

(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 Three Months Ended
March 31, 2026 and 2025**

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

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Independent Auditors' Review Report

To the Board of Directors of Holtek Semiconductor Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Holtek Semiconductor Inc. and its subsidiaries (collectively as “the Group”) as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, 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 \$827,447 thousand and \$898,942 thousand, both constituting 15% of the consolidated total assets; and the total liabilities amounting to \$31,106 thousand and \$19,196 thousand, constituting 2% and 1% of the consolidated total liabilities as of March 31, 2026 and 2025, respectively; as well as the total comprehensive income amounting to \$24,202 thousand and \$16,467 thousand, the absolute value constituting 20% and 13% of the consolidated total comprehensive income for the three months ended March 31, 2026 and 2025, 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 March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 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)

April 28, 2026

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
March 31, 2026, and December 31 and March 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Assets	March 31, 2026		December 31, 2025		March 31, 2025			Liabilities and Equity	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:						
1100 Cash and cash equivalents (note 6(1))	\$ 932,254	17	1,495,204	27	926,784	16	2100	Short-term loans (note 6(11))	\$ 400,000	7	650,000	12	1,000,000	17
1110 Financial assets measured at fair value through profit or loss-current (note 6(2))	465,926	8	419,999	8	229,980	4	2170	Notes and accounts payable payable	365,725	7	299,249	5	334,271	6
1170 Notes and accounts receivable, net (note 6(4))	93,285	2	62,725	1	71,795	1	2180	Accounts payable from related parties (note 7)	132	-	261	-	9	-
1180 Accounts receivable from related parties (notes 6(4) and 7)	387,612	7	333,082	6	413,618	7	2201	Salary and bonus payable	133,742	2	169,711	3	144,948	3
130X Inventories (note 6(5))	1,023,835	19	1,036,127	19	1,122,983	20	2230	Current income tax liabilities	29,469	1	19,258	-	20,760	-
1476 Other financial assets – current (notes 6(6) 、7 and 8)	1,487,371	27	1,141,138	20	1,791,676	31	2280	lease liabilities – current (note 6(12))	9,286	-	11,191	-	17,527	-
1479 Other current assets	<u>29,040</u>	<u>1</u>	<u>23,732</u>	<u>-</u>	<u>138,478</u>	<u>2</u>	2399	Other current liabilities (note 7)	<u>93,995</u>	<u>2</u>	<u>81,172</u>	<u>2</u>	<u>64,816</u>	<u>1</u>
	<u>4,419,323</u>	<u>81</u>	<u>4,512,007</u>	<u>81</u>	<u>4,695,314</u>	<u>81</u>			<u>1,032,349</u>	<u>19</u>	<u>1,230,842</u>	<u>22</u>	<u>1,582,331</u>	<u>27</u>
Non-current assets:								Non-current liabilities:						
1518 Equity instruments measured at fair value through other comprehensive income – non-current (note 6(3))	-	-	66	-	1,778	-	2570	Deferred tax liabilities	269,015	5	269,015	5	267,874	5
1550 Investments accounted for using equity method (notes 6(7) and 7)	511,610	9	492,451	9	501,962	9	2580	lease liabilities – non-current (note 6(12))	47,321	1	48,930	1	70,445	1
1600 Property, plant and equipment (note 6(8))	372,983	7	364,966	7	388,039	7	2640	Net defined benefit liabilities – non-current	3,271	-	3,283	-	16,127	-
1755 Right-of-use assets (note 6(9))	53,730	1	57,307	1	84,677	1	2670	Guarantee deposit received	<u>25,663</u>	<u>-</u>	<u>23,561</u>	<u>-</u>	<u>87,924</u>	<u>2</u>
1780 Intangible assets (note 6(10))	26,406	-	30,344	-	26,795	-		Total liabilities	<u>1,377,619</u>	<u>25</u>	<u>1,575,631</u>	<u>28</u>	<u>2,024,701</u>	<u>35</u>
1840 Deferred tax assets	30,108	1	41,480	1	36,942	1		Equity (note 6(15)) :						
1900 Other non-current assets (notes 8 and 9)	<u>65,505</u>	<u>1</u>	<u>65,034</u>	<u>1</u>	<u>70,377</u>	<u>1</u>		Equity attributable to shareholders of the parent :						
	<u>1,060,342</u>	<u>19</u>	<u>1,051,648</u>	<u>19</u>	<u>1,110,570</u>	<u>19</u>	3110	Ordinary share capital	2,303,882	42	2,303,882	41	2,261,682	39
							3200	Capital surplus	250,130	5	250,130	5	142,309	2
							3300	Retained earnings	1,486,174	27	1,417,743	26	1,335,086	23
							3400	Other equity	<u>(6,756)</u>	<u>-</u>	<u>(52,171)</u>	<u>(1)</u>	<u>(20,271)</u>	<u>-</u>
								Total equity attributable to shareholders of the parent	<u>4,033,430</u>	<u>74</u>	<u>3,919,584</u>	<u>71</u>	<u>3,718,806</u>	<u>64</u>
							36XX	Non-controlling interests	<u>68,616</u>	<u>1</u>	<u>68,440</u>	<u>1</u>	<u>62,377</u>	<u>1</u>
								Total equity	<u>4,102,046</u>	<u>75</u>	<u>3,988,024</u>	<u>72</u>	<u>3,781,183</u>	<u>65</u>
Total assets	<u>\$ 5,479,665</u>	<u>100</u>	<u>5,563,655</u>	<u>100</u>	<u>5,805,884</u>	<u>100</u>		Total liabilities and equity	<u>\$ 5,479,665</u>	<u>100</u>	<u>5,563,655</u>	<u>100</u>	<u>\$ 5,805,884</u>	<u>100</u>

((See accompanying notes to consolidated financial statements.))

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

Holtek Semiconductor Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2026 and 2025
(Expressed in thousands of New Taiwan Dollars, except for Earnings per Share)

		<u>For the three months ended March 31,</u>			
		<u>2026</u>		<u>2025</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Revenues (notes 6(18) and 7)	\$ 825,585	100	760,939	100
5000	Cost of Goods Sold (notes 6(5)、(13)、(17)、7 and 12)	<u>495,230</u>	<u>60</u>	<u>466,614</u>	<u>62</u>
	Gross profits	330,355	40	294,325	38
5910	Unrealized gross profits on sales to associates	<u>5,980</u>	<u>1</u>	<u>2,639</u>	<u>-</u>
	Realized gross profits	<u>324,375</u>	<u>39</u>	<u>291,686</u>	<u>38</u>
	Operating expenses (notes 6(13)、(17) and 12):				
6100	Selling	33,231	4	29,913	4
6200	General and administrative	72,541	9	72,102	9
6300	Research and development	<u>163,394</u>	<u>20</u>	<u>174,240</u>	<u>23</u>
		<u>269,166</u>	<u>33</u>	<u>276,255</u>	<u>36</u>
	Operating income	<u>55,209</u>	<u>6</u>	<u>15,431</u>	<u>2</u>
	Non-operating income and expenses:				
7020	Other gains and losses (notes 6(19) and 7)	20,373	2	26,645	4
7060	Investment income accounted for using equity method (note 6(7))	5,782	1	698	-
7100	Interest income	8,558	1	9,106	1
7510	Interest expense	<u>(3,465)</u>	<u>-</u>	<u>(5,206)</u>	<u>(1)</u>
		<u>31,248</u>	<u>4</u>	<u>31,243</u>	<u>4</u>
	Income before income tax	86,457	10	46,674	6
7950	Income tax (note 6(14))	<u>15,086</u>	<u>2</u>	<u>(47,050)</u>	<u>(6)</u>
	Net income	<u>71,371</u>	<u>8</u>	<u>93,724</u>	<u>12</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(3))	<u>(66)</u>	<u>-</u>	<u>(2,926)</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>(66)</u>	<u>-</u>	<u>(2,926)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign affiliates	40,577	5	29,302	4
8371	Exchange differences on translation of financial statements of invested associates accounted for using equity method (note 6(7))	17,854	2	12,640	1
8399	Less : Income tax relating to items that may be reclassified subsequently (note 6(14))	<u>11,370</u>	<u>1</u>	<u>8,139</u>	<u>1</u>
	Total items that may be reclassified subsequently to profit or loss	<u>47,061</u>	<u>6</u>	<u>33,803</u>	<u>4</u>
8300	Other comprehensive income	<u>46,995</u>	<u>6</u>	<u>30,877</u>	<u>4</u>
	Total comprehensive income	<u>\$ 118,366</u>	<u>14</u>	<u>124,601</u>	<u>16</u>
	Net income attributable to:				
8610	Shareholders of the parent	\$ 68,431	8	90,489	12
8620	Non-controlling interests	<u>2,940</u>	<u>-</u>	<u>3,235</u>	<u>-</u>
		<u>\$ 71,371</u>	<u>8</u>	<u>93,724</u>	<u>12</u>
	Total comprehensive income attributable to:				
8710	Shareholders of the parent	\$ 113,846	14	120,119	16
8720	Non-controlling interests	<u>4,520</u>	<u>-</u>	<u>4,482</u>	<u>-</u>
		<u>\$ 118,366</u>	<u>14</u>	<u>124,601</u>	<u>16</u>
	Earnings per share (New Taiwan Dollars) (note 6(16))				
9750	Basic earnings per share	<u>\$ 0.30</u>		<u>0.40</u>	
9850	Diluted earnings per share	<u>\$ 0.30</u>		<u>0.40</u>	

(See accompanying notes to consolidated financial statements.)

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Holtek Semiconductor Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2026 and 2025
(Expressed in thousands of New Taiwan Dollars)

Equity attributed to shareholders of the parent

	Retained earnings						Total other equity interest			Total equity attributed to shareholders of the parent	Non-controlling interests	Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	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			
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	-	-	-	-	90,489	90,489	-	-	-	90,489	3,235	93,724
Other comprehensive income for the period	-	-	-	-	-	-	32,556	(2,926)	29,630	29,630	1,247	30,877
Total comprehensive income for the period	-	-	-	-	90,489	90,489	32,556	(2,926)	29,630	120,119	4,482	124,601
Balance as of March 31, 2025	\$ 2,261,682	142,309	1,077,845	2,541	254,700	1,335,086	31,210	(51,481)	(20,271)	3,718,806	62,377	3,781,183
Balance as of January 1, 2026	\$ 2,303,882	250,130	1,084,493	48,781	284,469	1,417,743	1,022	(53,193)	(52,171)	3,919,584	68,440	3,988,024
Net income for the period	-	-	-	-	68,431	68,431	-	-	-	68,431	2,940	71,371
Other comprehensive income for the period	-	-	-	-	-	-	45,481	(66)	45,415	45,415	1,580	46,995
Total comprehensive income for the period	-	-	-	-	68,431	68,431	45,481	(66)	45,415	113,846	4,520	118,366
Appropriation and distribution of retained earnings:												
Cash dividends from subsidiaries	-	-	-	-	-	-	-	-	-	-	(4,344)	(4,344)
Balance as of March 31, 2026	\$ 2,303,882	250,130	1,084,493	48,781	352,900	1,486,174	46,503	(53,259)	(6,756)	4,033,430	68,616	4,102,046

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(See accompanying notes to consolidated financial statements.)

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Holtek Semiconductor Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
(Expressed in thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2026	2025
Cash flows from operating activities:		
Income before income tax	\$ 86,457	46,674
Adjustments:		
Adjustments to reconcile profit:		
Depreciation	16,653	16,913
Amortization	19,497	23,831
Interest expense	3,465	5,206
Interest income	(8,558)	(9,106)
Investment (gains) loss accounted for using equity method	(5,782)	(698)
Unrealized gross profit on sales to associates	5,980	2,639
Other items not affecting cash flows, net	(2,140)	(328)
Changes in operating assets and liabilities:		
Financial assets measured at fair value through profit or loss	(44,300)	(18,800)
Notes and accounts receivable (including related parties)	(74,423)	(71,003)
Inventories	21,830	76,738
Other operating assets	(4,222)	(3,773)
Notes and accounts payable (including related parties)	58,733	53,181
Net defined benefit liability	(18)	(486)
Other operating liabilities	(28,895)	(52,499)
Cash flows from operations	44,277	68,489
Interest received	6,550	6,274
Dividends received	3,650	3,597
Interest paid	(3,465)	(5,206)
Income tax paid	(5,705)	(2,601)
Net cash flows from operating activities	45,307	70,553
Cash flows from investing activities:		
Acquisitions of property, plant and equipment	(12,837)	(13,234)
Proceeds from disposal of property, plant and equipment	235	-
(Increase) Decrease in Guarantee deposit paid	(324)	1,913
Acquisition of intangible assets	(15,525)	(13,750)
Increase in other financial assets	(343,336)	(91,275)
(Increase) Decrease in other non-current assets	72	(3,280)
Net cash flows used in investing activities	(371,715)	(119,626)
Cash flows from financing activities:		
Decrease in Short-term loans	(250,000)	-
Increase in Guarantee deposit received	1,832	64,563
Payments of lease liabilities	(3,511)	(4,485)
Net cash flows from (used in) financing activities	(251,679)	60,078
Effect of foreign exchange changes	15,137	12,775
Net increase (decrease) in cash and cash equivalents	(562,950)	23,780
Cash and cash equivalents at the beginning of period	1,495,204	903,004
Cash and cash equivalents at the end of period	\$ 932,254	926,784

(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

March 31, 2026 and 2025

(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 April 28, 2026.

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, 2026 :

- IFRS 17 “*Insurance Contracts*” and amendments to IFRS 17 “*Insurance Contracts*”
- Amendments to IFRS 9 and IFRS 7 “*Amendments to the Classification and Measurement of Financial Instruments*”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “*Contracts Referencing Nature-dependent Electricity*”

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

(2) The impact of IFRS Accounting Standards 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. 	<p>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.</p>

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*”
- Amendments to IAS 21 “*Translation to a Hyperinflationary Presentation Currency*”

Holtek Semiconductor and Subsidiaries
Notes to Consolidated Financial Statements

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, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(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, 2025. Refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2025.

B. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership at,		
			March 31,2026	December 31, 2025	March 31,2025
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	- % (Note 5)	- % (Note 5)	100% (Note 5)
the Company	Kingtek Semiconductor Holding (BVI) Ltd. (Kingtek BVI)	Investment holding company	- % (Note 4)	- % (Note 4)	100% (Note 4)
the Company	Holtek Investment Co., Ltd. (Holtek Investment)	Specialized investment corporation	100% (Note 3)	100% (Note 3)	100% (Note 3)
MCU	Best Health Electronics Corp. (Best Health)	Investment holding company	75% (Note 6)	75%	75%
Best Health	Best Health Electronics (Dongguan) Corporation	Manufacturing, sales and technical	100% (Note 6)	100%	100%

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Name of Investor	Name of Subsidiary	Business	Percentage of Ownership at,		
			March 31,2026	December 31, 2025	March 31,2025
Best Health	Best Health Electronics HK Limited (Best Health HK)	services 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%
Holtek BVI	Xinqun Semiconductor (XIAMEN) Inc. (Xinqun)	Manufacturing, sales and technical services	100% (Note 3)	100% (Note 3)	100% (Note 3)
Holtek BVI	Holtek Semiconductor (China) Inc. (Holtek(China))	Manufacturing, sales and technical services	100% (Note 3)	100% (Note 3)	100% (Note 3)
Sigmos	Holtek Semiconductor (USA) Inc. (Holtek (USA))	Manufacturing, sales and technical services	- % (Note 5)	- % (Note 5)	100% (Note 5)
Kingtek BVI	Holtek Semiconductor (Suzhou) Inc	Manufacturing, sales and technical services	- % (Note 4)	- % (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	- % (Note 5)	- % (Note 5)	100% (Note 5)
Best Solution BVI	Best Solution Technology (Dongguan) Inc.	Manufacturing, sales and technical services	- % (Note 5)	- % (Note 5)	100% (Note 5)
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	- % (Note 5)	- % (Note 5)	100% (Note 5)

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

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36.875% indirectly held by the associate company which Holtek Investment owns its 40% shareholdings.

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

Note 4 : This company was liquidated in 2Q25.

Note 5 : This company was liquidated in 4Q25.

Note 6 : The financial statements have been reviewed in 1Q26

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

(3) Employee benefits

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

(4) Income tax

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

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

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

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, 2025.

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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, 2025.

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2026
Cash and cash in bank	\$ 567,553	594,260	463,416
Time deposits	<u>364,701</u>	<u>900,944</u>	<u>463,368</u>
	<u>\$ 932,254</u>	<u>1,495,204</u>	<u>926,784</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Beneficiary certificates	<u>\$ 465,926</u>	<u>419,999</u>	<u>229,980</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 at FVOCI- non-current

	March 31, 2026	December 31, 2025	March 31, 2025
Equity securities – unlisted company			
Precision Sensor Design Inc. (Precision)	\$ -	-	1,750
Gingy Technology Corporation. (Gingy)	<u>-</u>	<u>66</u>	<u>28</u>
	<u>\$ -</u>	<u>66</u>	<u>1,778</u>

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

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.

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes receivable	\$ 1,907	2,972	1,425
Accounts receivable	92,331	60,545	71,194
Receivables from related parties	<u>391,145</u>	<u>336,776</u>	<u>417,358</u>
	485,383	400,293	489,977
Less: allowance for doubtful accounts	<u>(4,486)</u>	<u>(4,486)</u>	<u>(4,564)</u>
	<u>\$ 480,897</u>	<u>395,807</u>	<u>485,413</u>

As of March 31, 2026 and December 31, 2025, the Group had discounted notes receivable with banks amounting to \$11,051 and \$11,978 that had not yet matured, respectively. As substantially all the risks and rewards associated with these notes receivable had been transferred, the Group derecognized such amounts from notes receivable. There were no such transactions as of March 31, 2025.

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:

	<u>March 31, 2026</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 485,338	0.50%~1.50%	4,485
Past due 0~90days	<u>45</u>	2.28%	<u>1</u>
	<u>\$ 485,383</u>		<u>4,486</u>
	<u>December 31, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 400,231	0.50%~1.50%	4,484
Past due 0~90days	<u>62</u>	2.28%	<u>2</u>
	<u>\$ 400,293</u>		<u>4,486</u>

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	March 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not past due	\$ 489,427	0.50%~1.50%	4,466
Past due 0~90days	472	4.17%	20
Past due more than 90days	78	100.00%	78
	\$ 489,977		4,564

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

	For the three months ended March 31,	
	2026	2025
Beginning balance	\$ 4,486	4,562
Effect of foreign exchange changes	-	2
Ending balance	\$ 4,486	4,564

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

(5) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 487,428	517,464	562,605
Work in process	309,883	282,002	323,372
Finished goods and merchandise inventories	226,524	236,661	237,006
	\$ 1,023,835	1,036,127	1,122,983

The details of operating costs were as follows:

	For the three months ended March 31,	
	2026	2025
Cost of goods sold	\$ 493,825	466,015
Cost of scrap materials	1,405	599
	\$ 495,230	466,614

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

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(6) Other financial assets—current

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits (more than 3 months)	\$ 1,473,364	1,122,828	1,773,136
Restricted cash in banks	2,362	2,362	2,351
Others	11,645	15,948	16,189
	<u>\$ 1,487,371</u>	<u>1,141,138</u>	<u>1,791,676</u>

No impairment loss of other financial assets-current were occurred and recognized for the three months ended March 31, 2026 and 2025.

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

(7) Investments accounted for using equity method

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

	March 31, 2026	December 31, 2025	March 31, 2025
Total amount of equities in associates	\$ 583,802	558,663	583,028
Less: unrealized gross profits on sales to associates	(72,192)	(66,212)	(81,066)
	<u>\$ 511,610</u>	<u>492,451</u>	<u>501,962</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:

	For the three months ended March 31,	
	2026	2025
Other comprehensive income attributable to the Group:		
Net income (loss) from continuing operation	\$ 5,782	698
Other comprehensive income	17,854	12,640
Total comprehensive income	<u>\$ 23,636</u>	<u>13,338</u>

The Group received dividends of \$3,650 and \$3,597 from the equity method during the three months ended March 31, 2026 and 2025, respectively.

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

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(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, 2026	\$ 26,676	648,229	305,132	130,502	1,110,539
Additions	-	2,096	89	10,652	12,837
Disposals	-	-	(839)	(271)	(1,110)
Effect of foreign exchange changes	-	11,118	2,330	2,001	15,449
Balance on March 31, 2026	<u>\$ 26,676</u>	<u>661,443</u>	<u>306,712</u>	<u>142,884</u>	<u>1,137,715</u>
Balance on January 1, 2025	\$ 26,676	638,276	310,403	115,247	1,090,602
Additions	-	7,982	817	4,435	13,234
Disposals	-	-	(27)	(3,650)	(3,677)
Effect of foreign exchange changes	-	7,719	1,731	1,377	10,827
Balance on March 31, 2025	<u>\$ 26,676</u>	<u>653,977</u>	<u>312,924</u>	<u>117,409</u>	<u>1,110,986</u>
Accumulated depreciation:					
Balance on January 1, 2026	\$ -	365,529	283,153	96,891	745,573
Depreciation for the period	-	5,036	2,723	25,320	13,079
Disposals	-	-	(834)	(271)	(1,105)
Effect of foreign exchange changes	-	3,894	1,833	1,458	7,185
Balance on March 31, 2026	<u>\$ -</u>	<u>374,459</u>	<u>2816,875</u>	<u>103,398</u>	<u>764,732</u>
Balance on January 1, 2025	\$ -	346,116	275,779	87,812	709,707
Depreciation for the period	-	4,781	4,752	2,612	12,145
Disposals	-	-	(24)	(3,424)	(3,448)
Effect of foreign exchange changes	-	2,437	1,202	904	4,543
Balance on March 31, 2025	<u>\$ -</u>	<u>353,334</u>	<u>281,709</u>	<u>87,904</u>	<u>722,947</u>
Carrying amount:					
Balance on January 1, 2026	<u>\$ 26,676</u>	<u>282,700</u>	<u>21,979</u>	<u>33,611</u>	<u>364,966</u>
Balance on March 31, 2026	<u>\$ 26,676</u>	<u>286,984</u>	<u>19,837</u>	<u>39,486</u>	<u>372,983</u>
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 March 31, 2025	<u>\$ 26,676</u>	<u>300,643</u>	<u>31,215</u>	<u>29,505</u>	<u>388,039</u>

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

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(9) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying amount :			
Balance at January 1, 2026	\$ <u>44,266</u>	<u>13,041</u>	<u>57,307</u>
Balance at March 31, 2026	\$ <u>43,529</u>	<u>10,201</u>	<u>53,730</u>
Balance at January 1, 2025	\$ <u>49,202</u>	<u>40,632</u>	<u>89,834</u>
Balance at March 31, 2025	\$ <u>46,479</u>	<u>38,198</u>	<u>84,677</u>

There were no significant additions, disposal for the three months ended March 31, 2026 and 2025. 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, 2025.

(10) Intangible assets

	<u>Computer Software</u>	<u>Acquired Special Technology</u>	<u>Total</u>
Carrying amount :			
Balance at January 1, 2026	\$ <u>30,344</u>	<u>-</u>	<u>30,344</u>
Balance at March 31, 2026	\$ <u>26,406</u>	<u>-</u>	<u>26,406</u>
Balance at January 1, 2025	\$ <u>36,870</u>	<u>-</u>	<u>36,870</u>
Balance at March 31, 2025	\$ <u>26,795</u>	<u>-</u>	<u>26,795</u>

There were no significant additions, disposal for the three months ended March 31, 2026 and 2025. 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, 2025.

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

(11) Short-term loans

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Unsecured bank loans	\$ <u>400,000</u>	<u>650,000</u>	<u>1,000,000</u>
Unused short-term credit lines	\$ <u>1,800,000</u>	<u>1,550,000</u>	<u>1,200,000</u>
Range of interest rates	<u>2.025% ~ 2.220%</u>	<u>2.025% ~ 2.220%</u>	<u>2.025% ~ 2.120%</u>

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

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(12) Lease liabilities

The amount of lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	<u>\$ 9,286</u>	<u>11,191</u>	<u>17,527</u>
Non-current	<u>\$ 47,321</u>	<u>48,930</u>	<u>70,445</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 March 31,	
	2026	2025
Interest on lease liabilities	<u>\$ 203</u>	<u>311</u>
Expenses relating to short-term leases	<u>\$ 427</u>	<u>768</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 79</u>	<u>100</u>

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

	For the three months ended March 31,	
	2026	2025
Total cash outflow for leases	<u>\$ 4,220</u>	<u>5,664</u>

As of March 31, 2026 and 2025, 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.

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(13) Employee benefits

Given there was no significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off event in the prior fiscal year, pension costs in the financial statements are measured and disclosed according to the actuarial results determined on December 31, 2025 and 2024.

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:

	For the three months ended March 31,	
	2026	2025
Current income tax expense (benefit)		
Current period	\$ 15,086	8,497
Adjustment to prior years	-	(55,547)
	\$ 15,086	(47,050)

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

	For the three months ended March 31,	
	2026	2025
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign affiliates	\$ 8,115	5,860
Exchange differences on translation of financial statements of invested associates accounted for using equity method	3,255	2,279
	\$ 11,370	8,139

The tax authorities have assessed the Company's income tax returns through 2023.

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(15) Capital and other equity interest

Except as described in the following paragraph, there were no significant changes in the Group's capital and other equity interest for the three months ended March 31, 2026 and 2025. For related information about the shareholders' equity, please refer to note 6(15) of the consolidated financial statements for the year ended December 31, 2025.

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

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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 2025 and 2024 which were presented for a resolution in the Board of Directors' meeting hold on March 5, 2026 and approved during the shareholders' meeting held on May 28, 2025, respectively:

	2025		2024	
	NT dollars per share	Total amount	NT dollars per share	Total amount
Cash dividends distributed to ordinary shareholders:	<u>\$ 0.6800</u>	<u>156,664</u>	<u>-</u>	<u>-</u>

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

According to the Board of Directors' meeting hold on March 5, 2026 and the shareholders' meeting held on May 28, 2025, the appropriation legal reserve were \$17,315 and \$6,648, respectively, and the appropriation special reserve were \$3,391 and \$47,360, respectively.

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 March 31,	
	2026	2025
Basic earnings per share:		
Net income (loss) for the period	<u>\$ 68,431</u>	<u>90,489</u>
Weighted-average number of ordinary shares outstanding during the year (in thousands)	<u>230,388</u>	<u>226,168</u>
Basic earnings per share (NT dollars)	<u>\$ 0.30</u>	<u>0.40</u>

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	For the three months ended March 31,	
	2026	2025
Diluted earnings per share:		
Net income (loss) for the period	\$ 68,431	90,489
Weighted-average number of ordinary shares outstanding during the year (in thousands)	230,388	226,168
Effect of potential diluted ordinary shares (in thousands)	251	116
Weighted-average number of ordinary shares outstanding during the year (diluted) (in thousands)	230,639	226,284
Diluted earnings per share (NT dollars)	\$ 0.30	0.40

(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 \$9,937 and \$5,122, and the remunerations to directors amounted to \$1,183 and \$610 for the years ended March 31, 2026 and 2025, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company's Article of Incorporation. These remunerations were expensed under cost of goods sold or expenses for each period. 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

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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.

Remuneration to employees and directors for 2025 in the amounts of \$16,764 and \$1,996, respectively, which were paid in cash. The Company incurred a loss in 2024, and therefore, no remuneration have been made for employees and directors. 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 March 31,	
	2026	2025
Revenues from major regional markets:		
China	\$ 608,968	560,024
Taiwan	77,372	73,924
Others	139,245	126,991
	\$ 825,585	760,939
Revenue from major products:		
Sales of integrated circuits	\$ 819,914	754,980
Design and IC programming	5,671	5,959
	\$ 825,585	760,939

B. Contract balance

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

(19) Non-operating income and expenses

The details of other gains and losses were as follows:

	For the three months ended March 31,	
	2026	2025
Foreign exchange gains, net	\$ 11,250	12,166
Others	9,123	14,479
	\$ 20,373	26,645

Holtek Semiconductor and Subsidiaries
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(20) Financial instruments

Except as described in the following paragraph, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk liquidity risk and market risk. For related information about the fair value of financial instruments, please refer to note 6(20) of the consolidated financial statements for the year ended December 31, 2025.

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 March 31, 2026 and December 31, 2025, and March 31, 2025 customers (including related parties) who notes and accounts receivables that accounted for more than 10% have amounted to \$223,132, \$221,909 and \$246,602, respectively. The Group have concentration of credit risk arising from sales transactions. The Group have estimated the recoverable amount and recognized allowance for doubtful accounts, the management expected that no significant impairment loss will occurred.

(c) Credit risk of Receivables

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

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

The above financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7) of the consolidated financial statements for the year ended December 31, 2025.

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B. Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>Over 1 year</u>
March 31, 2026				
Non-derivative financial liabilities				
Short-term loans	\$ 400,000	400,761	400,761	-
Notes and accounts payables (including related parties)	365,857	365,857	365,857	-
Salary and bonus payable	133,742	133,742	133,742	-
Guarantee deposit received	25,568	25,568	-	25,568
Lease liabilities	<u>56,607</u>	<u>61,659</u>	<u>9,998</u>	<u>51,661</u>
	<u>\$ 981,774</u>	<u>987,587</u>	<u>910,358</u>	<u>77,229</u>
December 31, 2025				
Non-derivative financial liabilities				
Short-term loans	\$ 650,000	651,356	651,356	-
Notes and accounts payables (including related parties)	299,510	299,510	299,510	-
Salary and bonus payable	169,711	169,711	169,711	-
Accrued expenses (recorded in other current liabilities)	34,540	34,540	34,540	-
Guarantee deposit received	23,466	23,466	-	23,466
Lease liabilities	<u>60,121</u>	<u>65,373</u>	<u>11,939</u>	<u>53,434</u>
	<u>\$ 1,237,348</u>	<u>1,243,956</u>	<u>1,167,056</u>	<u>76,900</u>
March 31, 2025				
Non-derivative financial liabilities				
Short-term loans	\$ 1,000,000	1,002,045	1,002,045	-
Notes and accounts payables (including related parties)	334,280	334,280	334,280	-
Salary and bonus payable	144,948	144,948	144,948	-
Accrued expenses (recorded in other current liabilities)	31,311	31,311	31,311	-
Guarantee deposit received	87,924	87,924	-	87,924
Lease liabilities	<u>87,972</u>	<u>95,565</u>	<u>18,624</u>	<u>76,941</u>
	<u>\$ 1,686,435</u>	<u>1,696,073</u>	<u>1,531,208</u>	<u>164,865</u>

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

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C. Market risk

Currency risk

(a) Exposure to currency risk

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

	March 31, 2026			December 31, 2025			March 31, 2025			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	7,908	31.945	252,615	7,430	31.38	233,144	7,690	33.155	254,978
RMB		48,905	4.6044	225,176	44,905	4.4694	200,698	71,156	4.5496	323,678
<u>Non-monetary items</u>										
USD	\$	14,049	31.945	448,808	13,692	31.38	429,645	13,819	33.155	458,185
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	5,959	31.945	190,367	4,596	31.38	144,216	4,262	33.155	141,292
RMB		4,083	4.6044	18,798	4,917	4.4694	21,975	4,485	4.5496	20,407

(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 \$2,149 and \$3,336 for the three months ended March 31, 2026 and 2025, 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 \$11,250 and \$12,166 for the three months ended March 31, 2026 and 2025, respectively.

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	March 31, 2025				
	Carrying amount	Fair value			Total
		Level1	Level2	Level3	
Financial assets measured at fair value through profit or loss	\$ 229,980	229,980	-	-	229,980
Financial assets measured at fair value through other comprehensive income	1,778	-	-	1,778	1,778
	\$ 231,758	229,980	-	1,778	231,758

(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 March 31, 2026 and 2025.

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

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

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

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Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at 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 (2026.3.31、2025.12.31 and 2025.03.31: 1.12%~1.34%、1.08% and 1.56%~2.02%, respectively.) • Discount for lack of marketability (2026.3.31、2025.12.31 and 2025.03.31:25%) 	<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 three months ended March 31,	
	2026	2025
Balance at beginning of the period	\$ 66	4,704
Net (loss) gains included in other comprehensive income	(66)	(2,926)
Balance at end of the period	\$ -	1,778

Net gains or loss that were included in unrealized gains and losses from financial assets at fair value through other comprehensive income for the three months ended March 31, 2026 and 2025, were as follows:

	For the three months ended March 31,	
	2026	2025
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”	\$ (66)	(2,926)

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(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, 2025. 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, 2025.

(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, 2025. There were no significant changes in quantified factors of capital management from those in the consolidated financial statement for the year ended December 31, 2025. For related information about the capital management, please refer to note 6(22) of the consolidated financial statements for the year ended December 31, 2025.

(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, 2026	Cash flow	Other	March 31, 2026
Lease liabilities	\$ 60,121	(3,511)	(2)	56,608
Guarantee deposit received	23,466	1,832	270	25,568
Short-term loans	<u>650,000</u>	<u>(250,000)</u>	-	<u>400,000</u>
Total liabilities from financing activities	<u>\$ 733,587</u>	<u>(251,679)</u>	<u>268</u>	<u>482,176</u>

	January 1, 2025	Cash flow	Other	March 31, 2025
Lease liabilities	\$ 92,846	(4,485)	(389)	87,972
Guarantee deposit received	23,205	64,563	156	87,924
Short-term loans	<u>1,000,000</u>	-	-	<u>1,000,000</u>
Total liabilities from financing activities	<u>\$ 1,116,051</u>	<u>60,078</u>	<u>(233)</u>	<u>1,175,896</u>

Holtek Semiconductor and Subsidiaries
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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

(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	
	March 31,	
	<u>2026</u>	<u>2025</u>
Signal	\$ 124,138	107,442
Newtek	95,650	132,991
Crown Rich	85,923	79,853
Associates	<u>252,538</u>	<u>220,224</u>
	<u>\$ 558,249</u>	<u>540,510</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 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.

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As for the years ended March 31, 2026, and December 31 and March 31, 2026, the Group recognized unrealized gross profits of sales to associates amounting to \$72,192, \$66,212 and \$81,066, respectively.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Signal	\$ 89,706	71,059	88,722
Newtek	73,543	61,456	101,929
Crown Rich	59,883	47,651	55,951
Truetek	40,166	41,743	39,120
Associates	<u>124,314</u>	<u>111,173</u>	<u>127,896</u>
	<u>\$ 387,612</u>	<u>333,082</u>	<u>413,618</u>

The advance receipts from related parties were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Advance receipts –Associates (recorded in other current liabilities)	<u>\$ 13,623</u>	<u>10,967</u>	<u>3,897</u>

B. Purchases

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

	For the three months ended March 31,	
	2026	2025
Associates	<u>\$ 391</u>	<u>30</u>

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

The payables to related parties were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Associates	<u>\$ 132</u>	<u>261</u>	<u>9</u>

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C. Other transactions

The Group's revenue from related parties about the human support service charge and disbursement have amounting to \$316 and \$280 for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026 and December 31 and March 31, 2025, the receivables classified under abovementioned other financial assets – current have amounting to \$257, \$269 and \$352, respectively.

(3) Transactions with key management personnel

Key management personnel compensation comprised:

	For the three months ended	
	March 31,	
	2026	2025
Short-term employee benefits	\$ 8,799	9,600
Post-employment benefits	108	108
	<u>\$ 8,907</u>	<u>9,708</u>

8 、 Pledged Assets

<u>Assets</u>	<u>Purpose of Pledged</u>	<u>March</u> <u>31, 2026</u>	<u>December</u> <u>31, 2025</u>	<u>March</u> <u>31, 2025</u>
Time deposits (recorded in other financial assets – current)	Guarantee deposits from customs and other	\$ 2,362	2,362	2,351
Time deposits (recorded in other non-current assets)	Guarantee deposits from customs and HSPB	6,749	6,749	6,749
		<u>\$ 9,111</u>	<u>9,111</u>	<u>9,100</u>

9 、 Significant Commitments and Contingencies

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

10 、 Losses due to major disasters: None.

11 、 Significant Subsequent Events: None.

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12 、 Other

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

By item	For the three months ended March 31,2026			For the three months ended March 31,2025		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefits						
Salaries	6,335	163,016	169,351	7,536	152,647	160,183
Labor and health insurance	533	11,474	12,007	704	12,514	13,218
Pensions	336	12,693	13,029	438	14,629	15,067
Others	340	4,807	5,147	421	4,808	5,229
Depreciation	2,196	14,457	16,653	54	16,859	16,913
Amortization	-	19,497	19,497	-	23,831	23,831

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13 ․ Other disclosures

(1) Information on significant transactions

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

i. Loans to other parties:

(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	272,448	184,176	138,132	1.10%	Short-term financing	-	Operating	-	-	-	346,372	432,965

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.

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ii. Guarantees and endorsements for other parties: Note

iii. Securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):

(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	8,458	137,593	-	137,593	
The Company	UPAMC James Bond Money Market Fund	-	Financial assets measured at fair value through profit or loss – current	18,521	328,333	-	328,333	

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	181,656	28%	Open account 120 days	No significant difference	Note7	139,010	38%	Note1
The Company	Holtek (China)	Subsidiary of the Company	Sales	135,078	21%	Open account 120 days	No significant difference	Note7	55,506	15%	Note1

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:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover	Overdue		Amounts received in subsequent period	Allowance forbad debts
					Amount	Action taken		
The Company	Xinqun	Subsidiary	139,010	6.59	-	Collection on demand	121,519 (Note1)	1,691

Note1 : The amount is collected by April 25, 2026.

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

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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	Holtek (China)	Parent company to subsidiary	Sales	135,078	Open account 120 days	16 %
0	The Company	Holtek (China)	Parent company to subsidiary	Accounts receivable	55,506	Open account 120 days	1 %
0	The Company	Xinqun	Parent company to subsidiary	Sales	181,656	Open account 120 days	22 %
0	The Company	Xinqun	Parent company to subsidiary	Accounts receivable	139,010	Open account 120 days	3 %
1	Holtek (China)	Anchip	Subsidiary to subsidiary	Sales	44,635	Open account 60 days	5 %
1	Holtek (China)	Anchip	Subsidiary to subsidiary	Accounts receivable	27,451	Open account 60 days	1 %
2	Best Health	The Company	Second-tier subsidiary to parent company	Sales	6,053	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 three months ended March 31, 2026 (excluding information on investees in Mainland China):

Investor Company	Investee Company	Location	Main Businesses and Products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2026	December 31, 2025	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%	1,316,207	28,766	28,766 Note 2	The Company's Subsidiary
The Company	MCU Holdings Ltd.	B.V.I.	Overseas investment activities	16,333	16,333	500	100.00%	737,229	14,658	14,658 Note 2	The Company's Subsidiary
MCU Holdings Ltd.	ForIC Electronics Holding Ltd.	B.V.I.	Overseas investment activities	18,384	18,384	300	40.00%	6,704	(2,285)	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%	50,790	614	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%	62,326	4,124	Note 1	The Subsidiary's investee company by equity method
MCU Holdings Ltd.	Santek Holdings Ltd.	B.V.I.	Overseas investment activities	3,758	3,758	180	40.00%	42,044	(952)	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%	65,524	1,935	Note 1	The Subsidiary's investee company by equity method

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Investor Company	Investee Company	Location	Main Businesses and Products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
MCU Holdings Ltd.	Newtek Electronics Ltd.	B.V.I.	Overseas investment activities	8,105	8,105	1,501	40.61%	60,804	1,221	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%	139,140	5,317	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%	438	646	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%	59,618	5,537	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%	11,476	(2,344)	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%	9,562	(1,052)	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%	60,339	3,161	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%	5,824	3,501	Note 1,2	The Company's second-tier subsidiary
The Company	Holtek Semiconductor (India) Private Limited	INDIA	Sales of integrated circuits and technical services	3	3	6	0.10%	4	(45)	1 Note 2	The Company's second-tier subsidiary
The Company	Holtek Investment Co., Ltd.	Hsinchu City	Domestic investment activities	260,000	260,000	260,000	100.00%	273,901	1,862	1,862 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%	137,849	7,162	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%	7,136	(144)	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%	7,741	(144)	Note 1,2	The Company's second-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%	-	-	Note 1	The Subsidiary's investee company by equity method
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%	79,154	(1,004)	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%	25,732	(661)	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%	4,416	(45)	Note 1,2	The Company's second-tier subsidiary

Note 1 : The share of profits/losses of the investee company is already included in the share of profits/losses of the investor company.

Note 2 : The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

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(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, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	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	27,088	100%	27,088 (Note5)	406,014	-
Holtek Semiconductor (China) Inc.	Sales of integrated circuits and technical services	292,423	(Note 1)	272,221	-	-	272,221	398	100%	398 (Note5)	865,931	-
Santek Electronics (Xiamen) Ltd.	Sales of integrated circuits and technical services	6,398	(Note 1)	2,506	-	-	2,506	253	40%	101	22,969	-
New Wave Electronics (Shenzhen) Ltd.	Sales of integrated circuits and technical services	9,287	(Note 1)	3,928	-	-	3,928	1,940	40%	776	65,350	-
ForIC Electronics (Beijing) Ltd.	Sales of integrated circuits and technical services	41,264	(Note 1)	3,601	-	-	3,601	(5,180)	40%	(2,072)	(8,992)	-
E-Micro Technology (Qingdao) Ltd.	Sales of integrated circuits and technical services	6,315	(Note 1)	2,634	-	-	2,634	3,067	40%	1,227	3,516	-
Newtek Electronics (Shenzhen) Ltd.	Sales of integrated circuits and technical services	65,860	(Note 1)	2,647	-	-	2,647	(1,896)	40.61%	(770)	34,080	-
Truetek Technology (Shanghai) Ltd.	Sales of integrated circuits and technical services	30,293	(Note 1)	3,911	-	-	3,911	352	40%	141	13,697	-
Crown Rich Technology (Shenzhen) Ltd.	Sales of integrated circuits and technical services	18,446	(Note 1)	1,964	-	-	1,964	5,317	40%	2,127	138,245	-
Quanding Technology (Suzhou) Ltd.	Sales of integrated circuits and technical services	21,670	(Note 1)	1,600	-	-	1,600	4,275	40%	1,710	49,059	-
Fine Chip Electronics (Shanghai) Inc.	Sales of integrated circuits and technical services	7,541	(Note 1)	-	-	-	-	656	40%	262	(414)	-
Anchip Technology (Dongguan) Corporation	Sales of integrated circuits and technical services	1,521	(Note 1)	-	-	-	-	5,537	60%	3,322	58,991	-
JXY Electronics (Shenzhen) Corporation	Sales of integrated circuits and technical services	18,706	(Note 1)	-	-	-	-	(1,021)	40%	(408)	9,443	-
Best Health Electronics (Dongguan) Corporation	Sales of integrated circuits and technical services	23,057	(Note 1)	-	-	-	-	(292)	75%	(219)	55,165	-
Best Modules Electronic Commerce (Xiamen) Corp.	Sales of integrated circuits and technical services	28,307	(Note1)	28,307			28,307	(662)	100%	(662)	25,704	-

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ii. Limitation on investment in Mainland China:

Name of company	Accumulated Investments in Mainland China as of March 31, 2026 (Note2)	Investment Amounts Authorized by Investment Commission, MOEA (Note3)	Maximum Limit of Investment (Note4)
The Company	585,657 (US\$19,751 in thousands)	729,842 (US\$22,847 in thousands)	2,420,058
Best Modules	28,307 (US\$962 in thousands)	30,737 (US\$962 in thousands)	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 \$573,439 (US\$17,951 in thousands); and from the third regions for \$156,403 (US\$4,896 in thousands); On the audit report date, the case is still pending approval by the Investment Commission, MOEA. Best Solution repatriated cash dividends \$6,304 (US\$200 in thousands) in January, 2026; and Best Modules accumulated remittances from the third regions for \$30,737 (US\$962 in thousands).

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 \$4,033,430 x 60% = \$2,420,058; 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.

Note5 : The investment incomes on financial statements of the Company were reviewed by the certificated auditors.

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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.