

(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, 2025 and 2024**

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Organization	8
(2) The Authorization of financial statements	8
(3) New standards, amendments and interpretations adopted	8
(4) Summary of significant accounting policies	10
(5) Major sources of accounting judgments, estimations and assumptions of uncertainty	13
(6) Description of significant accounts	13
(7) Related-party transactions	33
(8) Pledged assets	36
(9) Significant commitments and contingencies	36
(10) Losses Due to Major Disasters	36
(11) Significant subsequent Events	36
(12) Other	37
(13) Other disclosures	
(a) Information on significant transactions	38
(b) Information on investees	41
(c) Information on investment in mainland China	44
(14) Segment information	47

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, 2025 and 2024, and the related consolidated statements of comprehensive income for the three and nine months ended September 30, 2025 and 2024, as well as the consolidated statements of changes in equity, and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 \$923,722 thousand and \$1,008,178 thousand, constituting 17% and 18% of the consolidated total assets; and the total liabilities amounting to \$18,601 thousand and \$26,665 thousand, both constituting 1% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively; as well as the total comprehensive income amounting to \$17,589 thousand, \$7,164 thousand, \$(9,919) thousand, and \$14,422 thousand, the absolute value constituting 19%, 16%, 14%, and 4% of the consolidated total comprehensive income for the three and nine months ended September 30, 2025 and 2024, 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, 2025 and 2024, and of its consolidated financial performance for the three and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flow for the nine months ended September 30, 2025 and 2024 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, 2025

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, 2025, and December 31 and September 30, 2024
(Expressed in thousands of New Taiwan Dollars)

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(1))	\$ 701,889	13	903,004	16	713,686	12	2100	Short-term loans (note 6(11))	\$ 650,000	12	1,000,000	18	1,000,000	18
1110	Financial assets measured at fair value through profit or loss-current (note 6(2))	340,094	6	210,385	4	180,669	3	2170	Notes and accounts payable	353,578	6	274,039	5	277,811	5
								2180	Accounts payable from related parties (note 7)	285	-	62	-	2,044	-
1170	Notes and accounts receivable, net (note 6(4))	74,835	1	58,190	1	72,831	1	2201	Salary and bonus payable	161,668	3	201,727	4	213,149	4
1180	Accounts receivable from related parties (notes 6(4) and 7)	392,388	7	360,365	7	346,093	6	2230	Current income tax liabilities	33,217	1	12,155	-	11,574	-
130X	Inventories (note 6(5))	1,053,917	19	1,192,861	21	1,290,832	23	2280	Lease liabilities—current (note 6(12))	13,651	-	17,744	-	18,596	-
1476	Other financial assets—current (notes 6(6) 、7 and 8)	1,854,627	34	1,696,497	30	1,851,940	32	2399	Other current liabilities (note 7)	92,881	2	73,271	1	68,261	1
1479	Other current assets	42,041	1	74,348	1	83,140	2			1,305,280	24	1,578,998	28	1,591,435	28
		4,459,791	81	4,495,650	80	4,539,191	79								
Non-current assets:								Non-current liabilities:							
1518	Equity instruments measured at fair value through other comprehensive income—non-current (note 6(3))		8	4,704	-	6,629	-	2570	Deferred tax liabilities	267,874	5	267,874	5	331,940	6
1550	Investments accounted for using equity method (notes 6(7) and 7)	463,419	8	496,047	9	502,940	9	2580	Lease liabilities—non-current (note 6(12))	50,603	1	75,102	2	76,117	1
1600	Property, plant and equipment (note 6(8))	362,703	7	380,895	7	392,704	7	2640	Net defined benefit liabilities—non-current	3,660	-	15,949	-	20,494	-
1755	Right-of-use assets (note 6(9))	61,479	1	89,834	2	91,883	2		Guarantee deposit received	23,024	-	23,205	-	34,339	1
1780	Intangible assets (note 6(10))	50,234	1	36,870	-	59,892	1			345,161	6	382,130	7	462,890	8
1840	Deferred tax assets	63,179	1	45,079	1	59,660	1		Total liabilities	1,650,441	30	1,961,128	35	2,054,325	36
1900	Other non-current assets (notes 8 and 9)	63,324	1	68,631	1	68,751	1		Equity (note 6(15)) :						
		1,064,346	19	1,122,060	20	1,182,459	21		Equity attributable to shareholders of the parent :						
								3110	Ordinary share capital	2,303,882	42	2,261,682	40	2,261,682	40
								3200	Capital surplus	250,130	4	142,309	3	142,309	2
								3300	Retained earnings	1,384,494	25	1,244,597	22	1,239,145	22
								3400	Other equity	(126,931)	(2)	(49,901)	(1)	(32,183)	(1)
									Total equity attributable to shareholders of the parent	3,811,575	69	3,598,687	64	3,610,953	63
								36XX	Non-controlling interests	62,121	1	57,895	1	56,372	1
									Total equity	3,873,696	70	3,656,582	65	3,667,325	64
Total assets		\$ 5,524,137	100	5,617,710	100	5,721,650	100		Total liabilities and equity	\$ 5,524,137	100	5,617,710	100	5,721,650	100

(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, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars, except for Earnings per Share)

	For the three months ended				For the nine months ended			
	September 30,				September 30,			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Revenues (notes 6(18) and 7)	\$ 754,144	100	683,295	100	2,375,121	100	1,809,409	100
5000 Costs of goods sold (notes 6(5)、(13)、(17)、7 and 12)	469,855	62	422,815	62	1,474,815	62	1,106,718	61
Gross profits	284,289	38	260,480	38	900,306	38	702,691	39
5910 Unrealized gross profits on sales to associates	2,601	-	2,041	-	(6,012)	-	(35,412)	(2)
Realized gross profits	281,688	38	258,439	38	906,318	38	738,103	41
Operating expenses (notes 6(17) and 12) :								
6100 Selling	30,512	4	37,613	6	92,259	4	103,782	6
6200 General and administrative	69,326	9	82,630	12	208,480	8	259,130	14
6300 Research and development	180,780	24	216,542	32	517,361	22	624,411	35
6450 Expected credit impairment loss (reversal gain) (note 6(4))	-	-	-	-	-	-	(51,880)	(3)
	280,618	37	336,785	50	818,100	34	935,443	52
Operating income (loss)	1,070	1	(78,346)	(12)	88,218	4	(197,340)	(11)
Non-operating income and expenses:								
7020 Other gains and losses (notes 6(19) and 7)	36,950	5	7,551	1	25,031	1	48,059	3
7060 Investment income accounted for using equity method (note 6(7))	(4,216)	(1)	(7,794)	(1)	776	-	(17,787)	(1)
7100 Interest income	9,646	1	12,923	2	28,466	1	31,869	2
7510 Interest expense	(4,111)	-	(5,575)	(1)	(14,755)	(1)	(16,955)	(1)
	38,269	5	7,105	1	39,518	1	45,186	3
Income (loss) before income tax	39,339	6	(71,241)	(11)	127,736	5	(152,154)	(8)
7950 Income tax (note 6(14))	11,384	2	561	-	(21,388)	(1)	685	-
Net income (loss)	27,955	4	(71,802)	(11)	149,124	6	(152,839)	(8)
8300 Other comprehensive income :								
8310 Items that will not be reclassified subsequently to profit or loss								
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income(note 6(3))	(2)	-	(1,843)	-	(4,696)	-	(248,302)	(14)
8360 Items that may be reclassified subsequently to profit or loss								
8361 Exchange differences on translation of financial statements of foreign affiliates	54,758	7	24,244	4	(65,290)	(3)	65,942	4
8371 Exchange differences on translation of financial statements of invested associates accounted for using equity method(note 6(7))	25,965	3	11,651	2	(27,935)	(1)	28,252	1
8399 Less : Income tax relating to items that may be reclassified subsequently(note 6(14))	15,640	2	6,988	1	(18,084)	(1)	18,344	1
Total items that may be reclassified subsequently to profit or loss	65,083	8	28,907	5	(75,141)	(3)	75,850	4
8300 Other comprehensive income (loss)	65,081	8	27,064	5	(79,837)	(3)	(175,452)	(10)
Total comprehensive income (loss)	\$ 93,036	12	(44,738)	(6)	69,287	3	(325,291)	(18)
Net income (loss) attributable to:								
8610 Shareholders of the parent	\$ 27,138	4	(72,690)	(11)	139,897	6	(152,142)	(8)
8620 Non-controlling interests	817	-	888	-	9,227	-	(697)	-
	\$ 27,955	4	(71,802)	(11)	149,124	6	(152,839)	(8)
Total comprehensive income (loss) attributable to:								
8710 Shareholders of the parent	\$ 89,695	12	(46,580)	(6)	62,867	3	(327,069)	(18)
8720 Non-controlling interests	3,341	-	1,842	-	6,420	-	1,778	-
	\$ 93,036	12	(44,738)	(6)	69,287	3	(325,291)	(18)
Earnings per share (New Taiwan Dollars) (note 6(16))								
9750 Basic earnings per share	\$ 0.12		(0.32)		0.62		(0.67)	
9850 Diluted earnings per share	\$ 0.12		(0.32)		0.61		(0.67)	

(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, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

Equity attributed to shareholders of the parent

	Retained earnings						Total other equity interest					
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total 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
Balance as of January 1, 2024	\$ 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)
Balance as of September 30, 2024	\$ 2,261,682	142,309	1,077,845	2,541	158,759	1,239,145	14,446	(46,629)	(32,183)	3,610,953	56,372	3,667,325
Balance as of January 1, 2025	\$ 2,261,682	142,309	1,077,845	2,541	164,211	1,244,597	(1,346)	(48,555)	(49,901)	3,598,687	57,895	3,656,582
Net income for the period	-	-	-	-	139,897	139,897	-	-	-	139,897	9,227	149,124
Other comprehensive income for the period	-	-	-	-	-	-	(72,334)	(4,696)	(77,030)	(77,030)	(2,807)	(79,837)
Total comprehensive income for the period	-	-	-	-	139,897	139,897	(72,334)	(4,696)	(77,030)	62,867	6,420	69,287
Appropriation and distribution of retained earnings:												
Appropriation for legal reserve	-	-	6,648	-	(6,648)	-	-	-	-	-	-	-
Appropriation for special reserve	-	-	-	47,360	(47,360)	-	-	-	-	-	-	-
Issuance of ordinary share capital	42,200	107,821	-	-	-	-	-	-	-	150,021	-	150,021
Cash dividends from subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,194)	(2,194)
Reversal of special reserve	-	-	-	(1,120)	1,120	-	-	-	-	-	-	-
Balance as of September 30, 2025	\$ 2,303,882	250,130	1,084,493	48,781	251,220	1,384,494	(73,680)	(53,251)	(126,931)	3,811,575	62,121	3,873,696

(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, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2025	2024
Cash flows from operating activities:		
Income (loss) before income tax	\$ 127,736	(152,154)
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	50,039	53,116
Amortization	66,429	68,728
Gain from price recovery of inventory	-	(20,000)
Expected credit impairment loss (reversal gain)	-	(51,880)
Interest expense	14,755	16,955
Interest income	(28,466)	(31,869)
Investment (gains) loss accounted for using equity method	(776)	17,787
Unrealized gross profit on sales to associates	(6,012)	(35,412)
Other items not affecting cash flows, net	(2,547)	6,018
Changes in operating assets and liabilities:		
Financial assets measured at fair value through profit or loss	(126,580)	55,975
Notes and accounts receivable (including related parties)	(66,728)	(48,971)
Inventories	117,111	335,012
Other operating assets	904	(8,655)
Notes and accounts payable (including related parties)	106,089	122,521
Net defined benefit liability	(13,040)	(9,706)
Other operating liabilities	(23,139)	(104,772)
Cash flows from (used in) operations	215,775	212,693
Interest received	26,772	27,658
Dividends received	14,157	28,234
Interest paid	(14,755)	(16,955)
Income tax refunded (paid)	68,711	(4,617)
Net cash flows from operating activities	<u>310,660</u>	<u>247,013</u>
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	406,787
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	18,093
Acquisition of investments accounted for using equity method	-	(2,671)
Acquisitions of property, plant and equipment	(34,427)	(7,107)
Proceeds from disposal of property, plant and equipment	2,169	105
Decrease in Guarantee deposit paid	2,028	393
Acquisition of intangible assets	(79,804)	(105,189)
Increase in other financial assets	(170,828)	(540,184)
Decrease (increase) in other non-current assets	2,555	(440)
Net cash flows used in from investing activities	<u>(278,307)</u>	<u>(230,213)</u>
Cash flows from financing activities:		
Decrease in short-term loans	(350,000)	-
Increase (decrease) in Guarantee deposit received	74	(17,219)
Payments of lease liabilities	(13,628)	(14,969)
Proceeds from issuing shares	150,021	-
Cash dividends paid	-	(101,776)
Change in non-controlling interests	(2,194)	(5,223)
Net cash flows used in from financing activities	<u>(215,727)</u>	<u>(139,187)</u>
Effect of foreign exchange changes	<u>(17,741)</u>	<u>4,663</u>
Net decrease in cash and cash equivalents	<u>(201,115)</u>	<u>(117,724)</u>
Cash and cash equivalents at the beginning of period	<u>903,004</u>	<u>831,410</u>
Cash and cash equivalents at the end of period	<u>\$ 701,889</u>	<u>713,686</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

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

**(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, 2025.

3. New Standards, Amendments and Interpretations Adopted

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

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

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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

The Group assesses that the adoption of the (following) new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements (IAS 8. 30~31):

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7.
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note : On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation. The Group does not expect the (following) other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

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

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, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(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, 2024. Refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2024.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

B. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership at,		
			September 30,2025	December 31, 2024	September 30,2024
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	-% (Note 5)	100%	100%
the Company	Holtek Investment Co., Ltd. (Holtek Investment)	Specialized investment corporation	100% (Note 4)	100% (Note 4)	100% (Note 4)
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	-% (Note 3)	-% (Note 3)	100%
Best Driver-tech	Best Driver-tech (Hangzhou) Corporation	Manufacturing, sales and technical services	-% (Note 3)	-% (Note 3)	100%
MCU	Best Module-tech Corporation (Best Module-tech)	Investment holding company	-% (Note 3)	-% (Note 3)	100%
Best Module-tech	Best Module-tech (Xiamen) Corporation	Manufacturing, sales and technical services	-% (Note 3)	-% (Note 3)	100%
Holtek BVI	Xinqun Semiconductor (XIAMEN) Inc. (Xinqun)	Manufacturing, sales and technical services	100% (Note 4)	100% (Note 4)	100% (Note 4)
Holtek BVI	Holtek Semiconductor (China) Inc.	Manufacturing, sales and technical services	100% (Note 4)	100% (Note 4)	100% (Note 4)
Sigmos	Holtek Semiconductor (USA) Inc. (Holtek (USA))	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 30,2025	December 31, 2024	September 30,2024
Kingtek BVI	Holtek Semiconductor (Suzhou) Inc.	Manufacturing, sales and technical services	-% (Note 5)	100% (Note 4)	100% (Note 4)
the Company and Holtek Investment	Holtek Semiconductor (INDIA) Private Ltd. (Holtek INDIA)	Manufacturing, sales and technical services	100% (Note 1)	100% (Note 1)	100% (Note 1)
Holtek Investment	Best Solution Technology Inc. (Best Solution)	Manufacturing, sales and technical services	54.75% (Note 2)	54.75% (Note 2)	54.75% (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	-% (Note 3)	-% (Note 3)	100%
BestComm BVI	BestComm RF Electronics (Dongguan) Inc.	Manufacturing, sales and technical services	-% (Note 3)	-% (Note 3)	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 : This company was liquidated in 4Q24.

Note 4 : The financial statements have been reviewed, the other non-significant subsidiary have not been reviewed.

Note 5 : This company was liquidated in 2Q25.

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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(3) 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.

(4) 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” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated financial statements, critical accounting judgments and key sources of 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, 2024.

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, 2024.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(1) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash and cash in bank	\$ 510,011	498,986	102,289
Time deposits	<u>191,878</u>	<u>404,018</u>	<u>611,397</u>
	<u>\$ 701,889</u>	<u>903,004</u>	<u>713,686</u>

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Beneficiary certificates	<u>\$ 340,094</u>	<u>210,385</u>	<u>180,669</u>

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.

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Equity securities – unlisted company			
Precision Sensor Design Inc. (Precision)	\$ -	4,614	6,629
Gingy Technology Corporation. (Gingy)	<u>8</u>	<u>90</u>	<u>-</u>
	<u>\$ 8</u>	<u>4,704</u>	<u>6,629</u>

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.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 818	2,681	1,606
Accounts receivable	74,987	56,297	72,314
Receivables from related parties	<u>395,903</u>	<u>364,139</u>	<u>349,567</u>
	471,708	423,117	423,487
Less: allowance for doubtful accounts	<u>(4,485)</u>	<u>(4,562)</u>	<u>(4,563)</u>
	<u>\$ 467,223</u>	<u>418,555</u>	<u>418,924</u>

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.

The loss allowance was determined as follows:

	September 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not past due	\$ 471,296	0.50%~1.50%	4,473
Past due 0~90days	<u>412</u>	3.08%	<u>12</u>
	<u>\$ 471,708</u>		<u>4,485</u>

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not past due	\$ 422,917	0.50%~1.50%	4,480
Past due 0~90days	123	4.03%	5
Past due more than 90days	<u>77</u>	100.00%	<u>77</u>
	<u>\$ 423,117</u>		<u>4,562</u>

	September 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
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	<u>77</u>	100.00%	<u>77</u>
	<u>\$ 423,487</u>		<u>4,563</u>

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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

	For the nine months ended September 30,	
	2025	2024
Beginning balance	\$ 4,562	55,895
Impairment losses recognized (reversal gains)	-	(51,880)
Effect of foreign exchange changes	(77)	548
Ending balance	\$ 4,485	4,563

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

(5) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 509,689	676,070	792,953
Work in process	317,419	297,470	297,591
Finished goods and merchandise inventories	226,809	219,321	200,288
	\$ 1,053,917	1,192,861	1,290,832

The details of operating costs were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Cost of goods sold	\$ 462,160	422,076	1,464,023	1,122,076
Reversal of inventories	-	-	-	(20,000)
Cost of scrap materials	7,695	739	10,792	4,642
	\$ 469,855	422,815	1,474,815	1,106,718

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

(6) Other financial assets—current

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits (more than 3 months)	\$ 1,837,216	1,681,187	1,826,884
Restricted cash in banks	2,362	2,351	2,351
Others	15,049	12,959	22,705
	\$ 1,854,627	1,696,497	1,851,940

No impairment loss of other financial assets-current were occurred and recognized for the three and nine months ended September 30, 2025 and 2024.

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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(7) Investments accounted for using equity method

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Total amount of equities in associates	\$ 535,834	574,474	591,120
Less: unrealized gross profits on sales to associates	<u>(72,415)</u>	<u>(78,427)</u>	<u>(88,180)</u>
	<u>\$ 463,419</u>	<u>496,047</u>	<u>502,940</u>

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:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Other comprehensive income attributable to the Group:				
Net income (loss) from continuing operation	\$ (4,216)	(7,794)	776	(17,787)
Other comprehensive income	<u>25,965</u>	<u>11,651</u>	<u>(27,935)</u>	<u>28,252</u>
Total comprehensive income	<u>\$ 21,749</u>	<u>3,857</u>	<u>(27,159)</u>	<u>10,465</u>

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. The aforementioned sale proceeds were received in November 2024.

The Group received dividends of \$14,157 and \$28,234 from the equity method during the nine months ended September 30, 2025 and 2024.

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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2025	\$ 26,676	638,276	310,403	115,247	1,090,602
Additions	-	8,432	4,947	21,048	34,427
Disposals	-	-	(6,684)	(5,546)	(12,230)
Effect of foreign exchange changes	-	(16,976)	(3,845)	(2,909)	(23,730)
Balance on September 30, 2025	<u>\$ 26,676</u>	<u>629,732</u>	<u>304,821</u>	<u>127,840</u>	<u>1,089,069</u>
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>
Accumulated depreciation:					
Balance on January 1, 2025	\$ -	346,116	275,779	87,812	709,707
Depreciation for the period	-	13,862	12,369	9,868	36,099
Disposals	-	-	(4,573)	(4,825)	(9,398)
Effect of foreign exchange changes	-	(5,323)	(2,785)	(1,934)	(10,042)
Balance on September 30, 2025	<u>\$ -</u>	<u>354,655</u>	<u>280,790</u>	<u>90,921</u>	<u>726,366</u>
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>
Carrying amount:					
Balance on January 1, 2025	<u>\$ 26,676</u>	<u>292,160</u>	<u>34,624</u>	<u>27,435</u>	<u>380,895</u>
Balance on September 30, 2025	<u>\$ 26,676</u>	<u>275,077</u>	<u>24,031</u>	<u>36,919</u>	<u>362,703</u>
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>

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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(9) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying amount :			
Balance at January 1, 2025	<u>\$ 49,202</u>	<u>40,632</u>	<u>89,834</u>
Balance at September 30, 2025	<u>\$ 45,004</u>	<u>16,475</u>	<u>61,479</u>
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>

There were no significant additions, disposal for the nine months ended September 30, 2025 and 2024. 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, 2024.

(10) Intangible assets

	<u>Computer Software</u>	<u>Acquired Special Technology</u>	<u>Total</u>
Carrying amount :			
Balance at January 1, 2025	<u>\$ 36,870</u>	<u>-</u>	<u>36,870</u>
Balance at September 30, 2025	<u>\$ 50,234</u>	<u>-</u>	<u>50,234</u>
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>

There were no significant additions, disposal for the nine months ended September 30, 2025 and 2024. 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, 2024.

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

(11) Short-term loans

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Unsecured bank loans	<u>\$ 650,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Unused short-term credit lines	<u>\$ 1,550,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
Range of interest rates	<u>2.025% ~</u>	<u>2.025% ~</u>	<u>1.98% ~</u>
	<u>2.220%</u>	<u>2.120%</u>	<u>2.09%</u>

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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(12) Lease liabilities

The amount of lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	<u>\$ 13,651</u>	<u>17,744</u>	<u>18,596</u>
Non-current	<u>\$ 50,603</u>	<u>75,102</u>	<u>76,117</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest on lease liabilities	<u>\$ 231</u>	<u>342</u>	<u>840</u>	<u>1,068</u>
Expenses relating to short-term leases	<u>\$ 605</u>	<u>2,187</u>	<u>2,037</u>	<u>6,582</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 86</u>	<u>124</u>	<u>277</u>	<u>378</u>

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

	For the nine months ended September 30,	
	2025	2024
Total cash outflow for leases	<u>\$ 16,782</u>	<u>22,997</u>

As of September 30, 2025 and 2024, 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
Notes to Consolidated Financial Statements

(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, 2024 and 2023.

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:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current income tax expense (benefit)				
Current period	\$ 11,384	561	28,610	685
Adjustment to prior years	-	-	(49,998)	-
	<u>\$ 11,384</u>	<u>561</u>	<u>(21,388)</u>	<u>685</u>

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

	<u>For the three months</u> <u>ended September 30,</u>		<u>For the nine months</u> <u>ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign affiliates	\$ 10,952	4,848	(13,058)	13,188
Exchange differences on translation of financial statements of invested associates accounted for using equity method	4,688	2,140	(5,026)	5,156
	<u>\$ 15,640</u>	<u>6,988</u>	<u>(18,084)</u>	<u>18,344</u>

The tax authorities have assessed the Company's income tax returns through 2022.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(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, 2025 and 2024. For related information about the shareholders' equity, please refer to note 6(15) of the consolidated financial statements for the year ended December 31, 2024.

A. Ordinary shares

On May 28, 2025, the shareholders of the Company resolved to approve a cash capital increase through a private placement of up to 10,000 thousand ordinary shares.

On July 2, 2025, the Board of Directors resolved to issue 4,220 thousand ordinary shares with a par value of NT\$10 per share at a subscription price of NT\$35.55 per share, raising an aggregate amount of \$150,021.

The subscription proceeds have been fully received, and the capital increase record date is July 16, 2025. The registration process has been completed.

B. 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 the guidelines of the above Ruling and the Financial Supervisory Securities Corporate No. 1010012865 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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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.

The following are the appropriation of earnings in 2024 and 2023 which were approved in the shareholders' meeting held on May 28, 2025 and May 29, 2024, respectively:

	2024		2023	
	NT dollars per share	Total amount	NT dollars per share	Total amount
Cash dividends distributed to ordinary shareholders:	\$ -	-	0.4500	101,776

Due to the operating loss incurred in 2024, the Company will not declare or distribute any cash dividends.

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:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Basic earnings per share:				
Net income (loss) for the period	\$ 27,138	(72,690)	139,897	(152,142)
Ordinary share at the beginning of period	226,168	226,168	226,168	226,168
Add: Issue of shares	3,532	-	1,190	-
Weighted-average number of ordinary shares outstanding during the year (in thousands)	229,700	226,168	227,358	226,168
Basic earnings per share (NT dollars)	\$ 0.12	(0.32)	0.62	(0.67)

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
Diluted earnings per share:				
Net income (loss) for the period	<u>\$ 27,138</u>	<u>(72,690)</u>	<u>139,897</u>	<u>(152,142)</u>
Weighted-average number of ordinary shares outstanding during the year (in thousands)	229,700	226,168	227,358	226,168
Effect of potential diluted ordinary shares (in thousands)	<u>321</u>	<u>-</u>	<u>321</u>	<u>-</u>
Weighted-average number of ordinary shares outstanding during the year (diluted) (in thousands)	<u>\$ 230,021</u>	<u>226,168</u>	<u>227,679</u>	<u>226,168</u>
Diluted earnings per share (NT dollars)	<u>\$ 0.12</u>	<u>(0.32)</u>	<u>0.61</u>	<u>(0.67)</u>

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.

(17) Remuneration to employees and directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 5~15% shall be allocated as employee remuneration (including a minimum of 1% to those base-level employees) and a maximum of 1.5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 5~15% should be allocated as employee remuneration and no more than 1.5% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration could include employees of the subsidiaries who met certain specific requirements.

The remunerations to employees amounted to \$4,035, \$0, \$13,422 (including the minimum amount of \$134 thousand allocated to base-level employees) and \$0, and the remunerations to directors amounted to \$480, \$0, \$1,598 and \$0 for the three and nine months ended September 30, 2025 and 2024, 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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

remunerations were expensed under cost of goods sold or expenses for the years 2025 and 2024. 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.

The Company incurred a loss in 2024, and therefore, no remuneration have been made for employees and directors. Remuneration to employees and directors for 2023 in the amounts of \$8,504 and \$1,012, respectively, which were paid in cash. The aforementioned approved amounts are the same as the amounts charged against earnings of 2023. The information is available on the Market Observation Post System website.

(18) Revenue from Contracts with Customers

A. Segmentation of revenue

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Revenues from major regional markets:				
China	\$ 559,639	484,508	1,758,904	1,284,348
Taiwan	71,463	77,021	241,146	207,479
Others	123,042	121,766	375,071	317,582
	\$ 754,144	683,295	2,375,121	1,809,409
Revenue from major products:				
Sales of integrated circuits	\$ 750,860	681,261	2,362,035	1,801,203
Design and IC programming	3,284	2,034	13,086	8,206
	\$ 754,144	683,295	2,375,121	1,809,409

B. Contract balance

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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(19) Non-operating income and expenses

The details of other gains and losses were as follows:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Foreign exchange gains (losses), net	\$ 13,737	170	(30,466)	18,713
Government grants	19,610	5,776	40,894	26,643
Gains from liquidation of a subsidiary	-	-	7,618	-
Others	3,603	1,605	6,985	2,703
	<u>\$ 36,950</u>	<u>7,551</u>	<u>25,031</u>	<u>48,059</u>

(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, 2024.

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, 2025 and December 31 and September 30, 2024 customers (including related parties) who notes and accounts receivables that accounted for more than 10% have amounted to \$221,558, \$265,029 and \$126,507, 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).

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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, 2024.

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 amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>Over 1 year</u>
September 30, 2025				
Non-derivative financial liabilities				
Short-term loans	\$ 650,000	651,195	651,195	-
Notes and accounts payables (including related parties)	353,863	353,863	353,863	-
Salary and bonus payable	161,668	161,668	161,668	-
Accrued expenses (recorded in other current liabilities)	49,627	49,627	49,627	-
Guarantee deposit received	23,024	23,024	-	23,024
Lease liabilities	<u>64,254</u>	<u>69,725</u>	<u>14,440</u>	<u>55,285</u>
	<u>\$ 1,302,436</u>	<u>1,309,102</u>	<u>1,230,793</u>	<u>78,309</u>
December 31, 2024				
Non-derivative financial liabilities				
Short-term loans	\$ 1,000,000	1,001,283	1,001,283	-
Notes and accounts payables (including related parties)	274,101	274,101	274,101	-
Salary and bonus payable	201,727	201,727	201,727	-
Accrued expenses (recorded in other current liabilities)	38,472	38,472	38,472	-
Guarantee deposit received	23,205	23,205	-	23,205
Lease liabilities	<u>92,846</u>	<u>100,959</u>	<u>18,911</u>	<u>82,048</u>
	<u>\$ 1,630,351</u>	<u>1,639,747</u>	<u>1,534,494</u>	<u>105,253</u>

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>Over 1 year</u>
September 30, 2024				
Non-derivative financial liabilities				
Short-term loans	\$ 1,000,000	1,003,037	1,003,037	-
Notes and accounts payables (including related parties)	279,855	279,855	279,855	-
Salary and bonus payable	213,149	213,149	213,149	-
Accrued expenses (recorded in other 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>\$ 1,654,174</u>	<u>1,665,529</u>	<u>1,547,943</u>	<u>117,586</u>

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

C. Market risk

Currency risk

(a) Exposure to currency risk

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

	<u>September 30, 2025</u>			<u>December 31, 2024</u>			<u>September 30, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 8,125	30.395	246,970	4,837	32.735	158,338	11,214	31.60	354,374
RMB	47,918	4.2485	203,578	50,353	4.4549	224,320	58,807	4.4971	264,460
<u>Non-monetary items</u>									
USD	\$ 13,530	30.395	411,255	13,954	32.735	456,773	14,796	31.60	467,561
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	\$ 5,542	30.395	168,455	3,118	32.735	102,076	3,571	31.60	112,853
RMB	5,348	4.2485	22,719	5,912	4.4549	26,337	3,109	4.4971	13,981

(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 \$2,075 and \$3,936 for the nine months ended September 30, 2025 and 2024,

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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 (losses) on monetary items amounted to \$13,737, \$170, \$(30,466), and \$18,713 for the three and nine months ended September 30, 2025 and 2024, respectively.

(d) Other price risk

For the years ended December 31, 2025 and 2024, 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,			
	2025		2024	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
1% increase	\$ -	2,721	53	1,445
1% decrease	\$ -	(2,721)	(53)	(1,445)

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:

	Carrying amount	September 30, 2025			Total
		Fair value			
		Level1	Level2	Level3	
Financial assets measured at fair value through profit or loss	\$ 340,094	340,094	-	-	340,094
Financial assets measured at fair value through other comprehensive income	8	-	-	8	8
	\$ 340,102	340,094	-	8	340,102

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

	December 31, 2024				
	Carrying amount	Fair value			
		Level1	Level2	Level3	Total
Financial assets measured at fair value through profit or loss	\$ 210,385	210,385	-	-	210,385
Financial assets measured at fair value through other comprehensive income	4,704	-	-	4,704	4,704
	<u>\$ 215,089</u>	<u>210,385</u>	<u>-</u>	<u>4,704</u>	<u>215,089</u>

	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>

(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, 2025 and 2024.

(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.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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"> • Price-equity ratio (2025.9.30、2024.12.31 and 2024.09.30: 1.27%、1.69%~2.05% and 1.83%, respectively.) • Discount for lack of marketability (2025.9.30、2024.12.31 and 2024.09.30:25%) 	<ul style="list-style-type: none"> • The higher the price-equity ratio, the higher the fair value. • The higher the discount for lack of marketability, The lower the fair value.

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

	Financial assets measured at FVOCI — equity investments	
	For the nine months ended September 30,	
	2025	2024
Balance at beginning of the period	\$ 4,704	679,811
Disposals	-	(406,787)
Capital reduction	-	(18,093)
Net gains (losses) included in other comprehensive income	(4,696)	(248,302)
Balance at end of the period	\$ 8	6,629

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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, 2025 and 2024, were as follows:

	For the nine months ended September 30,	
	2025	2024
Total gains and losses recognized:		
In other comprehensive income, and presented in “unrealized gains and losses on financial assets at fair value through other comprehensive income”	<u>\$ (4,696)</u>	<u>(6,775)</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, 2024. 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, 2024.

(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, 2024. There were no significant changes in quantified factors of capital management from those in the consolidated financial statement for the year ended December 31, 2024. For related information about the capital management, please refer to note 6(22) of the consolidated financial statements for the year ended December 31, 2024.

(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:

	January 1, 2025	Cash flow	Other	September 30, 2025
Lease liabilities	\$ 92,846	(13,628)	(14,964)	64,254
Guarantee deposit received	23,205	74	(255)	23,024
Short-term loans	<u>1,000,000</u>	<u>(350,000)</u>	<u>-</u>	<u>650,000</u>
Total liabilities from financing activities	<u>\$ 1,116,051</u>	<u>(363,554)</u>	<u>(15,219)</u>	<u>737,278</u>

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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

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

Holtek Semiconductor and Subsidiaries
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:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Signal	\$ 141,591	90,770	397,747	264,037
Newtek	80,236	43,985	353,443	100,531
Crown Rich	62,714	90,130	219,205	222,981
Associates	<u>237,786</u>	<u>229,177</u>	<u>703,153</u>	<u>624,796</u>
	<u>\$ 522,327</u>	<u>454,062</u>	<u>1,673,548</u>	<u>1,212,345</u>

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, 2025, and December 31 and September 30, 2024, the Group recognized unrealized gross profits of sales to associates amounting to \$72,415, \$78,427 and \$88,180, respectively.

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

	September	December	September
	30, 2025	31, 2024	30, 2024
Signal	\$ 109,104	75,798	63,823
Newtek	61,974	43,957	34,319
Crown Rich	50,480	53,534	62,684
Truetek	40,969	45,650	40,798
New Wave	40,024	46,090	39,322
Associates	<u>89,837</u>	<u>95,336</u>	<u>105,147</u>
	<u>\$ 392,388</u>	<u>360,365</u>	<u>346,093</u>

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

The advance receipts from related parties were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Advance receipts – Associates (recorded in other current liabilities – other)	\$ 9,061	4,890	3,740

B. Purchases

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Associates	\$ 259	1,880	4,111	3,655

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Associates	\$ 285	62	2,044

C. Other transactions

The Group’s revenue from related parties about the human support service charge and disbursement have amounted to \$362, \$81, \$861, and \$378 for the three and nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025 and December 31 and September 30, 2024, the receivables classified under abovementioned other financial assets – current have amounting to \$230, \$422 and \$744, respectively.

(3) Transactions with key management personnel

Key management personnel compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 6,398	6,781	22,322	21,267
Post-employment benefits	108	108	324	324
	\$ 6,506	6,889	22,646	21,591

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

8 、 Pledged Assets

<u>Assets</u>	<u>Purpose of Pledged</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Time deposits (recorded in other financial assets – current)	Guarantee deposits from customs and HSPB	\$ 2,362	2,351	2,351
Time deposits (recorded in other non-current assets)	Guarantee deposits from customs and HSPB	<u>6,749</u>	<u>6,749</u>	<u>6,684</u>
		<u>\$ 9,111</u>	<u>9,100</u>	<u>9,035</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.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

12、Other

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

By item	For the three months ended September 30,2025			For the three months ended September 30,2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salaries	10,414	168,851	179,265	7,927	197,826	205,753
Labor and health insurance	673	10,955	11,628	723	13,634	14,357
Pensions	419	13,549	13,968	452	25,257	25,709
Others	390	4,423	4,813	410	5,016	5,426
Depreciation	1,323	15,494	16,817	188	17,005	17,193
Amortization	-	20,774	20,774	-	23,513	23,513

By item	For the nine months ended September 30,2025			For the nine months ended September 30,2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salaries	25,476	469,100	494,576	22,641	565,334	587,975
Labor and health insurance	2,074	34,547	36,621	2,158	43,150	45,308
Pensions	2,617	42,016	44,633	1,350	60,916	62,266
Others	1,241	13,591	14,832	1,189	15,907	17,096
Depreciation	1,467	48,572	50,039	714	52,402	53,116
Amortization	-	66,429	66,429	-	68,728	68,728

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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:

(In Thousands of New Taiwan Dollar)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Holtek Semiconductor (China) Inc.	Xinqun Semiconductor (XIAMEN) Inc.	Other receivables from related parties	Y	254,910	254,910	212,425	1.10%	Short-tem financing	-	Operating	-	-	-	316,570	395,713

Note1 : According to the financing company’s financial management clauses, for financing between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or from such foreign companies to the Company, the financing limit for each borrower is 40% of net equity and the aggregate financing limit is 50% of net equity.

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

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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	762,315	106,383	106,383	6,159	-	3.00 %	1,905,787	Y	N	Y

Note 1 : 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.

iii. Securities held as of September 30, 2025 (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	8,104	130,863	-	130,863	
The Company	UPAMC James Bond Money Market Fund	-	Financial assets measured at fair value through profit or loss – current	11,891	209,231	-	209,231	

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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

(In Thousands of New Taiwan Dollars)

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	436,571	24%	Open account 120 days	No significant difference	Note7	63,822	27%	Note1
The Company	Holtek (China)	Subsidiary of the Company	Sales	334,232	19%	Open account 120 days	No significant difference	Note7	41,436	17%	Note1
The Company	Newtek	An associate of the Group	Sales	284,226	16%	Open account 60 days	No significant difference	Note7	40,604	17%	
Xinqun	Signal	An associate of the Group	Sales	193,560	24%	Open account 60 days	No significant difference	Note7	59,926	28%	
Xinqun	Quanding	An associate of the Group	Sales	103,961	13%	Open account 60 days	No significant difference	Note7	21,403	10%	
Xinqun	New Wave	An associate of the Group	Sales	101,724	12%	Open account 60 days	No significant difference	Note7	30,430	14%	
Holtek (China)	Crown Rich	An associate of the Group	Sales	107,215	21%	Open account 60 days	No significant difference	Note7	23,140	16%	

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.

v. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

vi. 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	Xinqun	Parent company to subsidiary	Sales	436,571	Open account 120 days	18%
0	The Company	Xinqun	Parent company to subsidiary	Accounts receivable	63,822	Open account 120 days	1%
0	The Company	Holtek (China)	Parent company to subsidiary	Sales	334,232	Open account 120 days	14%
0	The Company	Holtek (China)	Parent company to subsidiary	Accounts receivable	41,436	Open account 120 days	1%
1	Holtek (China)	Anchip	Subsidiary to subsidiary	Sales	91,570	Open account 60 days	4%
1	Holtek (China)	Anchip	Subsidiary to subsidiary	Accounts receivable	31,948	Open account 60 days	1%
2	Xinqun	The Company	Subsidiary to parent company	Sales	22,382	Open account 60 days	1%
3	Anchip	Holtek (China)	Subsidiary to subsidiary	Sales	16,739	Open account 60 days	1%
4	Best Health	The Company	Subsidiary to parent company	Sales	20,397	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, 2025(excluding information on investees in Mainland China):

Investor Company	Investee Company	Location	Main Businesses and Products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	Holtek Semiconductor Holding (BVI) Ltd.	B.V.I.	Overseas investment activities	627,731	627,731	20,803	100.00%	1,166,960	52,005	52,005 Note 2	The Company's Subsidiary
The Company	Kingtek Semiconductor Holding (BVI) Ltd.	B.V.I.	Overseas investment activities	-	69,542	-	-%	-	6,791	6,791 Note 2,3	The Company's Subsidiary
The Company	Sigmos Holdings Ltd.	B.V.I.	Overseas investment activities	6,898	6,898	200	100.00%	17,738	(172)	(172) 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%	17,738	(172)	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%	682,877	6,836	6,836 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%	145	(22,162)	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%	48,438	(7,895)	Note 1	The Subsidiary's investee company by equity method
MCU Holdings Ltd.	Quanding Technology Holding Ltd.	B.V.I.	Overseas investment activities	31,124	31,124	1,045	40.00%	54,647	6,918	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, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
MCU Holdings Ltd.	Santek Holdings Ltd.	B.V.I.	Overseas investment activities	3,758	3,758	180	40.00%	42,504	2,929	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%	60,294	(3,955)	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%	61,549	5,977	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%	127,309	2,549	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%	-	(1,260)	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%	49,560	16,187	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%	7,080	(5,159)	Note 1	The Subsidiary's investee company by equity method
MCU Holdings Ltd.	JXY Electronics Corporation	B.V.I.	Overseas investment activities	9,076	9,076	2	40.00%	9,289	(4,753)	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%	62,673	19,513	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%	14,718	12,701	Note 1,2	The Subsidiary's investee company by equity method invest subsidiary
The Company	Holtek Semiconductor (India) Private Limited	INDIA	Sales of integrated circuits and technical services	3	3	6	0.10%	4	666	1 Note 2	The Company's second-tier subsidiary
The Company	Holtek Investment Co., Ltd.	Hsinchu City	Domestic investment activities	260,000	100,000	26,000	100.00%	261,186	4,603	4,603 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%	127,249	28,057	Note 1	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%	6,675	(4,697)	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%	7,240	(4,697)	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%	10,806	(3,989)	Note 1,2	The Company's third-tier subsidiary
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%	-	(51)	Note 1,4	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, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
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%	27,722	2	Note 1,2	The Company's second-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%	77,757	(5,801)	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%	24,592	(3,564)	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%	4,389	666	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 : This company was liquidated in 2Q25.

Note4 : The company has ceased operations, and the carrying amount of its investment at the end of the period has been fully recognized as a loss.

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, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2025	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	57,306	100%	57,306 Note5	334,441	-
Holtek Semiconductor (China) Inc.	Sales of integrated circuits and technical services	292,423	(Note 1)	272,221	-	-	272,221	(3,446)	100%	(3,446) Note5	791,502	-
Santek Electronics (Xiamen) Ltd.	Sales of integrated circuits and technical services	6,398	(Note 1)	2,506	-	-	2,506	2,556	40%	1,022	21,085	-
New Wave Electronics (Shenzhen) Ltd.	Sales of integrated circuits and technical services	9,287	(Note 1)	3,928	-	-	3,928	(3,933)	40%	(1,573)	60,098	-
ForIC Electronics (Beijing) Ltd.	Sales of integrated circuits and technical services	19,361	(Note 1)	3,601	-	-	3,601	(20,977)	40%	(8,391)	(23,323)	-
E-Micro Technology (Qingdao) Ltd.	Sales of integrated circuits and technical services	6,315	(Note 1)	2,634	-	-	2,634	(767)	40%	(307)	1,709	-
Newtek Electronics (Shenzhen) Ltd.	Sales of integrated circuits and technical services	65,860	(Note 1)	2,647	-	-	2,647	(15,100)	40.61%	(6,132)	24,990	-
Truetek Technology (Shanghai) Ltd.	Sales of integrated circuits and technical services	30,293	(Note 1)	3,911	-	-	3,911	(7,654)	40%	(3,061)	14,409	-
Crown Rich Technology (Shenzhen) Ltd.	Sales of integrated circuits and technical services	18,446	(Note 1)	1,964	-	-	1,964	2,627	40%	1,051	126,483	-
Quanding Technology (Suzhou) Ltd.	Sales of integrated circuits and technical services	21,670	(Note 1)	1,600	-	-	1,600	6,847	40%	2,739	42,325	-
Holtek Semiconductor (Suzhou) Inc.	Sales of integrated circuits and technical services	- Note6	(Note 1)	69,712	-	69,712	-	20	-%	20	-	51,367
Fine Chip Electronics (Shanghai) Inc.	Sales of integrated circuits and technical services	7,541	(Note 1)	-	-	-	-	(1,253)	40%	(501)	(1,006)	-
Anchip Technology (Dongguan) Corporation	Sales of integrated circuits and technical services	1,521	(Note 1)	-	-	-	-	16,197	60%	9,718	48,949	-
JXY Electronics (Shenzhen) Corporation	Sales of integrated circuits and technical services	18,706	(Note 1)	-	-	-	-	(4,703)	40%	(1,881)	9,158	-
Best Health Electronics (Dongguan) Corporation	Sales of integrated circuits and technical services	23,057	(Note 1)	-	-	-	-	6,874	75%	5,155	50,848	-
Best Solution Technology (Dongguan) Inc.	Sales of integrated circuits and technical services	4,285	(Note1)	-	-	-	-	(3,811)	54.75%	(2,087)	5,237	-

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2025	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 Modules Electronic Commerce (Xiamen) Corp.	Sales of integrated circuits and technical services	28,307	(Note1)	28,307	-	-	28,307	(3,557)	100%	(3,557)	24,567	-

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

ii. Limitation on investment in Mainland China:

Name of company	Accumulated Investments in Mainland China as of September 30, 2025 (Note2)	Investment Amounts Authorized by Investment Commission, MOEA (Note3)	Maximum Limit of Investment (Note4)
The Company	585,657 (US\$19,751 in thousands)	685,919 (US\$22,567 in thousands)	2,286,945
Best Modules	28,307 (US\$962 in thousands)	29,245 (US\$962 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 \$545,615 (US\$17,951 in thousands); and from the third regions for \$140,304 (US\$4,616 in thousands); and Best Modules accumulated remittances from the third regions for \$29,245 (US\$962 in thousands); and Best Solution accumulated remittances from the third regions for \$4,340 (US\$143 in thousands); and repatriation of cash dividends \$12,068 (US\$397 in thousands) and \$7,998 (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 \$3,811,575 x 60% = \$2,286,945; and 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.

Note 6 : This company was liquidated in 2Q25.

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.

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.