | 1,600  | 19,957                              | 40%                     | 7,983                         | 40,797     | -  |
| Holtek Semiconductor (Suzhou) Inc.             | Sales of integrated circuits and technical services | 69,712                          | (Note 1)             | 69,712  | -                | -      | 69,712   | (36,612)                            | 100%                    | (36,612) Note5                | 124,876    | -  |
| Fine Chip Electronics (Shanghai) Inc.          | Sales of integrated circuits and technical services | 7,541                           | (Note 1)             | -   | -                | -      | -  | 2,389                               | 40%                     | 955                           | (174)      | -  |
| Anchip Technology (Dongguan) Corporation       | Sales of integrated circuits and technical services | 1,521                           | (Note 1)             | -   | -                | -      | -  | 2,455                               | 60%                     | 1,473                         | 40,057     | -  |
| JXY Electronics (Shenzhen) Corporation         | Sales of integrated circuits and technical services | 18,706                          | (Note 1)             | -   | -                | -      | -  | 693                                 | 40%                     | 277                           | 11,121     | -  |
| Best Health Electronics (Dongguan) Corporation | Sales of integrated circuits and technical services | 23,057                          | (Note 1)             | -   | -                | -      | -  | 2,685                               | 75%                     | 2,013                         | 44,913     | -  |
| BestComm RF Electronics (Dongguan) Inc.        | Sales of integrated circuits and technical services | 13,634                          | (Note 1)             | 9,392   | -                | -      | 9,392  | (199)                               | 100%                    | (199)                         | 13,151     | -  |

**Holtek Semiconductor and Subsidiaries**  
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| Name of investee                                  | Main businesses and products                        | Total amount of capital surplus | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2024 | Investment flows |        | Accumulated outflow of investment from Taiwan as of September 30, 2024 | Net income (losses) of the investee | Percentage of ownership | Gains (losses) on investments | Book value | Accumulated remittance of earnings in current period |
|---|---|---------------------------------|----------------------|---|------------------|--------|--|-------------------------------------|-------------------------|-------------------------------|------------|--|
|   |   |                                 |                      |   | Out-flow         | Inflow |  |                                     |                         |                               |            |  |
| Best Solution Technology (Dongguan) Inc.          | Sales of integrated circuits and technical services | 4,285                           | (Note1)              | -   | -                | -      | -  | 184                                 | 54.75%                  | 101                           | 11,544     | -  |
| Best Driver-tech (Hangzhou) Corporation           | Sales of integrated circuits and technical services | 6,361                           | (Note1)              | -   |                  |        |  | (5,796)                             | 100%                    | (4,642)                       | 9,581      |  |
| Best Module-tech (Xiamen) Corporation             | Sales of integrated circuits and technical services | 10,573                          | (Note1)              | -   |                  |        |  | (227)                               | 100%                    | (227)                         | 11,428     |  |
| Best Modules Electronic Commerce ( Xiamen ) Corp. | Sales of integrated circuits and technical services | 28,307                          | (Note1)              | 28,307  |                  | -      | 28,307   | (1,695)                             | 100%                    | (1,695)                       | 31,323     |  |

**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

ii. Limitation on investment in Mainland China:

| <b>Name of company</b> | <b>Accumulated Investments in Mainland China as of September 30, 2024 (Note2)</b> | <b>Investment Amounts Authorized by Investment Commission, MOEA (Note3)</b> | <b>Maximum Limit of Investment (Note4)</b> |
|------------------------|---|---|--|
| The Company            | 655,369<br>(US\$21,751 in thousands)  | 848,764<br>(US\$26,860 in thousands)  | 2,166,572                                  |
| Best Modules           | 28,307<br>(US\$962 in thousands)  | 30,405<br>(US\$962 in thousands)  | 88,578                                     |
| BestComm               | 9,392<br>(US\$314 in thousands)   | 14,390<br>(US\$455 in thousands)  | 80,000                                     |
| Best Solution          | -   | Note3   | 80,000                                     |

Note1 : Investment in companies in Mainland China through the existing companies in the third regions.

Note2 : Accumulated investments in Mainland China are calculated in NTD using exchange rate on the remitting date.

Note3 : Investment amounts authorized by Investment Commission, MOEA are calculated in NTD using exchange rate on the reporting date. Including the Company accumulated remittances from Taiwan for \$686,039 (US\$21,710 in thousands); and from the third regions for \$162,725 (US\$5,150 in thousands); and Best Modules accumulated remittances from the third regions for \$30,405 (US\$962 in thousands); and BestComm accumulated remittances from Taiwan for \$9,907 (US\$314 in thousands); and from the third regions for \$4,483 (US\$141 in thousands); and Best Solution accumulated remittances from the third regions for \$4,512 (US\$143 in thousands); and repatriation of cash dividends \$12,546 (US\$397 in thousands) and \$8,315 (US\$263 in thousands) in December, 2023 and November, 2022, respectively.

Note4 : According to "Principle of investment or Technical Cooperation in Mainland China", the Company's accumulated investments in Mainland China do not exceed the maximum limit of investment. Net value \$3,610,953 x 60% = \$2,166,572; and BestComm, Best Solution and Best Modules comply with the SME standards of the "Measures for the Review of Investment or Technical Cooperation in Mainland China". The upper limit on investment in mainland China is capped at 80,000 or sixty percent (60%) of the Company net worth, whichever is higher.

Note 5 : The investment incomes on financial statements of the Company were reviewed by the certificated auditors.



**Holtek Semiconductor and Subsidiaries**  
**Notes to Consolidated Financial Statements**

3. Significant transactions

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in the Company Please refer to (1) *Information on significant transactions x. Business relationships and significant intercompany transactions* for further information.

(4) Major shareholders:

Unit : share

| Shareholding<br>Shareholder's Name  | Shares     | Percentage |
|-------------------------------------|------------|------------|
| United Microelectronics Corporation | 22,144,257 | 9.79%      |

**14 、Segment Information**

The Group operates predominantly in single industry segment which includes the research and development, manufacture, and sales of integrated circuits. The segment financial information is consistent with the consolidated financial statements. For sales to unconsolidated entities and income before income tax, please see the consolidated statements of comprehensive income. For assets, please see the consolidated balance sheets.