Rafael Microelectronics, Inc.
Parent Company Only Financial Statements
and Independent Auditors' Report
DECEMBER 31,2024 and 2023
(Stock code: 6568)

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Rafael Microelectronics, Inc.

2024 and 2023 Parent Company Only Financial Statements and Independent Auditors' Report

Content

(English Translation of a Report Originally Issued in Chinese)

Independent Auditors' Report

(2025) Financial Audit Report No. 24002417

Rafael Microelectronics, Inc.:

Auditors' opinion

We have audited the accompanying parent company only balance sheets of Rafael Microelectronics, Inc. (the "Company") as of December 31, 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to parent company only financial statements (including a summary of significant accounting policies).

In our opinion, based on our audits and the reports of other independent auditors (please refer to other matters), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of the audit opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibility under these standards is further explained in the section of Auditors' Responsibilities for the audit of the Parent Company Only Financial Statements. We are independent of the Company in accordance with the Code of Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and the audit reports of other accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Key audit matters of the parent company only financial statements of the Company for the year ended December 31, 2024 were as follows:

Inventory valuation

Description of matters

For the accounting policies related to the evaluation of inventory, please refer to note 4 (12) of the parent company only financial statements; for the uncertainty of accounting estimates and assumptions in inventory valuation, please refer to Note 5 of the parent company only financial statements; for the accounting items of inventory, please refer to note 6 (6) of the parent company only financial statements.

The Company is mainly engaged in manufacturing and selling related products such as radio frequency integrated circuits. The technology of the industry is changing rapidly, resulting in a higher risk of inventory valuation loss or obsolescence. Due to the significant amount of inventories and the fact that the estimated amount of net realizable value of inventories involves subjective judgment by the management, we have listed the inventory valuation as a key audit matter in this year's audit.

Corresponding audit procedures

The main countermeasures for the above key audit matter that we have implemented were as follows:

1. Based on the understanding of the nature of operation and industry of the Company, assess the reasonableness of the inventory allowance policy and procedure adopted for inventory valuation and the reasonableness of the management's judgment of the outdated and obsolete items.
2. Understanding the inventory management process, evaluate the inventory status and the effectiveness of management in differentiating and controlling obsolete inventory by participating in the annual inventory count.
3. Check the accuracy of the calculation of the inventory aging and confirm the reasonableness of the identification of slow-moving and obsolete inventory; verify the reasonableness of the net realizable value evaluation basis, and evaluate the reasonableness of the provision for inventory valuation loss and the consistency of the evaluation policy.

Other matters - Audited by other CPAs

As stated in note 6(7) to the parent company only financial statements, the financial statements of some investees under the equity method included in the parent company only financial statements of the Company were not audited by us but by other auditors in 2024.

Therefore, in our opinion on the aforementioned parent company only financial statements, the amounts listed in the financial statements of these companies were based on the audit reports of other auditors. The investment amount of the aforementioned companies under the equity method as of December 31, 2024 was NT$3,543 thousand, accounting for 0.21% of the total assets. The comprehensive income recognized under the equity method from January 1 to December 31, 2024 was NT$36 thousand, accounting for 0.03% of the total comprehensive income.

Other matters - Previously audited by other CPAs

The financial statements of the Company for the year ended December 31, 2023 were audited by other auditors, and an unqualified opinion was issued on February 7, 2024.

Responsibilities of the management and the governing body for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company-only financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of the Company.

Responsibilities of the CPAs to audit the parent company only financial statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will always detect a material misstatement when it exists in the parent company only financial statements. Misstatements can arise from fraud or error. The misrepresentation of an amount, either individually or in the aggregate, is considered material if it could reasonably be expected to influence the economic decisions of users of the parent company financial statements.

We exercised professional judgment and maintain professional skepticism when conducting audits in accordance with the Auditing Standards of the Republic of China. We also perform the following tasks:

1. Identify and assess the risk of material misstatement arising from fraud or error in the parent company only financial statements; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidence to serve as the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. The Company shall obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we believe that there is a major uncertainty of such event or circumstance, we must remind the user of the parent company only financial statement to pay attention to relevant disclosures in the parent company only financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained as of the date of the auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Assess the overall presentation, structure and content of the parent company only financial statements (including the disclosures), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the only financial information of the entities or business activities within the Company, in order to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit, and we are responsible for our audit opinion.

The matters communicated between us and the governing body include the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control identified during our audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence (and where applicable, related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the Company in 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulation does not allow us to disclose such matters, or under extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Liao A-Shen

CPAs

Li Tien-Yi

Approval reference number of the Former Financial Supervisory Commission, Executive Yuan: Jin-Guan-Zheng-Shen-Zi No. 1010015969
Approval reference number of the Financial Supervisory Commission: Jin-Guan-Zheng-Shen-Zi No. 1020028992

February 14, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

(English Translation of a Report Originally Issued in Chinese)
Rafael Microelectronics, Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023
(Amounts in thousands of New Taiwan Dollars)

	Assets	Note	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 361,539	22	$ 425,001	28
1110	Financial assets at fair value through profit or loss - current	6(2)	207,116	13	339,452	21
1136	Financial assets measured at amortized cost - current	6(4)	179,700	11	14,700	1
1170	Net accounts receivable	6(5) and 7	119,228	7	66,872	4
1200	Other receivables		23,446	1	22,266	1
130X	Inventory	6(6)	388,507	23	401,835	25
1410	Prepayment		5,566	-	3,729	-
1479	Other current assets - others		178	-	-	-
1482	Net contract performance cost - current	6(18)	1,588	-	2,574	-
11XX	**Total current assets**		1,286,868	77	1,276,429	80
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	1,152	-	3,529	-
1550	Investments accounted for using the equity method	6(7)	23,629	2	23,350	2
1600	Property, plant and equipment	6(8)	290,435	18	210,531	13
1755	Right-of-use assets	6(9)	1,511	-	3,022	-
1780	Intangible assets	6(10)	33,266	2	54,280	4
1840	Deferred income tax assets	6(25)	23,420	1	15,140	1
1900	Other non-current assets		2,059	-	2,698	-
15XX	**Total non-current assets**		375,472	23	312,550	20
1XXX	**Total assets**		$ 1,662,340	100	$ 1,588,979	100

(Continued)

(English Translation of a Report Originally Issued in Chinese)
Rafael Microelectronics, Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023
(Amounts in thousands of New Taiwan Dollars)

	Liabilities and equity	Note	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2130	Contract liabilities - current	6(18) and 7	$ 18,296	1	$ 8,125	-
2170	Accounts payable		72,223	5	73,676	5
2200	Other payables	6(11)(13) and 7	71,463	4	80,790	5
2230	Income tax liabilities of the period		30,019	2	19,106	1
2280	Lease liabilities - current		1,543	-	1,511	-
2300	Other current liabilities		393	-	498	-
21XX	**Total current liabilities**		193,937	12	183,706	11
	Non-current liabilities					
2570	Deferred income tax liabilities	6(25)	1,990	-	611	-
2580	Lease liabilities - non-current		-	-	1,542	-
25XX	**Total non-current liabilities**		1,990	-	2,153	-
2XXX	**Total liabilities**		195,927	12	185,859	11
	Equity					
	Share capital	6(14)				
3110	Ordinary share capital		310,120	18	307,315	19
3170	Share capital to be written off		(40)	-	(1,015)	-
	Capital reserve	6 (15)				
3200	Capital reserve		423,704	25	393,163	25
	Retained earnings	6(16)				
3310	Legal reserve		179,065	11	174,887	11
3320	Special reserve		15,558	1	13,373	1
3350	Unappropriated earnings		609,984	37	554,555	35
	Other equity	6(17)				
3400	Other equity		(50,848)	(3)	(18,028)	(1)
3500	Treasury shares	6(14)	(21,130)	(1)	(21,130)	(1)
3XXX	**Total equity**		1,466,413	88	1,403,120	89
3X2X	**Total liabilities and equity**		$ 1,662,340	100	$ 1,588,979	100

The enclosed notes to the parent company only financial statements are an integral part of the parent company only financial statements. Please also refer to the enclosed notes.

Chairman: Cheng David Manager: JJ Chen Chief Accountant: Su, Chin-Ya

(English Translation of a Report Originally Issued in Chinese)

Rafael Microelectronics, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

	Item	Note	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating income	6(18) and 7	$ 1,065,491	100	$ 996,020	100
5000	Operating cost	6(6)(18)	(651,353)	(61)	(659,602)	(66)
5900	Gross profit		414,138	39	336,418	34
5910	Unrealized loss (gain) from sales		(416)	-	390	-
5950	Net income		413,722	39	336,808	34
	Operating expenses	6(13) (23) (24) and 7				
6100	Selling expenses		(30,101)	(3)	(39,944)	(4)
6200	Management expenses		(54,838)	(5)	(44,004)	(4)
6300	R&D expenses		(227,352)	(22)	(235,957)	(24)
6450	Expected credit impairment loss	12(2)	(2,365)	-	(15)	-
6000	Total operating expenses		(314,656)	(30)	(319,920)	(32)
6900	Operating gains		99,066	9	16,888	2
	Non-operating income and expenses					
7100	Interest income	6(4)(19)	4,726	-	5,710	1
7010	Other income	6(20)	12,508	1	10,681	1
7020	Other gains and losses	6(2)(21)	16,062	2	5,782	1
7050	Financial cost	6(9)(22)	(52)	-	(81)	-
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using the equity method	6(7)	205	-	(458)	-
7000	Total non-operating income and expenses		33,449	3	21,634	3
7900	**Net profit before tax**		132,515	12	38,522	5
7950	Income tax (expenses) gains	6(25)	(15,410)	(1)	3,260	-
8200	**Net profit of the period**		$ 117,105	11	$ 41,782	5
	Other comprehensive income					
	Items not reclassified to profit or loss					
8316	Unrealized gain or loss on investments in equity instruments measured at fair value through other comprehensive income		($ 2,377)	-	($ 2,677)	-
	Items that may be reclassified to profit or loss subsequently					
8361	Exchange differences arising from the translation of financial statements of foreign operations		490	-	491	-
8300	**Other comprehensive income (net)**		($ 1,887)	-	($ 2,186)	-
8500	**Total comprehensive income of the period**		$ 115,218	11	$ 39,596	5
	Earnings per share	6(26)				
9750	Basic		$	3.85	$	1.38
9850	Diluted		$	3.80	$	1.37

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Chairman: Cheng David Manager: JJ Chen Chief Accountant: Su, Chin-Ya

(English Translation of a Report Originally Issued in Chinese)
Rafael Microelectronics, Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and 2023
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

		Share capital			Retained earnings			Other equity				
	Note	Ordinary share capital	Share capital to be written off	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising from the translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Unearned remuneration of employees	Treasury shares	Total equity
2023												
Balance on January 1, 2023		$ 307,791	($ 140)	$ 410,425	$ 162,722	$ 891	$ 659,792	($ 436)	($ 12,936)	($ 16,649)	($ 21,130)	$ 1,490,330
Net profit of the period		-	-	-	-	-	41,782	-	-	-	-	41,782
Other comprehensive income of the period	6(3)(17)	-	-	-	-	-	-	491	(2,677)	-	-	(2,186)
Total comprehensive income of the period		-	-	-	-	-	41,782	491	(2,677)	-	-	39,596
Earning distribution and allocation for 2022:												
Legal reserve		-	-	-	12,165	-	(12,165)	-	-	-	-	-
Special reserve		-	-	-	-	12,482	(12,482)	-	-	-	-	-
Cash dividends	6(16)	-	-	-	-	-	(122,372)	-	-	-	-	(122,372)
Transactions with share-based payment	6(13)(14)(15)	(476)	(875)	(17,262)	-	-	-	-	-	14,179	-	(4,434)
Balance on December 31, 2023		$ 307,315	($ 1,015)	$ 393,163	$ 174,887	$ 13,373	$ 554,555	$ 55	($ 15,613)	($ 2,470)	($ 21,130)	$ 1,403,120
2024												
Balance on January 1, 2024		$ 307,315	($ 1,015)	$ 393,163	$ 174,887	$ 13,373	$ 554,555	$ 55	($ 15,613)	($ 2,470)	($ 21,130)	$ 1,403,120
Net profit of the period		-	-	-	-	-	117,105	-	-	-	-	117,105
Other comprehensive income of the period	6(3)(17)	-	-	-	-	-	-	490	(2,377)	-	-	(1,887)
Total comprehensive income of the period		-	-	-	-	-	117,105	490	(2,377)	-	-	115,218
Earning distribution and allocation for 2023:												
Legal reserve		-	-	-	4,178	-	(4,178)	-	-	-	-	-
Special reserve		-	-	-	-	2,185	(2,185)	-	-	-	-	-
Cash dividends	6(16)	-	-	-	-	-	(55,313)	-	-	-	-	(55,313)
Transactions with share-based payment	6(13)(14)(15)	2,805	975	30,541	-	-	-	-	-	(30,933)	-	3,388
Balance on December 31, 2024		$ 310,120	($ 40)	$ 423,704	$ 179,065	$ 15,558	$ 609,984	$ 545	($ 17,990)	($ 33,403)	($ 21,130)	$ 1,466,413

The enclosed notes to the parent company only financial statements are an integral part of the parent company only financial statements. Please also refer to the enclosed notes.

Chairman: Cheng David　　Manager: JJ Chen　　Chief Accountant: Su, Chin-Ya

(English Translation of a Report Originally Issued in Chinese)
Rafael Microelectronics, Inc. and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31, 2024 and 2023
(Amounts in thousands of New Taiwan Dollars)

	Note	2024	2023
Cash flow from operating activities			
Net profit before tax of the period		$ 132,515	$ 38,522
Adjustment items			
Income and expense items			
Depreciation expenses	6(8)(9)(23)	9,114	10,473
Amortization expenses	6(10)(23)	39,050	52,283
Expected credit impairment loss	12(2)	2,365	15
Net gain on financial assets at fair value through profit or loss	6(2)(21)	(2,978)	(2,184)
Interest expenses	6(9)(22)	52	81
Interest income	6(19)	(4,726)	(5,710)
Dividend income	6(20)	(12,350)	(10,547)
Cost of remuneration with share-based payment	6(13)	3,388	(5,937)
Share of profit or loss of affiliates and joint ventures accounted for using the equity method	6(7)	(205)	458
Gain on disposal and scrap of property, plant and equipment	6(21)	(355)	-
Unrealized gain (loss) from sales		416	(390)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Accounts receivable		(54,721)	25,075
Other receivables		(1,251)	1,264
Inventory		13,328	73,444
Prepayment		(1,837)	346
Other current assets - others		(178)	592
Net contract performance cost - current		986	3,767
Net changes in liabilities related to operating activities			
Contract liabilities - current		10,171	(138,368)
Accounts payable		(1,453)	(28,467)
Other payables		(9,327)	(31,959)
Other current liabilities		(105)	63
Cash inflow (outflow) from operations		121,899	(17,179)
Interest received		2,343	5,724
Dividends received		12,350	10,547
Interest paid		(52)	(81)
Income tax paid		(11,398)	(4,009)
Net cash inflow (outflow) from operating activities		125,142	(4,998)
Cash flow from investing activities			
Increase in financial assets measured at amortized cost - current		(165,000)	-
Disposal of financial assets at fair value through profit or loss		135,314	-
Acquisition of property, plant and equipment	6(8)	(87,635)	(513)
Consideration from the disposal of property, plant and equipment		483	-
Increase in refundable deposits		-	(3)
Decrease in refundable deposits		639	85
Acquisition of intangible assets	6(10)	(18,036)	(20,598)
Interest received		2,454	-
Net cash outflow from investing activities		(131,781)	(21,029)
Cash flow from financing activities			
Repayment of lease principal	6(27)	(1,510)	(1,479)
Distribution of cash dividends		(55,313)	(122,372)
Net cash outflow from financing activities		(56,823)	(123,851)
Decrease in cash and cash equivalents		(63,462)	(149,878)
Balance of cash and cash equivalents at the beginning of the period		425,001	574,879
Balance of cash and cash equivalents at the end of the period		$ 361,539	$ 425,001

The enclosed notes to the parent company only financial statements are an integral part of the parent company only financial statements. Please also refer to the enclosed notes.

Chairman: Cheng David　　Manager: JJ Chen　　Chief Accountant: Su, Chin-Ya

Rafael Microelectronics, Inc. and Subsidiaries

Notes to the Parent Company Only Financial Statements

Year ended December 31, 2024 and 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

I. Company history

Rafael Microelectronics, Inc. (the "Company") was approved for establishment on November 6, 2006. The main scope of business is the research, design, manufacture and sales of products related to RFIC and integrated RF systems. Flexium Interconnect, Inc. holds 29.73% of the Company's equity, and it is the ultimate parent company of the Company. The Company's shares have been traded on the Taipei Exchange since December 2016.

II. Date and procedure for the approval of financial statements

The parent company only financial statements were released after being approved by the board of directors (the "Board") on February 14, 2025.

III. Application of new and amended standards and interpretations

(I) Impacts of the adoption of new or amended International Financial Reporting Standards ("IFRS") and International Auditing Standards ("IAS") as endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

New standards, revisions, amendments, and interpretations of IFRSs and IASs endorsed and issued into effect by the FSC from 2024 are as follows:

New standards, revisions, amendments, and interpretations	Effective date announced by the International Accounting Standards Board (the "IASB")
Amendment to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024
Amendment to IAS 1 "Classification of Current or Non-current Liabilities"	January 1, 2024
Amendment to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendment to IAS 7 and IFRS 7 "Supplier Financing Arrangement"	January 1, 2024

The above standards and interpretations have no significant impact on the Company's financial condition and financial performance based on the Company's assessment.

(II) Impacts of not adopting the new and amended IFRSs and IASs endorsed by the FSC

New standards, revisions, amendments, and interpretations of IFRSs and IASs endorsed effect by the FSC from 2025 are as follows:

New standards, revisions, amendments, and interpretations	Effective date announced by the International Accounting Standards Board (the "IASB")
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025

The above standards and interpretations have no significant impact on the Company's financial condition and financial performance based on the Company's assessment.

(III) Impacts of IFRSs and IASs issued by the IASB but not yet endorsed by the FSC

New standards, revisions, amendments, and interpretations of IFRSs and IASs issued by the IASB but not yet endorsed by the FSC are as follows:

New standards, revisions, amendments, and interpretations	Effective date announced by the International Accounting Standards Board (the “IASB”)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendment to IFRS 9 and IFRS 7 “Nature-dependent Electricity Contracts”	January 1, 2026
Amendment to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Expression and Disclosure of Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosure”	January 1, 2027
Annual improvements to IFRSs and IASs - Volume 11	January 1, 2026

Except for those described below, the above standards and interpretations have no significant impact on the Company’s financial condition and financial performance based on the Company’s assessment. The relevant amount of impacts is to be disclosed after the evaluation is completed:

1. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
   The amendments are described as follows:
   It is updated that the fair value shall be disclosed for equity instruments measured at fair value through other comprehensive income (FVOCI) based on the respective categories, and it is no longer necessary to disclose the fair value information based on each target. In addition, the amount of gain or loss on fair value recognized in other comprehensive income during the reporting period shall be otherwise disclosed. The amount of gain or loss on fair value related to investments derecognized during the reporting period, the amount of gain or loss on fair value related to investments held after the end of the reporting period, and accumulated gain or loss transferred to equity during the reporting period due to the derecognition of investments during the reporting period shall be listed separately.
2. IFRS 18 “Expression and Disclosure of Financial Statements”
   IFRS 18, "Expression and Disclosure of Financial Statements," superseded IAS 1, updated the structure of the statement of comprehensive income, added the disclosure of management performance measurement, and strengthened the summary and division principles used in the main financial statements and notes.

IV. Summary of significant accounting policies

The main accounting policies adopted for the preparation of the parent company only financial statements are as follows. These policies have been consistently applied to all the periods presented unless otherwise stated.

(I) Statement of Compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. Except for the following items, parent company only financial statements have been prepared based on historical cost:
   (1) Financial assets at fair value through profit or loss (including derivatives).
   (2) Financial assets at fair value through other comprehensive income.
2. The preparation of financial statements in conformity with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (collectively, the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The functional currency of the Company, the "New Taiwan Dollar (NTD)," is used in the parent company only financial statements as the presentation currency.

1. Foreign currency transactions and balances
   (1) Foreign currency transactions are translated to the functional currency by using exchange rates on the trade date or measurement date. Any translation differences that occur are to be recognized in the current profit or loss.
   (2) Monetary assets and liabilities denominated in foreign currencies at the end of the period are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
   (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing on the balance sheet date; exchange differences generated from the adjustments are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are measured using the historical exchange rates on the date of the initial transaction.
   (4) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses."
2. Translation of foreign operations
   (1) The operating results and financial position of all the subsidiaries, affiliates, and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency by applying the following approaches:
      A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate on the balance sheet date;
      B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

C. All exchange differences arising from the translation are recognized in other comprehensive income.

(2) When a foreign operation that is partially disposed of or sold is a subsidiary, accumulated exchange differences that were recorded in other comprehensive income are proportionately re-attributed to the non-controlling interest of the foreign operation. However, if the Company still retains a partial interest in the abovementioned subsidiary after losing control over the foreign operation, which is a subsidiary, such transactions should be accounted for as the disposal of all equity in the foreign operation.

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

1. Assets that meet one of the following criteria are classified as current assets:
   (1) Assets that are expected to be realized or are intended to be sold or consumed within the normal operating cycle.
   (2) Those held primarily for trading purposes.
   (3) Assets that are expected to be realized within 12 months after the balance sheet date.
   (4) Cash or cash equivalents unless the assets are restricted for the purpose of use in exchange or to settle liabilities at least 12 months after the balance sheet date.

   All assets that do not meet the above-mentioned criteria will be classified as non-current by the Company.

2. Liabilities that meet one of the following criteria are classified as current liabilities:
   (1) Liabilities that are expected to be settled in the normal operating cycle.
   (2) Those held primarily for trading purposes.
   (3) Liabilities that are expected to be settled within 12 months after the balance sheet date.
   (4) Liabilities for which the repayment date cannot be unconditionally deferred to at least 12 months after the balance sheet date.

   All liabilities that do not meet the above-mentioned criteria will be classified as non-current by the Company.

(V) Cash equivalents

Cash equivalents refer to investments that are short-term, highly liquid, subject to a low risk of changes in value, and readily convertible to a known amount in cash. Time deposits that meet the above definition and are held for the operational purpose of meeting short-term cash commitments should be recognized as cash equivalents.

(VI) Financial assets at fair value through profit or loss

1. Refer to financial assets not measured at amortized cost or at fair value through other comprehensive income.
2. The Company adopts the trade date accounting for financial assets at fair value through profit or loss under regular way purchase or sale.
3. Financial assets are measured at fair value at initial recognition by the Company. Associated transaction costs are recognized in profit or loss. These financial assets are subsequently measured at fair value, and their gain or loss is recognized in profit or loss.
4. Dividend income is recognized in profit or loss by the Company when the right to receive dividends is established, and it is probable that the economic benefits associated with the dividends will flow in and the amount of the dividends can be measured reliably.

(VII) Financial assets at fair value through other comprehensive income

1. Refer to the irrevocable choice made upon initial recognition to present the changes in fair value of investments in equity instruments held not for trading in other comprehensive income.
2. The Company adopts the trade date accounting for financial assets at fair value through other comprehensive income under regular way purchase or sale.
3. The Company measures the fair value of financial assets plus transaction cost upon initial recognition and subsequently measures them at fair value:
   Changes in the fair value of equity instruments are recognized in other comprehensive income. At the time of derecognition, the accumulated gain or loss previously recognized in other comprehensive income may be reclassified to profit or loss and transferred to retained earnings. Dividend income is recognized in profit or loss by the Company when the right to receive dividends is established, and it is probable that the economic benefits associated with the dividends will flow in and the amount of the dividends can be measured reliably.

(VIII) Financial assets measured at amortized cost

1. Financial assets measured at amortized cost are those that meet all of the following criteria:
   (1) Financial assets held under the business model whose objective is to collect the contractual cash flows.
   (2) The contractual terms of the financial asset generate cash flows at a specific date that are solely for the purpose of paying the principal and the interest on the outstanding principal amount.
2. The Company adopts the trade date accounting for financial assets measured at amortized cost under regular way purchase or sale.
3. Financial assets are measured at their fair value plus transaction costs on initial recognition. Interest income and impairment losses are subsequently recognized over the circulation period using the effective interest method in accordance with the amortization procedure, and the gains or losses are recognized in profit or loss upon derecognition.
4. The Company holds time deposits that do not meet the definition of cash equivalents. With the short-term nature, the effect of discounting is immaterial; therefore, they are measured as an investment.

(IX) Accounts receivable

1. Refer to accounts with unconditional rights to receive consideration for the transfer of goods or services in accordance with contractual agreements.
2. Short-term accounts receivable without bearing interest are measured at their initial invoice amount, as the effect of discounting is immaterial.

(X) Impairment of financial assets

On each balance sheet date, the Company considers all reasonable and supportive information (including forward-looking information) regarding financial assets measured at amortized cost to measure their loss allowance based on the amount of 12-month expected credit loss (ECL) for those without a significant increase in credit risks since the initial recognition. For those with a significant increase in credit risks since the initial recognition, the Group measures their loss allowance based on the amount of lifetime ECL. For accounts receivable or contract assets that do not contain any significant financial component, the Group measures their loss allowance based on the amount of lifetime ECL.

(XI) Derecognition of financial assets

The Company derecognizes an asset when its contractual rights to receive cash flows from the financial asset expire.

(XII) Inventory

Inventories are measured at cost and net realizable value, whichever is lower, and the cost is determined based on the weighted average approach. The cost of finished goods and work in process includes raw materials, other direct costs and production-related manufacturing expenses (allocated based on normal production); however, borrowing costs are excluded. The item-by-item approach is adopted when evaluating the lower of costs and net realizable value. Net realizable value is the balance of the estimated selling price in the normal operating course less the estimated cost of completion and the estimated cost of the sale.

(XIII) Investment accounted for using the equity method - subsidiaries

1. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed to variable returns from its involvement with the entity or entitled to such variable returns and has the ability to affect those returns through its power over the entity.
2. The unrealized gain or loss arising from the transactions between the Company and its subsidiaries has been eliminated. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company recognizes the share of profit or loss after the acquisition of a subsidiary as current profit or loss and recognizes the share of other comprehensive income after the acquisition as other comprehensive income. If the Company's share of losses recognized for the subsidiary is equal to or exceeds the equity in the subsidiary, the Company continues to recognize losses based on the shareholding ratio.
4. Changes in shareholding in a subsidiary that do not result in the loss of control over the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions; that is, they are deemed transactions with owners. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognized directly in equity.
5. When the Company loses control of a subsidiary, the Company remeasures any remaining investment in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the association or joint venture. Any difference between fair value and the carrying amount is recognized as current profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified as profit or loss on the same basis as would be required if the related assets or liabilities were directly disposed of by the Company. That is, gains or losses previously recognized as other comprehensive income would be reclassified as profit or loss upon the disposal of relevant assets or liabilities; when the Company loses control over a subsidiary, such gains or losses shall be reclassified as profit or loss from equity.
6. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit or loss and other comprehensive income in the parent company only financial statements shall be the same as the current profit or loss and other comprehensive income attributable to the owners of the parent company in the consolidated financial statements. The owners' equity in the parent company only financial statements shall be the same as the equity attributable to owners of the parent company in the financial statements prepared on a consolidation basis.

(XIV) Property, plant and equipment

1. Acquisition cost is the recording basis for property, plant, and equipment, and the relevant interests are capitalized during the period.
2. The subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow into the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance expenses are recognized as profit or loss during

the period in which they are incurred.

3. Property, plant, and equipment are measured at cost subsequently. The land is not depreciated. Other property, plant, and equipment are depreciated using the straight-line method over their estimated useful live. If the property, plant, and equipment comprise any significant components, their depreciation is calculated separately.
4. The Company examines the residual value, useful life, and depreciation method of various assets at the end of each fiscal year. If the estimated residual value and useful life are different from the previous estimations, or there are significant changes in the expected consuming pattern of the future economic benefits embodied in assets, such changes are accounted for based on the requirements of changes in accounting estimates in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The useful lives of various assets are as follows:

Houses and buildings	50 years
Machinery and equipment	3 to 5 years
Transportation equipment	5 years
Office equipment	3 years

(XV) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

1. On the day the lease assets become available for use by the Company, these assets are recognized as right-of-use assets and lease liabilities. When the lease contracts are short-term leases or leases of low-value assets, the lease payments are recognized as an expense during the lease period using the straight-line method.
2. For lease liabilities, unpaid lease payments are recognized based on the present value, which is discounted based on the Company's incremental borrowing rate of interest on the commencement date of leases. Lease payments include fixed payments less any lease incentives receivable.
   The Company subsequently measures the lease liability at amortized cost using the interest method and provides interest expenses over the lease term. The lease liability is re-evaluated and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments that are not arising from contract modifications.
3. Right-of-use assets are recognized at cost at the on the lease commencement date and the cost is the initial measurement of lease liabilities.
   The right-of-use asset is measured subsequently using the cost model and the depreciation expenses are provided for from the commencement date to the earlier of the expiry of the asset's useful life or the lease term. When a lease liability is remeasured, the amount of remeasurement of the lease liability is adjusted for the right-of-use asset.

(XVI) Intangible assets

1. Patent rights
   Patent rights are recognized based on the acquisition cost and amortized on a straight-line basis over the estimated useful lives of 5 years.
2. Computer software
   Computer software is recognized based on the acquisition cost and amortized on a straight-line basis over the estimated useful lives of 2 to 5 years.
3. Mask
   Patent rights are recognized based on the acquisition cost and amortized on a straight-line basis over the estimated useful lives of 3 years.

(XVII) Impairment of non-financial assets

The Company estimates the recoverable amount of assets with indications of impairment on the balance sheet date. When the recoverable amount falls below the carrying amount, the Group recognizes impairment losses. The recoverable amount is fair value less the disposal cost or its value-in-use, whichever is higher. When circumstances of asset impairment recognized in prior years no longer exist or are reduced, the Group reverses impairment losses; however, the increase in the carrying amount of assets due to the reversal of impairment losses shall not exceed the carrying amount of assets after deducting depreciation or amortization if the assets have no impairment losses recognized.

(XVIII) Accounts payable

1. Refer to liabilities for purchases of raw materials, goods or services.
2. Short-term accounts payable without bearing interest are measured at their initial invoice amount, as the effect of discounting is immaterial.

(XIX) derecognition of financial liabilities

The Company derecognizes financial liabilities when contractual obligations are fulfilled, canceled or expired.

(XX) Employee benefit

1. Short-term employee benefit
   Short-term employee benefits are measured at the undiscounted amount expected to be paid, and they are recognized as expenses when relevant services are provided.
2. Pension
   Defined contribution plan
   For the defined contribution plans, the pension amount to be appropriated is recognized as the pension cost of the period on an accrual basis. Prepaid contributions are recognized as assets to the extent that cash may be refundable or that the future payment is reduced.
3. Remuneration of employees and remuneration of Directors
   The remuneration of employees and remuneration of Directors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation, and those amounts can be reliably estimated. Subsequently, if the actual distributed amount resolved by the shareholders' meeting differs from the estimated amount, it shall be treated as a change in accounting estimates. In addition, if the remuneration is distributed in shares, the basis for the calculation of the number of shares shall be the closing price on the day prior to the resolution of the Board.

(XXI) Share-based payment to employees

1. The share-based payment arrangement settled by equity refers to measuring employees’ services that are obtained based on the fair value of equity instruments granted on the grant date, recognizing them as the remuneration cost and adjusting equity relatively during the vesting period. The fair value of equity products should reflect the effects of vesting and non-vesting conditions related to market prices. The remuneration costs recognized are adjusted as per the amount of remuneration expected to meet the service conditions and non-vesting conditions related to market prices, and the final amount recognized is based on the vested amount on the grant date.
2. The share-based payment arrangement settled in cash recognizes the fair value of liabilities assumed as remuneration cost and liabilities during the vesting period and measures the fair value of equity instruments granted on each balance sheet date and settlement date. Any changes are recognized as current profit or loss.
3. Restricted stock awards (RSA)
   (1) The remuneration cost is recognized based on the fair value of the equity instruments granted on the grant date during the vested period.

(2) The right to participate in dividend distribution is not restricted. Also, employees are not required to return the dividends obtained is they resign during the vesting period. The Group recognizes remuneration costs based on the fair value of dividends on the dividend announcement day for the dividends of employees who are estimated to resign during the vesting period.

(3) When employees are required to obtain RSA by paying considerations, if employees resign during the vesting period, the Company may repurchase the RSA at the issuance price. For paid RSAs issued with a grant date after October 11, 2024, considerations paid by employees on the grant date are recognized as liabilities on the grant date. For paid RSAs issued with a grant date before October 10, 2024, considerations paid by employees who are estimated to resign during the vesting period are recognized as liabilities on the grant date, and the estimated ultimate considerations paid by employees who are estimated to resign during the vesting period are recognized as "capital reserve - others." If employees resign during the vesting period, the Company will retrieve and cancel the RSA without any compensation.

(XXII) Income tax

1. Income tax expenses for the period comprises current and deferred tax. Except for income tax related to items included in other comprehensive income or directly included in equity that is included in other comprehensive income or directly included in equity, respectively, income tax is recognized in profit or loss.
2. The Company has computed the income tax for the current period in compliance with tax rates that have been enacted or substantively enacted on the balance sheet date in the countries where the Company operates and where taxable income has incurred. The management regularly evaluates the status of income tax returns with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected tax payments to be made to the tax authorities. Additional income tax is levied on undistributed earnings in accordance with the Income Tax Act. Subsequently, after the proposal for earning distribution at the shareholders' meeting in the year following the year in which earnings are generated, income tax expenses on undistributed earnings are recognized based on the status of earning distribution.
3. Deferred income tax is recognized using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax liabilities generated from the initial recognition of goodwill are not recognized. If the deferred income tax is generated from the initial recognition of assets or liabilities in transactions (excluding M&A) and does not affect accounting benefits or taxable income (taxable losses) or generate equivalent taxable and deductible temporary differences, no recognition will be made. Deferred income tax is provided on temporary differences incurred from investments in subsidiaries and affiliated enterprises, except where the timing of the reversal of the temporary difference can be controlled by the Company, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is calculated using the tax rates (and tax laws) enacted or substantively enacted by the end of each balance sheet date that is expected to apply when the deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used in offsetting future taxable income. Unrecognized and recognized deferred income tax assets are re-evaluated on each balance sheet date.
5. The unused income tax carried forward generated from the purchase of equipment or technologies, R&D expenditures, and investments in equity is recognized as deferred income tax assets to the extent that it is probable that future taxable income is available for deducting unused income tax.

(XXIII) Share capital

1. Ordinary shares are classified as equity. The incremental cost directly attributable to the issuance of new shares or stock options is presented as a reduction item to the consideration in equity based on the net amount after deducting income tax.
2. When the Company repurchases issued shares, it recognizes the consideration paid, including any directly attributable incremental cost as a reduction item to shareholders' equity based on the net amount after tax. Upon the subsequent re-issuance of the repurchased shares, differences between the consideration received less the impacts of any directly attributable incremental cost and income tax and the carrying amount are recognized as adjustments to shareholders' equity.

(XXIV) Dividend distribution

Dividends to the Company's shareholders are recognized in the financial statements when the Company's Board resolves to distribute cash dividends, and when the distribution is in the form of shares, such dividends are recognized as share dividends to be distributed after the resolution at the shareholders' meeting and are transferred to ordinary shares on the base day for the issuance of new shares.

(XXV) Income recognition

1. Sales of products
   (1) The Company manufactures and sells products related to RFIC. Sales income is recognized when the control of the products is transferred to customers; that is, when products are delivered to the customers, the customers have discretion over the sales channels and prices of the products, and the Company has no unperformed obligation that may affect the customers' acceptance of the products. When the product is delivered to the designated location, the risk of obsolescence and loss has been transferred to the customers, and the customers accept the product according to the sales contract, or if there is objective evidence to prove that all acceptance criteria have been met, product delivery has occurred.
   (2) Sales income is recognized at the contract price, net of the estimated quantity discount and the sales discount price.
   (3) Accounts receivable are recognized when products are delivered to the customer as the Company has unconditional rights to the contract consideration since the point of time, and the consideration can be received from the customer after the passage of time.
2. Service income
   The Company provides commissioned design services. Service income is recognized as income during the service period in accordance with the contract to measure the degree of completion of the performance obligation. The customer pays the contract consideration in accordance with the payment time table agreed upon. When the services provided by the Company exceed the amount payable from the customer, they are recognized as contract assets; if the amount payable from the customer exceeds the services provided by the Company, it is recognized as contract liabilities.

V. Major sources of uncertainty over significant accounting judgments, estimations, and assumptions

When the Company prepares the parent company only financial statements, the management has exercised its judgments to decide the accounting policies adopted and make accounting estimates and assumptions based on reasonable expectations of future events under the circumstances on the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results, and the Group will continue to evaluate and adjust with reference to historical experience and other factors. These estimates and assumptions may result in the risk of material adjustments to the carrying amount of assets and liabilities in the following fiscal year. Please refer to the description of uncertainty over significant accounting judgments, estimations, and assumptions below for details:

Inventory valuation

Inventories are stated at the lower of cost or net realizable value. The Company uses judgment and estimates to determine the realizable value of inventory on the balance sheet date. Due to the rapid change in technology, the Company evaluates the amount of the inventory's normal losses, obsolescence or no market sales value and writes down the inventory cost to net realizable value. The net realizable value of the inventory is determined mainly based on assumptions about future demand within a specific time horizon. Thus, there may be significant changes in the net realizable of inventories.

VI. Description of significant accounting items

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 605	$ 808
Check deposits and demand deposits	360,934	171,693
Time deposits	-	252,500
	$ 361,539	$ 425,001

1. Financial institutions that deal with the Company have favorable credit quality, and the Company deals with multiple financial institutions to spread credit risks. It is expected that the possibility of a default is low.
2. The Company does not pledge cash and cash equivalents.

(II) Financial assets at fair value through profit or loss

Item	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed shares	$ 221,303	$ 368,532
Valuation adjustment	(14,187)	(29,080)
	$ 207,116	$ 339,452

1. The Company recognized net gains of NT$2,978 and NT$2,184 in 2024 and 2023, respectively, on its financial assets at fair value through profit or loss.
2. The Company does not pledge financial assets at fair value through profit or loss.

(III) Financial assets at fair value through other comprehensive income

Item	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Non-listed shares	$ 19,142	$ 19,142
Valuation adjustment	(17,990)	(15,613)
	$ 1,152	$ 3,529

1. The Company has selected to classify strategic investments in equity as financial assets at fair value through other comprehensive income. The fair value of such investments is NT$1,152 and NT$3,529 on December 31, 2024 and 2023, respectively.
2. The amounts of financial assets at fair value through other comprehensive income recognized in comprehensive income in 2024 and 2023 were NT$(2,377) and NT$(2,677), respectively.
3. The Company does not pledge financial assets at fair value through other comprehensive income.

(IV) Financial assets measured at amortized cost

Item	December 31, 2024	December 31, 2023
Current items:		
Time deposits with a maturity of more than three months	$ 179,700	$ 14,700

1. The breakdown of the financial assets measured at amortized cost recognized in profit or loss is as follows:

Item	2024	2023
Interest income	$ 2,487	$ 197

2. Without considering the collateral or other credit enhancements held, the maximum amount of exposure that best represents the credit risk of the financial assets measured at amortized cost held by the Company as of December 31, 2024 and 2023 was NT$179,700 and NT$14,700 respectively.
3. For information on the credit risks of financial assets measured at amortized cost, please refer to Note 12(2) for details. The counterparties of the Company's investment in negotiable certificates of deposit are financial institutions with good credit quality. It is expected that the possibility of a default is low.
4. The Company does not pledge financial assets measured at amortized cost.

(V) Net accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	$ 143,475	$ 88,754
Less: Loss allowance	(24,247)	(21,882)
	$ 119,228	$ 66,872

1. The aging analysis of accounts receivable is as follows:

	December 31, 2024	December 31, 2023
0 - 90 days	$ 119,228	$ 66,888
91 - 180 days	-	-
181 - 365 days	940	-
More than 1 year	23,307	21,866
	$ 143,475	$ 88,754

The above aging analysis is based on the number of overdue days.

2. The balance of accounts receivable on December 31, 2024 and 2023 were generated from customer contracts. In addition, the balance of accounts receivable from customer contracts on January 1, 2023 was NT$113,829.
3. The Company does not pledge its accounts receivable as collateral.
4. Without considering the collateral or other credit enhancements held, the maximum amount of exposure

that best represents the credit risk of accounts receivable of the Company as of December 31, 2024 and 2023 was NT$119,228 and NT$66,872, respectively.

5. For the credit risk information of accounts receivable, please refer to Note 12(2).

(VI) Inventory

	December 31, 2024	December 31, 2023
Raw materials	$ 68,412	$ 123,781
Work-in-progress and semi-finished goods	121,151	127,466
Finished goods	198,944	150,588
	$ 388,507	$ 401,835

The Company's inventory cost recognized as expenses and losses in 2024 and 2023 were NT$651,353 and NT$659,602, respectively, including the write-down of inventories from cost to net realizable value in 2024 and 2023, resulting in a decrease in net realizable value of inventories and an increase in the amount of cost of goods sold of NT$41,417 and NT$58,690, respectively.

(VII) Investments accounted for using the equity method

	December 31, 2024		December 31, 2023	
	Amount	Shareholding ratio	Amount	Shareholding ratio
Hann Tang Co., Ltd.	$ 20,086	100%	$ 19,843	100%
Rafael Microelectronics Korea(Note)	3,543	100%	3,507	100%
	$ 23,629		$ 23,350	

Note: Based on the valuation in the financial statements that are audited by other CPAs who are engaged by the company.

1. For information on the subsidiaries of the Company, please refer to Note 4(3) of the Company's 2024 consolidated financial statements.
2. The share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using the equity method in 2024 and 2023 was NT$205 and NT$(458).

(VIII) Property, plant and equipment

1. The information on the carrying amount of property, plant and equipment is as follows:

	December 31, 2024	December 31, 2023
Land	$ 192,981	$ 128,490
Houses and buildings	89,324	71,909
Machinery and equipment	7,428	8,600
Transportation equipment	-	125
Office equipment	702	1,407
	$ 290,435	$ 210,531

2. Changes in property, plant and equipment during the period are as follows:

Cost	2024 Opening balance	Amount increased and transferred during the period	Amount decreased during the period	Closing balance
Land	$ 128,490	$ 64,491	$ -	$ 192,981
Houses and buildings	84,968	19,308	-	104,276
Machinery and equipment	22,570	3,409	(3,355)	22,624
Transportation equipment	2,500	-	(2,500)	-
Office equipment	4,858	427	(2,845)	2,440
	$ 243,386	$ 87,635	($ 8,700)	$ 322,321

Cost	2023 Opening balance	Amount increased and transferred during the period	Amount decreased during the period	Closing balance
Land	$ 128,490	$ -	$ -	$ 128,490
Houses and buildings	84,968	-	-	84,968
Machinery and equipment	33,432	-	(10,862)	22,570
Transportation equipment	2,500	-	-	2,500
Office equipment	5,368	513	(1,023)	4,858
	$ 254,758	$ 513	($ 11,885)	$ 243,386

Accumulated depreciation and impairment	2024 Opening balance	Increase during the period	Amount decreased during the period	Closing balance
Houses and buildings	$ 13,059	$ 1,893	$ -	$ 14,952
Machinery and equipment	13,970	4,581	(3,355)	15,196
Transportation equipment	2,375	42	(2,417)	-
Office equipment	3,451	1,087	(2,800)	1,738
	$ 32,855	$ 7,603	($ 8,572)	$ 31,886

Accumulated depreciation and impairment	2023 Opening balance	Increase during the period	Amount decreased during the period	Closing balance
Houses and buildings	$ 11,359	$ 1,700	$ -	$ 13,059
Machinery and equipment	19,743	5,089	(10,862)	13,970
Transportation equipment	1,875	500	-	2,375
Office equipment	2,800	1,674	(1,023)	3,451
	$ 35,777	$ 8,963	($ 11,885)	$ 32,855

3. In 2024 and 2023, there was no capitalization of borrowing costs for property, plant and equipment.
4. The Company does not pledge property, plant and equipment as collateral.

(IX) Lease transaction - Lessee

1. The underlying assets leased by the Company are buildings, and the period of the lease contracts is between 2 to 3 years. Lease contracts are negotiated individually and contain various terms and conditions. Except that the assets leased to others cannot be used for leasing, sublet, or any other acts affecting the ownership of the lessor, there are no other restrictions.
2. The lease period of some of the offices and parking spaces rented by the Company does not exceed 12 months.
3. The information on the carrying amount of right-of-use assets and the depreciation expenses recognized is as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Houses	$ 1,511	$ 3,022

	2024	2023
	Depreciation expenses	Depreciation expenses
Houses	$ 1,511	$ 1,510

4. The increase in the Company's right-of-use assets in 2024 and 2023 was nil.

5. The information on profit and loss items related to lease contracts is as follows:

	2024	2023
Items affecting current profit or loss		
Interest expenses on lease liabilities	$ 50	$ 81
Expenses on short-term lease contracts	421	303
Expenses on low-value asset leases	53	50

6. The total cash outflow from the leases of the Company in 2024 and 2023 was NT$2,034 and NT$1,913, respectively.
7. Extension and termination options for leases
   (1) The lease targets among buildings in the Company's lease contract contain the extension option that is exercisable by the Company.
   (2) When deciding the lease period, the Company takes into account all facts and circumstances that give rise to economic incentives for exercising the extension option. When any material event that may give rise to the evaluation of exercising the extension option occurs, the lease period shall be re-estimate.

(X) Intangible assets

	2024			
	Patent rights	Computer software	Mask	Total
January 1				
Cost	$ 4,703	$ 45,756	$ 103,130	$ 153,589
Accumulated amortization	(2,849)	(16,495)	(79,965)	(99,309)
	$ 1,854	$ 29,261	$ 23,165	$ 54,280
January 1	$ 1,854	$ 29,261	$ 23,165	$ 54,280
Increase during the period - acquired separately	137	407	17,492	18,036
Derecognize upon expiry - cost	(1,377)	(1,361)	(74,573)	(77,311)
Derecognize upon expiry - accumulated amortization	1,377	1,361	74,573	77,311
Amortization of the period	(792)	(15,085)	(23,173)	(39,050)
December 31	$ 1,199	$ 14,583	$ 17,484	$ 33,266
December 31				
Cost	$ 3,463	$ 44,802	$ 46,049	$ 94,314
Accumulated amortization	(2,264)	(30,219)	(28,565)	(61,048)
	$ 1,199	$ 14,583	$ 17,484	$ 33,266

	2023			
	Patent rights	Computer software	Mask	Total
January 1				
Cost	$ 10,732	$ 43,750	$ 117,306	$ 171,788
Accumulated amortization	(7,980)	(20,188)	(57,655)	(85,823)
	$ 2,752	$ 23,562	$ 59,651	$ 85,965
January 1	$ 2,752	$ 23,562	$ 59,651	$ 85,965
Increase during the period - acquired separately	187	19,527	884	20,598
Derecognize upon expiry - cost	(6,216)	(17,521)	(15,060)	(38,797)
Derecognize upon expiry - accumulated amortization	6,216	17,521	15,060	38,797
Amortization of the period	(1,085)	(13,828)	(37,370)	(52,283)
December 31	$ 1,854	$ 29,261	$ 23,165	$ 54,280
December 31				
Cost	$ 4,703	$ 45,756	$ 103,130	$ 153,589
Accumulated amortization	(2,849)	(16,495)	(79,965)	(99,309)
	$ 1,854	$ 29,261	$ 23,165	$ 54,280

The breakdown of the amortization of intangible assets is as follows:

	2024	2023
Management expenses	$ 516	$ -
R&D expenses	38,534	52,283
	$ 39,050	$ 52,283

(XI) Other payables

	December 31, 2024	December 31, 2023
Employee remuneration and Director remuneration payable	$ 33,829	$ 30,288
Salaries and bonuses payable	26,786	27,154
Others	10,848	23,348
	$ 71,463	$ 80,790

(XII) Pension

1. The Company has established the regulations for the defined contribution of pension in accordance with the "Labor Pension Act" that applies to employees who are nationals of the Republic of China. For the employees of the Company who choose to apply the labor pension system under the "Labor Pension Act," the Company contributes 6% of the monthly salary to the individual account of the employees at the Bureau of Labor Insurance. The monthly pension or one-off pension is adopted for the collection of the payment of employees' pensions based on the amount in the individual pension accounts and accumulated gains of the employees.
2. In 2024 and 2023, the Company recognized pension costs of NT$6,369 and NT$6,671, respectively, in accordance with the above-mentioned regulations for pension.

(XIII) Share-based payment

1 The Company's share-based payment arrangement is as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee share option plan	2017.08.10	167 thousand shares	6 years	50% of shares in accumulation are available for subscription upon the second year; 75% of shares in accumulation are available for subscription upon the third year; 100% of shares in accumulation are available for subscription upon the fourth year
Transfer of treasury shares to employees	2022.05.04 2022.11.09	168 thousand shares 4 thousand shares	-	Vested immediately
Stock appreciation rights plan	Implemented in May 2021	54 thousand shares	3 years	Service period and performance conditions
RSA plan	2019.10.25 - 2020.07.30	400 thousand shares	3 years	Service period and performance conditions
RSA plan	2020.11.11 - 2021.08.11	311 thousand shares	3 years	Service period and performance conditions
RSA plan	2024.10.28	400 thousand shares	3 years	Service period and performance conditions

Except that the stock appreciation rights plan is settled in cash, the remaining share-based payment arrangements above are settled in equity.

2. The information on the employee stock option plan is as follows:
   December 31, 2024: None.

	2023	
	Number of stock options (thousand units)	Weighted average performance price (NT$)
Outstanding stock options at the beginning of the period on January 1	50	129.9
Overdue and invalid stock options during the period	(50)	126.4
Outstanding stock options at the beginning of the period on December 31 (i.e., stock options exercisable at the end of the period on December 31)	$ -	

(1) There was no outstanding stock option as of December 31, 2023.

(2) The Company uses the binomial options pricing model to estimate the fair value of stock options for transactions of share-based payment granted on the grant date; relevant information is as follows:

Type of arrangement	Grant date	Share price	Performance price	Expected volatility	Expected lifetime	Expected dividends	Risk-free interest rate	Fair value per unit
Employee share option plan	2017.08.10	NT$191.50	NT$191.50	21.23%~ 21.83% (Note)	4 to 5 years	-	0.6924%~ 0.7594%	NT$35.32 to NT$38.95

Note: The expected volatility is the historical volatility of stock options with similar lifetime, representing the future trend.

3. The detailed information on the transfer of treasury shares to employees is as follows:
To encourage employees, the Board resolved to repurchase the Company's shares for transferring to employees on April 6, 2020. Subsequently, we repurchased a total of 340 thousand shares.

On May 4, 2022 and November 9, 2022, the Board resolved to transfer 168 thousand shares and 4 thousand shares to employees, respectively, with a subscription price per share at NT$93 and NT$75. The share price on the grant date was NT$154 and NT$138, respectively. The receivers are employees of the Company who fulfilled special conditions.

4. The detailed information of the RSA plan is as follows: (Unit: thousand shares)

	2024	2023
RSAs on January 1	42	383
Issued during the period	400	-
Released from restrictions during the period	(17)	(206)
Recovered during the period	(22)	(135)
RSAs on December 31	403	42

(1) The restricted rights and interests of RSAs issued by the Company before fulfilling the vesting conditions are as follows:

The Group granted RSAs on October 25, 2019, April 30, 2020, and July 30, 2020. The duration of the plan is three years. Two years after receiving the rights, employees may have shares of a certain percentage vested when fulfilling certain service conditions. Restricted rights and interests of employees after receiving new shares but without fulfilling the vesting conditions:

A. Employees shall not engage in the disposal, pledge, transfer, gift to others, creation of rights, or disposal via other means of RSAs.

B. Employees can participate in share dividends and cash dividends; however, they are not entitled to the rights to subscribe shares under capital increase in cash.

C. Once the RSAs are issued, they shall be trusted immediately. Before the vesting conditions are met, employees may not request to return the RSAs with any excuse or in any manner.

In case of the voluntary resignation, retirement, and lay-offs of employees, unvested RSAs are deemed failing to meet the vesting conditions on the effective date; the Company will retrieve and cancel their shares without any compensation according to the law.

The Group granted RSAs on November 11, 2020, May 5, 2021, and August 11, 2021. The duration of the plan is three years. Two years after receiving the rights, employees may have shares of a certain percentage vested when fulfilling certain service conditions and achieving the performance conditions set by the Company. Restricted rights and interests of employees after receiving new shares but without fulfilling the vesting conditions:

A. Employees shall not engage in the disposal, pledge, transfer, gift to others, creation of rights, or disposal via other means of RSAs.

B. The trust institution or custodian bank is engaged to exercise the attendance, proposal, speech, voting and voting rights at the shareholders' meeting on employees' behalf according to the agreement.

C. Employees cannot participate in share dividends and cash dividends; however, they are not entitled to the rights to subscribe shares under capital increase in cash.

In case of the voluntary resignation, retirement, and lay-offs of employees, unvested RSAs are deemed failing to meet the vesting conditions on the effective date; the Company will retrieve and cancel their shares without any compensation according to the law.

The Group granted RSAs on October 28, 2024. The duration of the plan is three years. One year after receiving the rights, employees may have shares of a certain percentage vested when fulfilling certain service conditions and achieving the performance conditions set by the Company. Restricted rights and interests of employees after receiving new shares but without fulfilling the vesting conditions:

A. Employees shall not engage in the disposal, pledge, transfer, gift to others, creation of rights, or disposal via other means of RSAs.

B. The trust institution or custodian bank is engaged to exercise the attendance, proposal, speech, voting and voting rights at the shareholders' meeting on employees' behalf according to the agreement.

C. Employees cannot participate in share dividends and cash dividends; however, they are not entitled to the rights to subscribe shares under capital increase in cash.

In case of the voluntary resignation, retirement, and lay-offs of employees, unvested RSAs are deemed failing to meet the vesting conditions on the effective date; the Company will retrieve and cancel their shares without any compensation according to the law.

(2) As of December 31, 2024, the outstanding RSAs of the Company are summarized as follows:

Grant date	Number of shares issued (thousand shares)	Share subscription price (NT$)	Fair value per unit (NT$)	Number of restricted shares at the end of the period (thousand shares)
2021.08.11	38	-	227.5	7
2024.10.28	400	-	120.398 ~127.415	396

As of December 31, 2023, the outstanding RSAs of the Company are summarized as follows:

Grant date	Number of shares issued (thousand shares)	Share subscription price (NT$)	Fair value per unit (NT$)	Number of restricted shares at the end of the period (thousand shares)
2021.05.05	30	-	146.5	30
2021.08.11	38	-	227.5	12

(3) As of December 31, 2024 and 2023, the RSAs accounted for under the capital reserve were NT$$34,564 and NT$$6,705, respectively; the unearned remuneration of employees was NT$33,403 and NT$2,470.

5. The information on the stock appreciation rights plan is as follows:

The Company implemented the stock appreciation rights plan that was settled in cash in May 2021 with a granted quantity of 54 thousand units. One unit of stock appreciation rights represents the rights to the value contained in 1 ordinary share of the Company. The receivers are employees of the Company who fulfilled special conditions. The duration of the stock appreciation rights plan is 3.92 years. Two years after receiving the rights, employees may exercise a certain percentage of stock appreciation rights when fulfilling certain service conditions and achieving the performance conditions set by the Company. For those who fail to fulfill the vesting conditions, the Company cancels their rights with no compensation. Stock appreciation rights during the vesting period have no rights related to ordinary shares.

The total remuneration cost of the share-based payment settled in cash adopts the Black-Scholes Option Pricing Model to measure the initial fair value and subsequently remeasure at the end of each reporting period until settlement.

(1) December 31, 2024: None.

The information on the pricing assumptions on December 31, 2023 is as follows:

Type of arrangement	Share price on the measurement date (NT$/unit)	Expected volatility	Expected lifetime	Expected dividend yield	Risk-free interest rate
Stock appreciation rights plan	159.5	39.91%	0.33 years	2.94%	1.07%

(2) As of December 31, 2023, the Company's stock appreciation rights plan has recognized a liability of nil, which was accounted for as other payables, and the total included value fulfilling the vesting conditions was nil.

6. Expenses arising from transactions with share-based payment are as follows:

	2024	2023
Settle in equity - RSAs	$ 1,575	($ 9,684)
Settle in equity - transfer of treasury shares to employees	1,813	5,250
Settle in cash - stock appreciation rights plan	-	(1,503)
	$ 3,388	($ 5,937)

(XIV) Share capital

1. As of December 31, 2024, the Company's authorized capital was NT$500,000, divided into 50,000 thousand shares, and the paid-in capital was NT$310,120, with a par value of NT$10 per share. The payment for the issued shares of the Company has been fully collected. The reconciliation of the number of outstanding ordinary shares of the Company at the beginning and the end of the period is as follows: (Unit: thousand shares)

	2024	2023
January 1	30,563	30,611
Issuance of RSAs	400	-
Cancellation of RSAs	(119)	(48)
December 31	30,844	30,563

2. The Board of the Company resolved to issue RSAs on October 28, 2024; please refer to the description in Note 6(13). The base date for the issuance of new shares is November 15, 2024, with a subscription price of nil per share. Regarding the new shares issued under the capital increase, the rights of shares are restricted before employees fulfill the vesting conditions. After employees fulfill the vesting conditions, the rights and obligations of their shares are equivalent to those of the issued ordinary shares of the Company.
3. In 2024, the Company retrieved 22 thousand RSAs that have been issued. As of December 31, 2024, 4 thousand shares are accounted for as share capital to be canceled in the amount of NT$40 due to the non-completion of the alteration registration, and the alteration registration has been completed for the cancelation of the remaining shares.
   In 2023, the Company retrieved 135 thousand RSAs that have been issued. As of December 31, 2023, 102 thousand shares are accounted for as share capital to be canceled in the amount of NT$1,015 due to the non-completion of the alteration registration, and the alteration registration had been completed for the cancelation of the remaining shares.
4. Treasury share
   (1) Reasons for the retrieval of shares and the quantity:

		December 31, 2024	
Name of the company with shareholding	Reason for recovery	Thousand shares	Carrying amount
The Company	For the transfer of shares to employees	168	$ 21,130

		December 31, 2023	
Name of the company with shareholding	Reason for recovery	Thousand shares	Carrying amount
The Company	For the transfer of shares to employees	168	$ 21,130

(2) According to the Securities and Exchange Act, the quantity and percentage of outstanding shares repurchased by the Company shall not exceed 10% of the total issued shares of the Company, and the total amount for purchasing the shares shall not exceed the amount of retained earnings plus the premium of issued shares and the realized capital reserve.

(3) According to the Securities and Exchange Act, treasury shares held by the Company may not be pledged, and the Company shall not be entitled to any shareholders' rights and interests before the transfer.

(4) According to the Securities and Exchange Act, the shares repurchased for transferring to employees shall be transferred within five years from the date of repurchase. Those that are not transferred past due are deemed unissued shares of the Company, and the alteration registration to cancel such shares shall be performed. The shares repurchased for the protection of the credit of the Company and shareholders' rights and interests shall be canceled within six months from the date of the repurchase.

(XV) Capital reserve

1. According to the Company Act, the premium from the issuance of shares at a price higher than the par value and the capital reserve from the receipt of gifts may be used to offset a deficit. When the Company has no accumulated deficit, new shares or cash may be distributed based on the initial shareholding ratio. In addition, according to relevant requirements of the Securities and Exchange Act, when the abovementioned capital reserve is appropriated to capital, the total shall not exceed 10% of the paid-in capital each year. The Company may not make up the losses with the capital reserve unless the earnings are insufficient to make up the capital losses.

	2024				
	Issuance premium	Trading of treasury shares	RSAs	Others	Total
January 1	$ 374,203	$ 4,743	$ 6,705	$ 7,512	$ 393,163
RSAs	2,682	-	27,859	-	30,541
December 31	$ 376,885	$ 4,743	$ 34,564	$ 7,512	$ 423,704

	2023					
	Issuance premium	Trading of treasury shares	Employee share options	RSAs	Others	Total
January 1	$ 349,994	$ 4,743	$ 2,173	$ 48,176	$ 5,339	$ 410,425
Overdue and invalid stock options	-	-	(2,173)	-	2,173	-
RSAs	24,209	-	-	(41,471)	-	(17,262)
December 31	$ 374,203	$ 4,743	$ -	$ 6,705	$ 7,512	$ 393,163

2. The Board of the Company resolved to distribute a cash dividend of NT$31,012 (NT$1 per share) from the capital reserve on February 14, 2025.

(XVI) Retained earnings

1. According to the Articles of Incorporation, if there are any earnings in the annual final accounts, they shall be distributed in the following order:
   (1) Pay taxes.
   (2) Make up losses
   (3) Appropriate 10% as the legal reserve; however, this shall not apply when the accumulated legal reserve has reached the paid-in capital of the Company.
   (4) Appropriate or reserve the special reserve according to laws and regulations or requirements of the competent authority.
   (5) Regarding the balance in subparagraphs 1 to 4 in paragraph 1 of this article plus the retained earnings at the beginning of the period, retain them or distribute them as shareholders' bonuses through the resolution of the shareholders' meeting.

   According to paragraph 5, Article 240 of the Company Act, the Company authorizes the Board to distribute dividends or bonuses to be distributed or the entire or partial legal reserve and capital reserve as stated in paragraph 1, Article 241 of the Company Act in cash with the resolution approved by more than half of the attending Directors at a meeting attended by more than two-thirds of the Directors and report to the shareholders' meeting.
2. The Company's dividend policy is as follows: The Company is a technology-intensive technology business and is within its period of growth. To accommodate the long-term capital planning and satisfy the shareholders' demand for cash flow, the Company adopts a residual dividend policy to strengthen the growth and sustainable operation of the Company. The expanded operating scale and the demand for cash flow in the future shall be considered upon the distribution of shareholders' bonuses; however, cash dividends each year shall not be less than 10% of the total shareholders' bonuses of the year
3. Except for offsetting the Company's losses and distributing new shares based on the initial shareholding ratio of shareholders, the legal reserve may not be used; however, the issuance of new shares or cash shall be no more than 25% of the part that the reserve exceeds the paid-in capital.
4. When the Company distributes earnings, it is required by laws and regulations to set aside a special reserve for the debit balance, an other equity item, on the balance sheet date of the year. Subsequently, when the debit balance, an other equity item, is reversed, the amount reversed may be included in earnings available for distribution.
5. The Board of the Company resolved to approve the distribution of a dividend of NT$4 per ordinary share from earnings with a dividend totaling NT$122,372 on March 22, 2023, which was reported to the shareholders' meeting on June 13, 2023.

   The Board of the Company resolved to approve the distribution of a dividend of NT$1.8 per ordinary share from earnings with a dividend totaling NT$55,313 on May 3, 2024, which was reported to the shareholders' meeting on June 18, 2024.

   The Board of the Company resolved to approve the distribution of a dividend of NT$1 per ordinary share from earnings with a dividend totaling NT$31,012 on February 14, 2025.

(XVII) Other equity items

	2024			
	Foreign currency translation	Unearned remuneration of employees	Unrealized valuation gain or loss	Total
January 1	$ 55	($ 2,470)	($ 15,613)	($ 18,028)
Difference from foreign currency translation				
- The Group	490	-	-	490
Remuneration cost of share-based payment	-	(30,933)	-	(30,933)
Valuation adjustment	-	-	(2,377)	(2,377)
December 31	$ 545	($ 33,403)	($ 17,990)	($ 50,848)

	2023			
	Foreign currency translation	Unearned remuneration of employees	Unrealized valuation gain or loss	Total
January 1	($ 436)	($ 16,649)	($ 12,936)	($ 30,021)
Difference from foreign currency translation				
- The Group	491	-	-	491
Remuneration cost of share-based payment	-	14,179	-	14,179
Valuation adjustment	-	-	(2,677)	(2,677)
December 31	$ 55	($ 2,470)	($ 15,613)	($ 18,028)

(XVIII) Operating income

	2024	2023
Income from customer contracts		
Sales of products	$ 1,056,159	$ 915,655
Provision of services	9,332	80,365
	$ 1,065,491	$ 996,020

1. Breakdown of income from customer contracts

   The Company's source of income is from the transfer of products at a certain point in time and the transfer of services gradually over time; income can be divided into the following major geographical areas:

2024	Taiwan	China	Other parts of Asia	Europe and America	Total
Income from contracts with external customers	$ 26,737	$ 928,274	$ 96,860	$ 13,620	$ 1,065,491
Point of time of income recognition					
Income recognized at a certain point in time	$ 26,737	$ 928,274	$ 87,528	$ 13,620	$ 1,056,159
Income recognized gradually over time	-	-	9,332	-	9,332
	$ 26,737	$ 928,274	$ 96,860	$ 13,620	$ 1,065,491

2023	Taiwan	China	Other parts of Asia	Europe and America	Total
Income from contracts with external customers	$ 24,127	$ 727,225	$ 219,192	$ 25,476	$ 996,020
Point of time of income recognition					
Income recognized at a certain point in time	$ 24,127	$ 728,117	$ 154,057	$ 9,354	$ 915,655
Income recognized gradually over time	-	(892)	65,135	16,122	80,365
	$ 24,127	$ 727,225	$ 219,192	$ 25,476	$ 996,020

2. Contract liabilities

(1) Contract liabilities related to income from customer contracts recognized by the Company are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities:			
- Sales of products	$ 15,271	$ 5,100	$ 132,198
- Provision of services	3,025	3,025	14,295
	$ 18,296	$ 8,125	$ 146,493

(2) Contract liabilities at the beginning of the period recognized as income during the period

	2024	2023
Balance of contract liabilities at the beginning of the period recognized as income during the period	$ 2,373	$ 140,740

(3) Transaction price allocated to the unperformed performance obligations

As of December 31, 2024 and 2023, the contract transaction price allocated to the part of the contracts of the entrusted design project entered into between the Company and customers that is not fully performed was NT$36,827 and NT$26,511, respectively.

3. Assets recognized from the cost of contract performance

The cost generated from the entrusted design projects of the Company will be transferred to operating costs when recognizing income upon fulfilling the performance obligations in the future and presented as the cost of contract performance in the balance sheet. As of December 31, 2024 and 2023, the balances were NT$1,588 and NT$2,574, respectively. The amounts amortized and recognized as costs for 2024 and 2023 were NT$2,642 and NT$53,506, respectively.

(XIX) Interest income

	2024	2023
Interests on bank deposits	$ 4,722	$ 5,706
Others	4	4
	$ 4,726	$ 5,710

(XX) Other income

	2024	2023
Dividend income	$ 12,350	$ 10,547
Other income - others	158	134
	$ 12,508	$ 10,681

(XXI) Other gains and losses

	2024	2023
Gain on the disposal of property, plant and equipment	$ 355	$ -
Net gain on foreign currency exchange	12,729	3,972
Net gain on financial assets at fair value through profit or loss	2,978	2,184
Others	-	(374)
	$ 16,062	$ 5,782

(XXII) Financial cost

	2024	2023
Interest expenses:		
Interest on lease liabilities	$ 50	$ 81
Others	2	-
	$ 52	$ 81

(XXIII) Additional information on the nature of expenses

	2024	2023
Employee benefit expenses	$ 184,645	$ 165,552
Depreciation expenses on property, plant and equipment	7,603	8,963
Depreciation expenses on right-of-use assets	1,511	1,510
Amortization expenses of intangible assets	39,050	52,283

(XXIV) Employee benefit expenses

	2024	2023
Salary expenses	$ 164,305	$ 144,019
Labor and insurance health expenses	10,320	10,057
Pension expenses	6,369	6,671
Other personnel expenses	3,651	4,805
	$ 184,645	$ 165,552

1. According to the Articles of Incorporation, if the Company makes a profit in the year, no less than 4% of the profit shall be distributed as the remuneration of employees and no more than 4% as the remuneration of Directors. However, if the Company has accumulated losses, the accumulated losses shall be compensated first.
2. The estimated amount of employee remuneration of the Company in 2024 and 2023 was NT$25,000 and NT$10,000, respectively; the estimated amount of Director remuneration was NT$2,100 and NT$2,010, respectively. The aforementioned amount was recorded as salary expenses.

   The amount for 2024 is estimated based on the profiting status up to the current period at a certain percentage.

   The amount of 2023 remuneration of employees and remuneration of Directors resolved by the Board is consistent with the amount recognized in the 2023 financial statements.

   For information on remuneration of employees and remuneration of Directors approved by the Board of the Company, please visit MOPS for inquiries.

(XXV) Income tax

1. Income tax expenses (gains)

   Components of income tax expenses (gains):

	2024	2023
Current income tax		
Income tax generated from current income	$ 25,378	$ 16,231
Over-estimated income tax in previous years	(3,067)	(8,941)
Total income tax for the period	22,311	7,290
Deferred income tax:		
The initial generation and reversal of temporary differences	(6,901)	(10,550)
Income tax expenses (gains)	$ 15,410	($ 3,260)

2. Relation between income tax expenses (gains) and accounting profit

	2024	2023
Income tax is calculated based on net income before tax at the statutory rate	$ 26,503	$ 7,704
Effects of items adjusted for recognition under the tax laws	(5,556)	86
Income exempted from taxation under the tax laws	(2,470)	(2,109)
Over-estimated income tax in previous years	(3,067)	(8,941)
Income tax expenses (gains)	$ 15,410	($ 3,260)

3. The amounts of deferred income tax assets or liabilities generated from temporary differences, taxation loss and investment credit are as follows:

	2024		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Inventory devaluation	$ 14,400	$ 8,284	$ 22,684
Unrealized exchange losses	663	(481)	182
unrealized gain on sales	77	83	160
Unrealized sales discounts	-	394	394
Subtotal	$ 15,140	$ 8,280	$ 23,420
- Deferred income tax liabilities:			
Unrealized exchange gains	(611)	(1,379)	(1,990)
Total	$ 14,529	$ 6,901	$ 21,430

	2023		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Inventory devaluation	$ 2,662	$ 11,738	$ 14,400
Unrealized exchange losses	470	193	663
unrealized gain on sales	154	(77)	77
Unrealized employee stock appreciation rights	1,063	(1,063)	-
Subtotal	$ 4,349	$ 10,791	$ 15,140
- Deferred income tax liabilities:			
Unrealized exchange gains	(370)	(241)	(611)
Total	$ 3,979	$ 10,550	$ 14,529

4. The breakdown of the investment tax credit of the Company and the amount of deferred income tax assets not recognized are as follows:

	December 31, 2024		
Credit items	Unused credit balance	Tax amount of unrecognized deferred income tax assets	Last year of credit
R&D expenditures	$ 10,072	$ 10,072	2025

December 31, 2023: None.

5. The deductible temporary differences not recognized as deferred income tax assets

	December 31, 2024	December 31, 2023
Deductible temporary differences	$ 358	$ 273

6. The Company did not recognize deferred income tax liabilities for taxable temporary differences related to the investments of certain subsidiaries. As of December 31, 2024 and 2023, the amount of unrecognized temporary differences of deferred income tax liabilities was NT$353 and NT$227, respectively.

7. The Company's profit-seeking enterprise income tax has been approved by the tax authorities up to 2022.

(XXVI) Earnings per share

	2024		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to the ordinary shareholders of the parent company	$ 117,105	30,434	$ 3.85
Diluted earnings per share			
Net profit attributable to the ordinary shareholders of the parent company	$ 117,105	30,434	
Effects of potential diluted ordinary shares			
Remuneration of employees	-	217	
RSAs	-	152	
Effect of net profit of the period attributable to the ordinary shareholders of the parent company plus potential ordinary shares	$ 117,105	30,803	$ 3.80

	2023		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to the ordinary shareholders of the parent company	$ 41,782	30,359	$ 1.38
Diluted earnings per share			
Net profit attributable to the ordinary shareholders of the parent company	$ 41,782	30,359	
Effects of potential diluted ordinary shares			
Remuneration of employees	-	94	
Employee share options	-	9	
RSAs	-	42	
Effect of net profit of the period attributable to the ordinary shareholders of the parent company plus potential ordinary shares	$ 41,782	30,504	$ 1.37

(XXVII) Changes in liabilities from financing activities

	2024	2023
	Lease liabilities	Lease liabilities
January 1	$ 3,053	$ 4,532
Changes in cash flow from financing	(1,510)	(1,479)
December 31	$ 1,543	$ 3,053

VII. Related party transactions

(I) Parent company and ultimate controller

The Company is controlled by Flexium Interconnect, Inc. (registered in the Republic of China), and it owns 29.73% of the Company's shares. The remaining 70.27% is held by the public. The Company's ultimate parent company is Flexium Interconnect, Inc..

(II) Name of and relationship with related parties

Name of related party	Relationship with the Company
Shenzhen Aluksen Hongxin Technology Co., Ltd. (Hongxin)	Affiliates of a subsidiary
ShenZhen Rafael Microsystems, Inc. (Shenzhen Rafael)	Subsidiary of the Company
Rafael Microelectronics Korea	Subsidiary of the Company

(III) Major transactions with related parties

1. Operating income

	2024	2023
Hongxin	$ 18,655	$ 4,791

There is no significant difference between the transaction price of the sales of the Company's products and the payment terms with non-related parties.

The unrealized gross profit from sales with related parties has been written off in proportion to the equity ratio.

2. Sales returns and discounts

	2024	2023
Hongxin	$ 1,972	$ 6,532

3. Amounts receivable from related parties

	December 31, 2024	December 31, 2023
Accounts receivable:		
Hongxin	$ 3,878	$ -

The amounts receivable from related parties are mainly from sales transactions, with a payment term of a monthly settlement of 30 days. As of December 31, 2024, the Company has provided an allowance loss of NT$940 according to the Company's policy for the overdue amounts receivable from related parties.

4. Amounts payables to related parties

	December 31, 2024	December 31, 2023
Other payables:		
Hongxin	$ 1,972	$ -

5. Contract liabilities

	December 31, 2024	December 31, 2023
Hongxin	$ -	$ 981

6. Operating expenses - other expenses

	2024	2023
Shenzhen Rafael	$ 26,847	$ 28,316
Rafael Microelectronics Korea	4,252	4,172
	$ 31,099	$ 32,488

(IV) Information on the remuneration of key management personnel

	2024	2023
Short-term employee benefits	$ 20,687	$ 27,103
Post-employment benefits	447	659
Share-based payment	756	(2,416)
	$ 21,890	$ 25,346

VIII. Pledged assets

None.

IX. Major contingent liabilities and unrecognized contractual commitments

(I) Contingency

None.

(II) Commitment

None.

X. Major disaster losses

None.

XI. Major events after the reporting period

The Board of the Company resolved the proposal for the cash distribution from the capital reserve and the proposal for earning distribution for 2024 on February 14, 2025; please refer to the description in Note 6(15) and (16).

XII. Others

(I) Capital management

The Company's capital management objective is to ensure the Company's continuous operations, maintain the optimal capital structure to reduce the cost of capital, and provide returns to shareholders. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or dispose of assets to reduce liabilities. The Company's strategy is to achieve a balanced capital structure.

(II) Financial instruments

1. Categories of financial instrument

	December 31, 2024		December 31, 2023	
Financial assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	$	207,116	$	339,452
Financial assets at fair value through other comprehensive income				
Investments in equity instruments selected and designated	$	1,152	$	3,529
Financial assets measured at amortized cost				
Cash and cash equivalents	$	361,539		425,001
Financial assets measured at amortized cost		179,700		14,700
Accounts receivable (including those from related parties)		119,228		66,872
Other receivables		23,446		22,266
Refundable deposits		305		944
	$	684,218	$	529,783

	December 31, 2024		December 31, 2023	
Financial liabilities				
Financial liabilities measured at amortized cost				
Accounts payable	$	72,223	$	73,676
Other payables (including those to related parties)		71,463		80,790
	$	143,686	$	154,466
Lease liabilities	$	1,543	$	3,053

2. Risk management policy

(1) The Company's daily operations are affected by multiple financial risks, including market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Company identifies, assesses and manages the aforementioned risks based on its policy and risk preferences.

(2) The Company has established appropriate policies, procedures and internal control for the aforementioned financial risk management in accordance with relevant regulations. Major financial activities shall be reviewed by the Board and the Audit Committee in accordance with relevant regulations and the internal control system. During the execution period of financial management activities, the Company shall strictly comply with the regulations related to financial risk management it established.

3. Nature and severity of significant financial risks

(1) Market risk

Exchange rate risk

A. The Company's exchange rate risk is mainly related to its main operating activities (when income or expenses are denominated in a currency other than the Company's functional currency) and net investments in foreign operations.

B. Partial currencies of the Company's payments receivable denominated in foreign currencies and payments payable denominated in foreign currencies are equivalent. As such, equivalent positions generate the natural hedging effects. In addition, net investments in foreign operations are strategic investments; therefore, the Company does not engage in hedging for such investments.

The businesses of the Company involve a number of non-functional currencies (NTD is the functional currency of the Company); therefore, the Company is affected by exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies with influences of significant exchange rate fluctuations is as follows:

	December 31, 2024			
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)	
(Foreign currency: functional currency)				
Financial assets				
Monetary item				
USD: NTD	$ 12,113	32.735	$ 396,519	
RMB: NTD	1,719	4.55386	7,828	
EUR: NTD	433	33.94	14,696	
KRW: NTD	83	0.02051	2	
Financial liabilities				
Monetary item				
USD: NTD	2,196	32.735	71,886	

	December 31, 2023		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary item			
USD: NTD	$ 5,557	30.71	$ 170,655
RMB: NTD	1,236	4.329	5,351
EUR: NTD	1,077	34.01	36,629
KRW: NTD	83	0.0238	2
Financial liabilities			
Monetary item			
USD: NTD	2,948	30.71	90,540

D. In 2024 and 2023, the aggregate amount of all exchange gains (realized and unrealized) on monetary items of the Company with significant influence due to exchange rate fluctuations was NT$12,729 and NT$3,972, respectively.

E. The Company's foreign currency market risk analysis due to influences of significant exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2024			
		Sensitivity analysis		
	Carrying amount (NTD)	Range of change	Effects on profit and loss	Effects on other comprehensive income
Financial assets				
Monetary item				
USD: NTD	$ 396,519	1%	$ 3,965	$ -
RMB: NTD	7,828	1%	78	-
EUR: NTD	14,696	1%	147	-
KRW: NTD	2	1%	-	-
Financial liabilities				
Monetary item				
USD: NTD	71,886	1%	719	-

(Foreign currency: functional currency)	December 31, 2023			
		Sensitivity analysis		
	Carrying amount (NTD)	Range of change	Effects on profit and loss	Effects on other comprehensive income
Financial assets				
Monetary item				
USD: NTD	$ 170,655	1%	$ 1,707	$ -
RMB: NTD	5,351	1%	54	-
EUR: NTD	36,629	1%	366	-
KRW: NTD	2	1%	-	-
Financial liabilities				
Monetary item				
USD: NTD	90,540	1%	905	-

Price risk

A. The Company is exposed to equity instruments with price risks. Such instruments are financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income held and accounted for. The Company set a limit for investments in single and overall preferred shares and equity securities through diversified investments to manage the price risk of preferred shares and equity securities. The information on the portfolio of investments in preferred shares and equity securities shall be provided to the senior management of the Company periodically. The Board shall review and approve all the decisions on the investment in preferred shares and equity securities.

B. The Company mainly invests in equity instruments issued by domestic companies. The prices of such equity instruments are affected by the uncertainty of the future values of the investment targets. If the prices of such equity instruments rise or drop by 1%, with all other factors remaining unchanged, the net profit before tax for 2024 and 2023 will increase or decrease by NT$2,071 or NT$3,395, respectively, due to the gain or loss on equity instruments measured at fair value through profit or loss; the gain or loss on investments in equity at fair value through other comprehensive income will increase or decrease by NT$12 and NT$35, respectively.

Cash flow and fair value interest rate risk

Interest rate risks are risks of fair value or future cash flow fluctuations of financial instruments due to changes in the market interest rate. The interest rate risk of the Company mainly arises from time deposits with floating interest rates. The period of the Company’s time deposits is generally shorter periods; therefore, cash flow risk arising from changes in interest rate is relatively low.

(2) Credit risk

A. Credit risk refers to the risk of financial loss incurred when a counterparty of transactions fails to perform its contractual obligations. The Company's credit risk arises from operating activities (mainly accounts receivable) and financing activities (mainly bank deposits and other financial instruments).

B. Each department of the Company manages credit risk in accordance with credit risk policies, procedures and controls. The credit risk assessment of all counterparties of transactions generally considers the financial position, ratings of the credit rating agencies, historical transaction experience of the counterparties of transactions, current economic situation, the Company's internal assessment standards, and other factors. The Company also adopts certain credit enhancement tools at appropriate times to reduce the credit risk of specific counterparties of transactions.

C. When the Company's contract payment is overdue for over a certain number of days under the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.

D. When the debtor experiences major financial difficulties or has gone bankrupt, the Company shall deem it a breach of contract in accordance with the credit risk management procedures.

E. The indicators used by the Company to determine the credit impairment of financial assets are as follows:

(A) The possibility of the issuer having major financial difficulties or entering bankruptcy or other financial restructuring increases significantly;

(B) The issuer delays or fails to pay interest or principal.

F. The Company divides the accounts receivable of customers into groups based on the credit rating, region, industry, and other factors of counterparties of transactions and adopts the simplified approach to estimate ECL based on the allowance matrix.

G. The Company has adjusted the loss rate established based on historical and current information of a specific period based on future-looking considerations to estimate the loss allowance of accounts receivable. The allowance matrix on December 31, 2024 and 2023 based on customer classification is disclosed as follows:

December 31, 2024

Group 1	Not past due	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Total Carrying amount	$ 119,228	$ -	$ -	$ -	$ -	$ 940	$ 120,168
Loss rate	0%	5%	10%	30%	70%	100%	
Loss allowance	-	-	-	-	-	(940)	(940)
Carrying amount	$ 119,228	$ -	$ -	$ -	$ -	$ -	$ 119,228

Group 2	Not past due	121 to 150 days	151 to 180 days	181 to 270 days	271 to 300 days	More than 301 days	Total
Total Carrying amount	$ -	$ -	$ -	$ -	$ -	$ 23,307	$ 23,307
Loss rate	0%	5%	10%	30%	70%	100%	
Loss allowance	-	-	-	-	-	(23,307)	(23,307)
Carrying amount	$ -	$ -	$ -	$ -	$ -	$ -	$ -

December 31, 2023

Group 1	Not past due	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 121 days	Total
Total Carrying amount	$ 66,725	$ -	$ 163	$ -	$ -	$ -	$ 66,888
Loss rate	0%	5%	10%	30%	70%	100%	
Loss allowance	-	-	(16)	-	-	-	(16)
Carrying amount	$ 66,725	$ -	$ 147	$ -	$ -	$ -	$ 66,872

Group 2	Not past due	121 to 150 days	151 to 180 days	181 to 270 days	271 to 300 days	More than 301 days	Total
Total Carrying amount	$ -	$ -	$ -	$ -	$ -	$21,866	$21,866
Loss rate	0%	5%	10%	30%	70%	100%	
Loss allowance	-	-	-	-	-	(21,866)	(21,866)
Carrying amount	$ -	$ -	$ -	$ -	$ -	$ -	$ -

H. The statement of loss allowance of accounts receivables made by adopting the simplified approach is as follows:

	2024	2023
January 1	$ 21,882	$ 21,867
Provision of impairment loss	2,365	15
December 31	$ 24,247	$ 21,882

The impairment loss recognized for the amounts receivable generated from customer contracts in 2024 and 2023 was NT$2,365 and NT$15, respectively.

(3) Liquidity risk

A. The Company's Finance Department monitors the forecast of the Company's demand for working capital to ensure that it has sufficient funds to meet operational needs and maintains sufficient unspent borrowing commitment limit at all times.

B. If the remaining cash held by each operating entity exceeds the management requirement for the working capital, the remaining funds will be invested in interest-bearing demand deposits, time deposits, and securities, and the instruments selected shall have appropriate maturity day or sufficient liquidity to respond to the forecast above and provide sufficient liquidity. On December 31, 2024 and 2023, the monetary market positions held by the Company were NT$747,750 and NT$778,345. It is expected to instantly generate cash flow to manage liquidity risk.

C. The Company maintains financial flexibility through contracts of cash and cash equivalents and highly liquid securities. The contractual cash flow disclosed in the table below are non-discounted amounts.

	Within 1 year	1 to 2 years	More than 2 year
December 31, 2024			
Non-derivative financial liabilities:			
Accounts payable	$ 72,223	$ -	$ -
Other payables	71,463	-	-
Lease liabilities	1,560	-	-

	Within 1 year	1 to 2 years	More than 2 year
December 31, 2023			
Non-derivative financial liabilities:			
Accounts payable	$ 73,676	$ -	$ -
Other payables	80,790	-	-
Lease liabilities	1,560	1,560	-

(III) Information on fair value

1. The different levels of the valuation techniques used to measure the fair value of financial and non-financial instruments have been defined as follows:

   Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the measurement date. An active market refers to a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the listed shares invested by the Company belongs to this level.

   Level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

   Level 3. Unobservable inputs for the asset or liability. Equity instruments with no active market invested by the Company belong to this level.

2. Financial instruments not measured at fair value:

   The carrying amount of the Company's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables, refundable deposits (presented as "other non-current assets"), accounts payables, other payables, and lease liabilities is a reasonable approximate to the fair value.

3. For financial and non-financial instruments measured at fair value, the Company classifies them according to the nature, characteristics, risks, and fair value of the assets. The relevant information is as follows:

   (1) The Company classified assets based on their nature. The relevant information is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 207,116	$ -	$ -	$ 207,116
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	1,152	1,152
	$ 207,116	$ -	$ 1,152	$ 208,268

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss				
Equity securities	$ 339,452	$ -	$ -	$ 339,452
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	3,529	3,529
	$ 339,452	$ -	$ 3,529	$ 342,981

(2) The methods and assumptions used by the Company to measure fair value are described as follows:

A. If the Company adopts market quotation as the input value of fair value (i.e., Level 1), the characteristics of the instruments are set out as follows:

	Listed shares
Market quotation	Closing price

B. Except for the financial instruments with an active market, as mentioned above, the fair value of other financial instruments is obtained through valuation techniques or reference to the quotation of counterparties of transactions. The fair value obtained through the valuation techniques can be calculated with reference to the current fair value of other financial instruments with substantially similar conditions and characteristics, the discounted cash flow approach, or other valuation techniques, including the market information utilization model available on the parent company only balance sheet date.

C. For financial instruments with higher complexity, the Company measures the fair value based on the valuation approaches and techniques extensively used by peers and the valuation models it developed. Such valuation models are usually used in debt instruments of derivatives and embedded derivatives or securitized products. Partial parameters used in such valuation models are not observable information in the market. The Company is required to make appropriate estimates based on the assumptions. For the effects of parameters not observable in the market on the valuation of financial instruments, please refer to the description in Note 12(3)8.

4. There was no transfer between Level 1 and Level 2 in 2024 and 2023.

5. The following table sets out the changes in Level 3 in 2024 and 2023:

	2024	2023
	Non-derivative equity instruments	Non-derivative equity instruments
January 1	$ 3,529	$ 6,206
Losses recognized in other comprehensive income	(2,377)	(2,677)
December 31	$ 1,152	$ 3,529

6. There was no inward or outward transfer to or from Level 3 in 2024 and 2023.

7. For the valuation procedures of fair value classified in Level 3, the Financial Department of the Company carries out independent fair value verification based on the actuarial report issued by an external expert to align valuation results with the market status based on the data from an independent source to confirm that the data source is independent, reliable, consistent with other resources, and represent an executable price, regularly performs calibration of the valuation models, carries out retrospective tests, updates inputs and data required by valuation models, and makes any other necessary adjustments to fair value to ensure that the valuation results are reasonable.

8. The quantitative information on the significant unobservable inputs used in the valuation models of Level 3 fair value measurement items and the sensitivity analysis of changes in significant unobservable inputs are described as follows:

	December 31, 2024 Fair value	Valuation techniques	Significant unobservable input:	Interval (weighted average)	Relation between the inpu and fair value
Non-derivative equity instruments:					
Non-listed shares	$ 1,152	Market approach	Price-to-sales ratio	1.95	The higher the multiple is, the higher the fair value is.
			Lack of market liquidity discount	25%	The higher the lack of market liquidity discount, the lower the fair value.

	December 31, 2023 Fair value	Valuation techniques	Significant unobservable input:	Interval (weighted average)	Relation between the inpu and fair value
Non-derivative equity instruments:					
Non-listed shares	$ 3,529	Market approach	Price-to-sales ratio	1.33	The higher the multiple is, the higher the fair value is.
			Lack of market liquidity discount	25%	The higher the lack of market liquidity discount, the lower the fair value.

9. The Company carefully selects valuation models and evaluation parameters; however, different valuation models or parameters may lead to different valuation results. Regarding financial assets classified into Level 3, if valuation meters change, the effects on the current profit or loss or other comprehensive income are as follows:

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Price-to-sales ratio	±10%	$ -	$ -	$ 115	($ 115)

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments	Price-to-sales ratio	±10%	$ -	$ -	$ 353	($ 353)

XIII. Additional disclosures

(I) Information on significant transactions

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: None.
3. Securities held at the end of the period (excluding investment in subsidiaries, affiliates, and joint ventures): Please refer to Table 1.
4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate reaching NT$300 million or 20% of the paid-in capital or more: Please refer to Table 2.
6. Disposal of real estate reaching NT$300 million or 20% of the paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of the paid-in capital or more: None.
8. Receivables from related parties reaching NT$100 million or 20% of the paid-in capital or more: None.
9. Engage in trading derivatives: None.
10. Business relationships and significant transactions between the parent company and its subsidiaries and between subsidiaries, and the amounts involved: Please refer to Table 3.

(II) Information on investees

Name and location of investees and other relevant information (excluding investees in Mainland China): Please refer to Table 4.

(III) Information on investments in China

1. Basic data: Please refer to Table 5.
2. Major transactions with investees in China directly or indirectly through a third regional business: None.

(IV) Information on Major Shareholders

List of shareholders holding 5% or more of the Company's shares, shareholding, and ratio: Please refer to Table 6.

XIV. Segment information

Not applicable.

Rafael Microelectronics, Inc.
Breakdown of Cash and Cash Equivalents
December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Summary	Amount
Cash on hand		$ 605
Demand deposits	Demand deposits in NTD	85,697
	Demand deposit in USD (US$7,727 thousand, exchange rate 32.735)	252,950
	Demand deposit in EUR (EUR 426 thousand, exchange rate 33.94)	14,457
	Demand deposit in RMB (RMB 1,719 thousand, exchange rate 4.55386)	7,830
		$ 361,539

Rafael Microelectronics, Inc.
Breakdown of Financial Assets at Fair Value through Profit or Loss - Current
December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Financial instrument	Summary	Number of shares	Nominal value	Total amount	Acquisition cost	Fair value: Unit price	Fair value: Total amount	Changes in fair value attributable to changes in credit risks	Remarks
Share - Ordinary shares	Fubon Financial Holding Co., Ltd.	54,138	$ 10	$ 541	$ 2,755	$ 90.30	$ 4,889	$ -	
Shares - Class B preferred shares	Fubon Financial Holding Co., Ltd.	1,172,000	10	11,720	71,755	60.50	70,906	-	
Shares - Class C Preferred shares	Fubon Financial Holding Co., Ltd.	1,525,262	10	15,253	91,513	53.20	81,144	-	
Shares - Class B preferred shares	KGI Financial Holding Co., Ltd.	2,898,000	10	28,980	26,967	7.89	22,865	-	
Shares - Class B preferred shares	CTBC Financial Holding Co., Ltd.	437,000	10	4,370	28,313	62.50	27,312	-	
				$ 60,864	$ 221,303		$ 207,116	$ -	

Rafael Microelectronics, Inc.
Breakdown of Financial Assets Measured at Amortized Cost - Current
December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Name	Summary	Contract period	Interest rate	Amount	Collaterals or pledge
Mega International Commercial Bank	Time deposit in NTD	2024/12/12 - 2025/12/12	1.555%~1.70%	$ 64,700	None
The Shanghai Commercial & Savings Bank	Time deposit in NTD	2024/9/25 - 2025/3/25	1.425%	40,000	None
Land Bank of Taiwan	Time deposit in NTD	2024/12/12 - 2025/12/16	1.46%~1.70%	75,000	None
				$ 179,700	

Rafael Microelectronics, Inc.
Breakdown of Accounts Receivable
December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Name of customer	Summary	Amount	Remarks
Non-related parties:			
Company A	Sales income	$ 42,854	
Company B	Sales income	37,645	
Company C	Sales income	23,307	
Company D	Sales income	19,250	
Company E	Sales income	8,067	
Others (a small number of less than 5%)	Sales income	8,474	
		139,597	
Less: Allowance for bad debt		(23,307)	
		$ 116,290	
Related parties:			
	Sales income	$ 3,878	
Less: Allowance for bad debt		(940)	
		$ 2,938	

Rafael Microelectronics, Inc.
Breakdown of Inventory
December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Amount		Remarks
	Cost	Net realizable value	
Raw materials	$ 127,911	$ 135,881	Adopt the net realizable value as the market price
Work-in-progress and semi-finished goods	154,889	332,130	Adopt the net realizable value as the market price
Finished goods	219,124	455,842	Adopt the net realizable value as the market price
	501,924	$ 923,853	
Less: Allowance for inventory valuation losses	(113,417)		
	$ 388,507		

Rafael Microelectronics, Inc.
Breakdown of Changes in Investment under the Equity Method
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Name	Opening balance		Increase during the period (Note)		Decrease during the period		Closing balance			Market price or net worth of equity		Collaterals or pledge	Remarks
	Thousand shares	Amount	Thousand shares	Amount	Thousand shares	Amount	Thousand shares	Shareholding ratio (%)	Amount	Unit price	Total price		
Hann Tang Co., Ltd.	707	$19,843	-	$ 243	-	$ -	707	100	$20,086	30	$20,885		
Rafael Microelectronics Korea	200	3,507	-	36	-	-	200	100	3,543	18	3,543		
		$23,350		$ 279		$ -			$23,629		$24,428		

Note: The amount increase during the period includes investment gains, accumulated translation adjustments, and unrealized gains or losses arising from transactions with affiliates.

Rafael Microelectronics, Inc.
Breakdown of Changes in Property, Plant and Equipment
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Please refer to the description in Note 6(8) Property, plant and equipment.

Rafael Microelectronics, Inc.
Breakdown of Changes in the Accumulated Depreciation of Property, Plant and Equipment
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Please refer to the description in Note 6(8) Property, plant and equipment.
For the depreciation methods and useful lives adopted for various depreciated assets, please refer to the description in Note 4(15).

Rafael Microelectronics, Inc.
Breakdown of Changes in Intangible Assets
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Please refer to the description in Note 6(10) Intangible assets.

For the amortization methods and useful lives adopted for various assets, please refer to the description in Note 4(17).

Rafael Microelectronics, Inc.
Breakdown of Accounts Payable
December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Name of customer	Summary	Amount	Remarks
Non-related parties:			
Supplier A	Commissioned processing	$ 28,541	
Supplier B	Commissioned processing	15,606	
Supplier C	Commissioned processing	13,584	
Supplier D	Commissioned processing	5,561	
Supplier E	Commissioned processing	3,835	
Supplier F	Commissioned processing	3,687	
Others (a small number of less than 5%)	Commissioned processing	1,409	
		$ 72,223	

Rafael Microelectronics, Inc.
Breakdown of Other Payables
December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Please refer to the description in Note 6(11) Other payables.

Rafael Microelectronics, Inc.
Breakdown of Operating Income
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Quantity	Amount	Remarks
Sales of products	149,477 thousand pieces	$ 1,056,159	
Provision of services		9,332	
		$ 1,065,491	

Rafael Microelectronics, Inc.
Breakdown of Operating Costs
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Amount
Raw materials at the beginning of the period	$ 146,077
Add: Purchase of materials during the period	355,269
Less: Raw materials at the end of the period	(127,911)
Transfer to expenses	(458)
Sales of raw materials	(2,180)
Consumption of raw materials during the period	370,797
Manufacturing expenses	278,736
Manufacturing cost	649,533
Add: Work-in-progress and semi-finished goods at the beginning of the period	160,497
Less: Work-in-progress and semi-finished goods at the end of the period	(154,890)
Inventory loss on work-in-progress	(1,109)
Transfer to expenses	(36)
Sales of work-in-progress	(536)
Cost of finished goods	653,459
Add: Finished goods at the beginning of the period	167,262
Purchased during the period	1,145
Less: Finished goods at the end of the period	(219,124)
Transfer to expenses	(247)
Production and sales cost	602,495
Other operating costs - sales of raw material	2,180
Other operating costs - sales of work-in-progress	536
Total cost of sales	605,211
Inventory obsolescence and devaluation losses	41,417
Other operating costs	4,725
Total operating costs	$ 651,353

Rafael Microelectronics, Inc.
Breakdown of Manufacturing Expenses
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Summary	Amount	Remarks
Processing expenses		$ 275,037	
Others (a small number of less than 5%)		3,699	
		$ 278,736	

Rafael Microelectronics, Inc.
Breakdown of Selling Expenses
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Summary	Amount	Remarks
Salary expenses		$ 13,226	
Import and export expenses		4,782	
Commission service expenses		4,252	
Others (a small number of less than 5%)		7,841	
		$ 30,101	

Rafael Microelectronics, Inc.
Breakdown of Management Expenses
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Summary	Amount	Remarks
Salary expenses		$ 29,924	
Depreciation expenses		4,492	
Insurance premium		3,077	
Service expenses		2,982	
Others (a small number of less than 5%)		14,363	
		$ 54,838	

Rafael Microelectronics, Inc.
Breakdown of R&D Expenses
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

Item	Summary	Amount	Remarks
Salary expenses		$ 121,155	
Amortization expenses		38,534	
Commission research expenses		26,847	
Experimental expenses		15,386	
Others (a small number of less than 5%)		25,430	
		$ 227,352	

Rafael Microelectronics, Inc.
Summary of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred during the Period by Function
For the year ended December 31, 2024
(Amounts in thousands of New Taiwan Dollars)

By function / By nature	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary expenses	$ -	$ 159,810	$ 159,810	$ -	$ 144,019	$ 144,019
Labor and insurance health expenses	-	10,320	10,320	-	10,057	10,057
Pension expenses	-	6,369	6,369	-	6,671	6,671
Emolument of Directors	-	4,495	4,495	-	2,010	2,010
Other employee benefit expenses	-	3,651	3,651	-	2,795	2,795
Depreciation expenses	-	9,114	9,114	-	10,473	10,473
Amortization expenses	-	39,050	39,050	-	52,283	52,283

Note:

1. The average number of employees at the end of each month in the year and the previous year was 96 persons and 99 persons, in which the number of Directors who are not concurrently employees was 8 persons and 4 persons.
2. If the shares are listed on the Taiwan Stock Exchange or the Taipei Exchange, the following information shall be additionally disclosed:
   (1) The average employee benefit expenses for the year was NT$2,047, and the average employee benefit expenses for the previous year was NT$1,721.
   (2) The average employee salary expenses for the year were NT$1,816, and the average employee salary expenses for the previous year were NT$1,516.
   (3) The average adjustment to employee salary expenses was 19.79%
   (4) The Company has established its Audit Committee to replace supervisors in accordance with the requirements; therefore, the supervisors' remuneration is not recognized.
   (5) The Company's remuneration policy: The remuneration is based on individual educational background, work experience, professional knowledge, skills, and performance, and is positively correlated with the Company's operating status, and it is adjusted according to the salary level in the market, mainly including basic salary, meal allowance, duty allowance, year-end bonus, employee bonus and share-based payment. In terms of welfare, the Company adopts compliance with laws and regulations as the precondition to design welfare measures that accommodate the needs of employees.

Rafael Microelectronics, Inc.

Securities held at the end of the period (excluding investment in subsidiaries, affiliates, and joint ventures)

December 31, 2024

Table 1

(Amount in thousands of New Taiwan Dollars)
(unless otherwise specified)

				End of period				
Company held	Types and names of securities	Relations with securities issuers	Subject	Number of shares	Carrying amount	Shareholding ratio (Note 1)	Fair value	Remarks
Rafael Microelectronics, Inc.	Ordinary shares - Fubon Financial Holding Co., Ltd.	None	Financial assets at fair value through profit or loss - current	54,138	$ 4,889	-	$ 4,889	
	Class B preferred shares - Fubon Financial Holding Co., Ltd.	None	Financial assets at fair value through profit or loss - current	1,172,000	70,906	-	70,906	
	Class C preferred shares - Fubon Financial Holding Co., Ltd.	None	Financial assets at fair value through profit or loss - current	1,525,262	81,144	-	81,144	
	Class B preferred shares - KGI Financial Holding Co., Ltd.	None	Financial assets at fair value through profit or loss - current	2,898,000	22,865	-	22,865	
	Class B Preferred Shares - CTBC Financial Holding Co., Ltd.	None	Financial assets at fair value through profit or loss - current	437,000	27,312	-	27,312	
	Ordinary shares - BKS TEC Corp.	None	Financial assets at fair value through other comprehensive income - non-current	600,000	1,152	-	1,152	

Note 1: The shareholding ratio is less than 5%; therefore, it is not disclosed.

Rafael Microelectronics, Inc.
The Amount of Properties Acquired Reaches NT$300 Million or 20% of the Paid-in Capital or Above
For the year ended December 31, 2024

Table 2

(Amount in thousands of New Taiwan Dollars)
(unless otherwise specified)

Property acquirer	Name of property	Date of occurrence	Transaction amount	Consideration payment status	Counterparty of the transaction	Relationship	Information on the previous transfer if the counterparty of the transaction is a related party				Reference for price determination	Purpose of acquisition and use	Other agreed matters
							Owner	Relationship with the issuer	Date of transfer	Amount			
Rafael Microelectronics, Inc.	Land and buildings	2024/06/26	$ 83,799	Paid in full	Nuro Technology Inc.	Non-related party	-	-	-	$ -	Discussed and determined by taking into consideration the appraisal reports issued by professional institutions	For business use	None

Rafael Microelectronics, Inc.

Business Relationships and Significant Transactions between the Parent Company and its Subsidiaries, and the Amounts Involved

For the year ended December 31, 2024

Table 3

(Amount in thousands of New Taiwan Dollars)

(unless otherwise specified)

No. (Note 1)	Trader	Counterparty of the transaction	Relationship with the trader (Note 2)	Transaction status			
				Item	Amount	Transaction conditions	Ratio to total consolidated operating income or total assets (Note 3)
0	Rafael Microelectronics, Inc.	ShenZhen Rafael Microsystems, Inc.	1	Commission research expenses	$ 26,847	Subject to the contract	3%
0	Rafael Microelectronics, Inc.	Rafael Microelectronics Korea	1	Commission service expenses	4,252	Subject to the contract	0%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1). Parent company is “0.”

(2). The subsidiaries are numbered in order starting from “1.”

Note 2: There are three types of the relationship with the transaction party as follows. Please indicate the type only (In the case of the same transaction between the parent company and subsidiaries or between its subsidiaries, duplicate disclosure is not required. For example: If the parent company has already disclosed its transactions with the subsidiary, it is not necessary for the subsidiary to duplicate disclosure for some part of the information;

the same goes for transactions between subsidiaries. If one of the subsidiaries has made the disclosure, the other party does not have to do so):

(1). Parent company to subsidiary.

(2). Subsidiary to parent company.

(3). Subsidiary to subsidiary.

Note 3: Regarding the ratio of transaction amount to consolidated total operating income or total assets, it is computed based on the closing balance of transaction to consolidated total assets for balance sheet items and based on the accumulated transaction amount for the period to consolidate total operating income for income statement items.

Rafael Microelectronics, Inc.

Name and Location of Investees and Other Relevant Information (excluding investees in Mainland China)

For the year ended December 31, 2024

Table 4

(Amount in thousands of New Taiwan Dollars)

(unless otherwise specified)

Investor	Investee	Location	Main scope of business	Initial investment amount		Held at the end of the period			Profit or loss of the investee for the period	Investment gain or loss recognized for the period	Remarks
				End of the period	End of last year	Number of shares	Ratio	Carrying amount			
Rafael Microelectronics, Inc.	Han Tang Co., Ltd.	Seychelles	Investee	$ 23,144	$ 23,144	707,000	100	$ 20,086	($ 423)	($ 423)	Note 1
Rafael Microelectronics, Inc.	Rafael Microelectronics Korea	South Korea	Promotion of RFIC products	2,913	2,913	200,000	100	3,543	628	628	Note 2
Han Tang Co., Ltd.	Hong Yu Co., Ltd.	Seychelles	Investee	23,078	23,078	704,500	100	20,807	(425)	-	Notes 3 and 4

Note 1: The original investment amount is converted in accordance with the exchange rate of December 31, 2024, which is 32.735, of the investment amount (US$707 thousand).
Note 2: The original investment amount is converted in accordance with the exchange rate of December 31, 2024, which is 32.735, of the investment amount (US$89 thousand).
Note 3: The original investment amount is converted at the exchange rate of 32.735 on December 31, 2024, which is the investment amount (US$705 thousand).
Note 4: It has been included in the current (loss) profit of investees under the equity method of the Company for the Company to calculate the investment (loss) gain at once.

Rafael Microelectronics, Inc.

Information on Investment in Mainland China - Basic Data

For the year ended December 31, 2024

Table 5

(Amount in thousands of New Taiwan Dollars)

(unless otherwise specified)

Investee in Mainland China	Main scope of business	Paid-in capital	Method of investment (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China at the beginning of the period	Amount remitted from Taiwan to Mainland China/amount remitted back to Taiwan during the period: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/amount remitted back to Taiwan during the period: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Profit or loss of the investee for the period	Shareholding ratio under the Company's direct or indirect investment	Investment gain or loss recognized for the period	Carrying amount of investments at the end of period	Accumulated amount of investment income remitted back to Taiwan as of the period	Remarks
ShenZhen Rafael Microsystems, Inc.	Technical consulting and services for RFIC products	$ 11,457	2	$ 11,457	$ -	$ -	$ 11,457	$ 66	100	$ 66	$ 14,121	$ -	Notes 2, 5, and 9
Shenzhen Aluksen Hongxin Technology Co., Ltd.	Design, development, trading, and technical consulting for optic fiber products and services	22,769	2	11,392	-	-	11,392	(1,006)	49	(493)	5,666	-	Notes 2, 6, 7, and 9
Shenzhen Rafael Semiconductors, Inc.	Design and sales of RFIC products	4,098	2	4,098	-	-	4,098	(4)	100	(4)	4,106	-	Notes 2, 8, and 10

Company name	Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, MOEA (Note 3)	Investment amount approved by the Investment Commission, MOEA (Note 4)
Rafael Microelectronics, Inc.	$ 22,849	$ 22,849	$ 879,848

Note 1: Investment methods are divided into the following three types:

1. Direct investments in Mainland China
2. Investments in Mainland China through a company in a third region
3. Other methods

Note 2: Investment gain or loss recognized in the financial statements audited by CPAs.

Note 3: The investment amount approved by the Investment Commission, MOEA (US$698 thousand) is converted at the exchange rate of 32.735 on December 31, 2024.

Note 4: The limit for investments in Mainland China is based on 60% of the net worth or consolidated net worth (whichever is higher) as stated by the investment limit in Mainland China by the Investment Commission, MOEA

Note 5: Paid-in capital is converted at the exchange rate of 32.735 on December 31, 2024, which is equivalent to an investment amount of US$350 thousand.

Note 6: Paid-in capital is converted from RMB 5,000 thousand at the exchange rate of 4.55386 on December 31, 2024.

Note 7: The investment amount is USD 348 thousand converted at the exchange rate of 32.735 on December 31, 2024.

Note 8: Paid-in capital is converted in accordance with the exchange rate of 4.55386 on December 31, 2024, based on the investment amount (RMB 900 thousand).

Note 9: By investing in Han Tang Co., Ltd. in a third region, the Company invests in Mainland China through Hong Yu Co., Ltd. invested by Han Tang Co., Ltd..

Note 10: By investing in Han Tang Co., Ltd. in a third region, the Company invests in the company in Mainland China through ShenZhen Rafael Microsystems, Inc., invested by Hong Yu Co., Ltd. invested by Han Tang Co., Ltd..

Rafael Microelectronics, Inc.

Information on Major Shareholders

December 31, 2024

Table 6

Name of major shareholder	Shares	
	Number of shares held	Shareholding ratio
Flexium Interconnect, Inc.	9,221,976	29.73%

(1) The information on major shareholders was derived from the data that the Company issued ordinary shares (including treasury shares) and preferred shares in the dematerialized form, which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by the Taiwan Depository & Clearing Corporation. The share capital that was recorded in the financial statements may be different from the actual number of shares in dematerialized form due to the difference in the calculation basis.

(2) If the aforementioned data contains shares that were held in trust by the shareholders, the data is disclosed as a separate account of the client, which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10%, in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust that he/she has the right to determine the use in the trusted properties. For the information on the report on share equity of insiders, please refer to MOPS.