

**Silergy Corp.**  
(Incorporated in the Cayman Islands)  
**and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Silergy Corp.

### **Opinion**

We have audited the accompanying consolidated financial statements of Silergy Corp. and its subsidiaries (collectively referred to as the “Company”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

#### Occurrence of Sales Revenue for Specific Customers

The revenue of specific customers has grown significantly, and the sales amount was significant; thus, the occurrence of sales revenue for specific customers was identified as the key audit matter.

The audit procedures performed for this key audit matter were as follows:

1. We obtained an understanding of and evaluated operating procedures and internal control related to revenue recognition. We test the design and implementation effectiveness of the control.
2. We sampled and tested sales transactions from specific customers by inspecting orders, delivery documents, receipts of payment and sending confirmation letters in order to validate the occurrence of sales revenue.
3. We confirmed whether there were any material sales returns, discounts and supporting documents for the year ended December 31, 2024 and subsequent periods.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to 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 members of the audit committee, are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a 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. 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. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use 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 conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify 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 consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in 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.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Yen Chien and Chun-Hung Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

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

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 16,202,550	40	\$ 12,694,412	37
Financial assets at amortized cost - current (Notes 4 and 9)	4,406,949	11	5,728,588	17
Accounts receivable, net (Notes 4, 10 and 24)	2,460,387	6	1,784,939	5
Other receivables (Notes 4, 10 and 32)	101,695	-	530,092	1
Inventories (Notes 4, 5 and 11)	2,854,396	7	1,817,170	5
Other current assets (Note 19)	<u>926,485</u>	<u>3</u>	<u>297,787</u>	<u>1</u>
Total current assets	<u>26,952,462</u>	<u>67</u>	<u>22,852,988</u>	<u>66</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4, 5, 7 and 31)	3,983,380	10	4,122,780	12
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	492,721	1	-	-
Investments accounted for using the equity method (Notes 4, 5 and 13)	787,456	2	941,175	3
Property, plant and equipment (Notes 4 and 14)	4,243,524	10	2,350,218	7
Right-of-use assets (Notes 4 and 15)	826,172	2	837,759	2
Investment properties (Notes 4 and 16)	503,928	1	537,704	2
Goodwill (Notes 4, 5 and 17)	1,454,863	4	1,406,832	4
Other intangible assets (Notes 4 and 18)	482,511	1	540,692	2
Deferred tax assets (Notes 4 and 26)	183,041	-	323,851	1
Refundable deposits (Notes 32 and 33)	367,035	1	325,853	1
Long-term accounts receivable, net (Note 12)	193,835	1	164,738	-
Net defined benefit assets - non-current (Notes 4 and 22)	1,653	-	-	-
Prepayments for equipment	<u>49,129</u>	<u>-</u>	<u>17,422</u>	<u>-</u>
Total non-current assets	<u>13,569,248</u>	<u>33</u>	<u>11,569,024</u>	<u>34</u>
<b>TOTAL</b>	<u>\$ 40,521,710</u>	<u>100</u>	<u>\$ 34,422,012</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowing (Note 20)	\$ 746,698	2	\$ 160,403	1
Accounts payable	551,611	2	487,961	1
Accounts payable - related parties (Note 32)	16,228	-	3,577	-
Other payables (Note 21)	1,847,602	5	1,056,888	3
Current tax liabilities (Note 26)	118,239	-	113,651	-
Lease liabilities - current (Notes 4 and 15)	101,934	-	84,538	-
Other current liabilities (Notes 21, 24 and 32)	<u>47,480</u>	<u>-</u>	<u>42,981</u>	<u>-</u>
Total current liabilities	<u>3,429,792</u>	<u>9</u>	<u>1,949,999</u>	<u>5</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowing (Note 20)	1,136,357	3	-	-
Deferred tax liabilities (Notes 4 and 26)	34,539	-	68,352	-
Lease liabilities - non-current (Notes 4 and 15)	162,024	-	205,476	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	-	-	2,902	-
Guarantee deposits (Note 33)	44,627	-	654,754	2
Other non-current liabilities	<u>4</u>	<u>-</u>	<u>10</u>	<u>-</u>
Total non-current liabilities	<u>1,377,551</u>	<u>3</u>	<u>931,494</u>	<u>3</u>
Total liabilities	<u>4,807,343</u>	<u>12</u>	<u>2,881,493</u>	<u>8</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 23 and 28)</b>				
Share capital				
Ordinary shares	<u>968,582</u>	<u>2</u>	<u>960,498</u>	<u>3</u>
Capital surplus	<u>13,516,549</u>	<u>33</u>	<u>12,407,582</u>	<u>36</u>
Retained earnings				
Legal reserve	996,568	2	996,568	3
Special reserve	596,716	2	213,051	1
Unappropriated earnings	<u>18,541,810</u>	<u>46</u>	<u>17,386,408</u>	<u>50</u>
Total retained earnings	<u>20,135,094</u>	<u>50</u>	<u>18,596,027</u>	<u>54</u>
Other equity				
Exchange differences on translating foreign operations	1,145,761	3	(596,716)	(2)
Unrealized gains or losses on investments at fair value through comprehensive income	1,415	-	-	-
Unearned employee benefits	<u>(320,158)</u>	<u>(1)</u>	<u>(439,577)</u>	<u>(1)</u>
Total other equity	<u>827,018</u>	<u>2</u>	<u>(1,036,293)</u>	<u>(3)</u>
Treasury shares	<u>(239,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity attributable to owners of the Company	35,207,497	87	30,927,814	90
<b>NON-CONTROLLING INTERESTS (Note 12)</b>	<u>506,870</u>	<u>1</u>	<u>612,705</u>	<u>2</u>
Total equity	<u>35,714,367</u>	<u>88</u>	<u>31,540,519</u>	<u>92</u>
<b>TOTAL</b>	<u>\$ 40,521,710</u>	<u>100</u>	<u>\$ 34,422,012</u>	<u>100</u>

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

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Note 24)	\$ 18,454,847	100	\$ 15,427,335	100
OPERATING COSTS (Notes 11, 25 and 32)	<u>8,518,673</u>	<u>46</u>	<u>8,847,896</u>	<u>57</u>
GROSS PROFIT	<u>9,936,174</u>	<u>54</u>	<u>6,579,439</u>	<u>43</u>
OPERATING EXPENSES (Notes 4, 10, 22, 25, 29 and 32)				
Selling and marketing expenses	1,621,005	9	1,313,298	8
General and administrative expenses	909,407	5	895,301	6
Research and development expenses	5,150,809	28	4,894,418	32
Expected credit loss (gain on reversal) recognized on trade receivables	<u>1,164</u>	<u>-</u>	<u>(4,252)</u>	<u>-</u>
Total operating expenses	<u>7,682,385</u>	<u>42</u>	<u>7,098,765</u>	<u>46</u>
OTHER OPERATING INCOME AND EXPENSES, NET (Note 25)	<u>13,031</u>	<u>-</u>	<u>32,934</u>	<u>-</u>
PROFIT (LOSS) FROM OPERATIONS	<u>2,266,820</u>	<u>12</u>	<u>(486,392)</u>	<u>(3)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	548,334	3	638,552	4
Other income (Note 25)	293,575	1	573,582	4
Interest expenses (Note 25)	(16,458)	-	(2,540)	-
Foreign exchange gain, net (Notes 4 and 34)	189,870	1	76,280	-
Gain from disposal of investments (Note 13)	(149,392)	(1)	(163,023)	(1)
Gain from disposal of investments	7,301	-	-	-
(Loss) gain on financial instruments at fair value through profit or loss (Notes 7 and 31)	(443,599)	(2)	122,281	1
Miscellaneous expenses	(47,045)	-	(40,616)	-
Impairment loss (Notes 13 and 17)	<u>(66,457)</u>	<u>-</u>	<u>(95,894)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>316,129</u>	<u>2</u>	<u>1,108,622</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	2,582,949	14	622,230	4
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 26)	<u>(458,781)</u>	<u>(3)</u>	<u>14,820</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>2,124,168</u>	<u>11</u>	<u>637,050</u>	<u>4</u>

(Continued)

**SILERGY CORP.**  
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**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	\$ 2,153,505	12	\$ (65,839)	-
Remeasurement of defined benefit plans (Notes 4 and 22)	4,205	-	(844)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 31)	1,415	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>(378,534)</u>	<u>(2)</u>	<u>(325,486)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,780,591</u>	<u>10</u>	<u>(392,169)</u>	<u>(2)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>				
	<u>\$ 3,904,759</u>	<u>21</u>	<u>\$ 244,881</u>	<u>2</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 2,286,178	13	\$ 746,004	5
Non-controlling interests	<u>(162,010)</u>	<u>(1)</u>	<u>(108,954)</u>	<u>(1)</u>
	<u>\$ 2,124,168</u>	<u>12</u>	<u>\$ 637,050</u>	<u>4</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ 4,034,275	22	\$ 361,495	3
Non-controlling interests	<u>(129,516)</u>	<u>(1)</u>	<u>(116,614)</u>	<u>(1)</u>
	<u>\$ 3,904,759</u>	<u>21</u>	<u>\$ 244,881</u>	<u>2</u>
<b>EARNINGS PER SHARE (Note 27)</b>				
Basic	<u>\$5.95</u>		<u>\$1.96</u>	
Diluted	<u>\$5.79</u>		<u>\$1.89</u>	

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

(Concluded)

**SILERGY CORP.**  
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**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity (Note 28)					Non-controlling Interests (Note 12)	Total Equity	
	Ordinary Share (Note 23)	Capital Surplus (Notes 23 and 28)	Retained Earnings (Note 23)			Exchange Differences on Translating Foreign Operations	Unrealized Gains or Losses on Investments at Fair Value Through Comprehensive Income	Unearned Employee Benefits	Total Other Equity	Treasury Shares (Note 23)	Total			
			Legal Reserve	Special Reserve	Unappropriated Earnings									Total Retained Earnings
BALANCE AT JANUARY 1, 2023	\$ 953,900	\$ 10,946,900	\$ 996,568	\$ 1,461,963	\$ 17,103,077	\$ 19,561,608	\$ (213,051)	\$ -	\$ (486,073)	\$ (699,124)	\$ -	\$ 30,763,284	\$ 728,770	\$ 31,492,054
Appropriation of the 2022 earnings	-	-	-	(1,248,912)	1,248,912	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(1,248,912)	1,248,912	-	-	-	-	-	-	-	-	-
Cash dividends distributed by Silergy Corp.	-	-	-	-	(1,710,741)	(1,710,741)	-	-	-	-	-	(1,710,741)	-	(1,710,741)
	-	-	-	(1,248,912)	(461,829)	(1,710,741)	-	-	-	-	-	(1,710,741)	-	(1,710,741)
Changes in percentage of ownership interests in subsidiaries	-	21,939	-	-	-	-	-	-	-	-	-	21,939	(21,939)	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	3,441	-	-	-	-	-	-	-	-	-	3,441	-	3,441
Recognition compensation cost of employee share options by Silergy Corp.	-	1,062,715	-	-	-	-	-	-	-	-	-	1,062,715	-	1,062,715
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	746,004	746,004	-	-	-	-	-	746,004	(108,954)	637,050
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(844)	(844)	(383,665)	-	-	(383,665)	-	(384,509)	(7,660)	(392,169)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	745,160	745,160	(383,665)	-	-	(383,665)	-	361,495	(116,614)	244,881
Issue of ordinary shares under employee share options	6,209	315,025	-	-	-	-	-	-	-	-	-	321,234	-	321,234
Issue of restricted shares of stock and recognition of related compensation cost	389	57,562	-	-	-	-	-	-	46,496	46,496	-	104,447	-	104,447
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	22,488	22,488
BALANCE AT DECEMBER 31, 2023	960,498	12,407,582	996,568	213,051	17,386,408	18,596,027	(596,716)	-	(439,577)	(1,036,293)	-	30,927,814	612,705	31,540,519
Appropriation of the 2023 earnings	-	-	-	383,665	(383,665)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	383,665	(383,665)	-	-	-	-	-	-	-	-	-
Cash dividends distributed by Silergy Corp.	-	-	-	-	(751,316)	(751,316)	-	-	-	-	-	(751,316)	-	(751,316)
	-	-	-	383,665	(1,134,981)	(751,316)	-	-	-	-	-	(751,316)	-	(751,316)
Changes in percentage of ownership interests in subsidiaries	-	(23,681)	-	-	-	-	-	-	-	-	-	(23,681)	23,681	-
Changes in capital surplus from investments in associates accounted for using the equity method	-	(18,991)	-	-	-	-	-	-	-	-	-	(18,991)	-	(18,991)
Recognition compensation cost of employee share options by Silergy Corp.	-	847,873	-	-	-	-	-	-	-	-	-	847,873	-	847,873
Net profit (loss) for the year ended December 31, 2024	-	-	-	-	2,286,178	2,286,178	-	-	-	-	-	2,286,178	(162,010)	2,124,168
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	4,205	4,205	1,742,477	1,415	-	1,743,892	-	1,748,097	32,494	1,780,591
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,290,383	2,290,383	1,742,477	1,415	-	1,743,892	-	4,034,275	(129,516)	3,904,759
Issue of ordinary shares under employee share options	8,740	494,081	-	-	-	-	-	-	-	-	-	502,821	-	502,821
Issue of restricted shares of stock and recognition of related compensation cost	412	65,676	-	-	-	-	-	-	(137,640)	(137,640)	-	(71,552)	-	(71,552)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(239,746)	(239,746)	-	(239,746)
Cancellation of restricted employee shares	(1,068)	(255,991)	-	-	-	-	-	-	257,059	257,059	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 968,582	\$ 13,516,549	\$ 996,568	\$ 596,716	\$ 18,541,810	\$ 20,135,094	\$ 1,145,761	\$ 1,415	\$ (320,158)	\$ 827,018	\$ (239,746)	\$ 35,207,497	\$ 506,870	\$ 35,714,367

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

**SILERGY CORP.**  
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**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,582,949	\$ 622,230
Adjustments for:		
Expected credit loss (gain on reversal) recognized on trade receivables	1,164	(4,252)
Net loss (gain) on financial instruments at fair value through profit or loss	443,599	(122,281)
Depreciation expenses	511,764	511,144
Amortization expenses	201,734	212,758
Interest income	(548,334)	(638,552)
Dividend income	(84,528)	(360,702)
Interest expenses	16,458	2,540
Compensation cost of employee share options	847,873	1,062,715
(Reversal) recognition compensation cost of restricted employee shares	(71,552)	104,447
Share of loss of associates	149,392	163,023
Loss (gain) on disposal of property, plant and equipment	4,395	(15,840)
Realized gains on disposal of intangible assets	(17,426)	(17,094)
Gain on disposal of investments accounted for using equity method	(7,301)	-
Write-down of inventories	19,984	998,991
Unrealized loss (gain) on foreign currency exchange	7,789	(424)
Impairment loss of goodwill	43,710	95,894
Impairment loss of investments accounted for using equity method	22,747	-
Loss on lease modification	14	-
Changes in operating assets and liabilities		
Increase in accounts receivable	(682,805)	(160,824)
Decrease (increase) in other receivables	327,674	(32,206)
(Increase) decrease in inventories	(1,135,410)	1,982,892
(Increase) decrease in other current assets	(425,882)	83,344
Increase in defined benefit assets - non-current	(1,653)	-
(Increase) decrease in refundable deposits	(21,413)	108,948
Increase (decrease) in accounts payable	63,749	(113,149)
Increase (decrease) in accounts payable - related parties	12,651	(1,117)
Increase (decrease) in other payables	791,384	(137,821)
Increase in other current liabilities	4,499	7,134
Increase in defined benefit liabilities - non-current	1,303	484
Decrease in guarantee deposits	(621,501)	(664,556)
Cash generated from operations	2,437,027	3,687,726
Interest received	628,762	565,251
Interest paid	(14,417)	(2,540)
Income tax paid	(508,917)	(377,126)
Net cash generated from operating activities	<u>2,542,455</u>	<u>3,873,311</u>

(Continued)

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (491,306)	\$ -
Purchase of financial assets at amortized cost	(1,584,178)	(5,728,588)
Proceeds from sale of financial assets at amortized cost	3,127,461	2,425,193
Purchase of financial assets at fair value through profit or loss	(132,289)	(336,749)
Proceeds from capital reduction of financial assets at fair value through profit or loss	103,127	-
Purchase of investments accounted for using the equity method	-	(132,459)
Acquisition of property, plant and equipment	(2,096,576)	(1,120,818)
Proceeds from disposal of property, plant and equipment	4,945	155,693
Increase in refundable deposits	(19,769)	(8,906)
Payments for intangible assets	(103,216)	(85,673)
Payments for right-of-use assets	-	(65,983)
Increase in prepayments for equipment	(48,883)	(35,531)
Cash dividends received	<u>84,528</u>	<u>360,702</u>
Net cash used in investing activities	<u>(1,156,156)</u>	<u>(4,573,119)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	577,947	160,403
Increase in long-term borrowings	1,136,357	-
Increase in guarantee deposits	11,374	25,841
Repayment of the principal portion of lease liabilities	(95,289)	(66,816)
Cash dividends paid	(752,693)	(1,721,681)
Proceeds from exercise of employee share options	502,821	321,234
Treasury shares acquired	(239,746)	-
Partial disposal of interests in subsidiary without a loss of control	<u>-</u>	<u>22,488</u>
Net cash generated from (used in) financing activities	<u>1,140,771</u>	<u>(1,258,531)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>981,068</u>	<u>(290,929)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	3,508,138	(2,249,268)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	<u>12,694,412</u>	<u>14,943,680</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	<u>\$ 16,202,550</u>	<u>\$ 12,694,412</u>

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

(Concluded)

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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**1. GENERAL INFORMATION**

Silergy Corp. (“Silergy”) was incorporated as a limited company under the Company Act of the Cayman Islands on February 7, 2008. Silergy Corp. and its subsidiaries (collectively, the “Group”) mainly design, develop, and sell various integrated circuit products and provide related technical services.

Silergy’s shares have been listed on the Taiwan Stock Exchange since December 2013.

The functional currency of Silergy is the U.S. dollar. However, for greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars, since Silergy’s shares are listed on the Taiwan Stock Exchange.

**2. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the board of directors on March 12, 2025.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### **b. Basis of preparation**

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

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

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

##### **c. Classification of current and non-current assets and liabilities**

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;

- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 12 and Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments is remeasured at fair value at the end of subsequent reporting period with any gain or loss recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of Silergy and its foreign operations (including subsidiaries, associates or branches in other countries) that are prepared using functional currencies that are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period, and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of Silergy and non-controlling interests as appropriate. The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Company from functional currencies to the presentation currency, are not subsequently reclassified to profit or loss.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners are reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

When the Group's share of losses from an associate equals its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Property, plant and equipment in the course of construction are measured at cost. The cost includes professional fees. Such assets are depreciated and classified into the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases are initially measured at cost. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment and right-of-use assets to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

1. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use assets, investment properties, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit-impaired on purchase or origination but has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and operating lease receivables.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and operating lease receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of Silergy's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

o. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of integrated circuit products. Sales of integrated circuit products are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the provision of services based on contracts. The Company recognizes revenue on the basis of percentage of completion for its contracts.

p. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note j for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Rereasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Share-based payment arrangements

The fair value at the grant date of the employee share options or restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options or other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are vested immediately.

When restricted shares for employees are issued, other equity - unearned employee benefits are recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options or capital surplus - restricted shares for employees.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. A deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred taxes are also recognized in other comprehensive income.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Material Accounting Judgements**

- Significant influence over associates

The Group, the single largest shareholder with less than 50% of the voting rights on the investee, does not have control but has significant influence over the investee.

As stated in Note 13, the Group is the single largest shareholder with 44.32% of the voting rights in Winsheng Material Technology Co., Ltd. (WMT). Considering the size of the Group's holding of voting rights relative to the size and not widely dispersed holdings of the other shareholders, the Group cannot direct the relevant activities of and does not have control over WMT. Consequently, the Group considered and classified WMT as an associate by virtue of the Company's ability to exercise significant influence over WMT.

### **Key Sources of Estimation Uncertainty**

#### a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Write-down of inventory

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

c. Fair value measurements and valuation processes

Where some of the Group's assets and liabilities measured at fair value have no quoted prices in active markets, the Group determines the appropriate valuation techniques for the fair value measurements and whether to engage third party qualified valuers.

Where Level 1 inputs are not available, the Group or engaged valuers determine the appropriate inputs by referring to the analyses of the financial position and the operation results of the investees, recent transaction prices, prices of the same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, and valuation multiples of comparable entities. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly.

The Group updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information on the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Notes 7, 8 and 31.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash on hand	\$ 187	\$ 234
Checking accounts and demand deposits	7,957,380	9,851,538
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>8,244,983</u>	<u>2,842,640</u>
	<u>\$ 16,202,550</u>	<u>\$ 12,694,412</u>

Interest rate ranges for bank deposits on the balance sheet date were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Deposits	0.00%-4.80%	0.00%-5.40%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets - non-current</u>		
Non-derivative financial assets		
Unlisted limited partnerships (a)		
Shenzhen Anchuang Technology Equity Investment Partnership (Limited Partnership) (“Anchuang”)	\$ 15,243	\$ 26,011
Ningbo Meishan Bonded Port Area Anchuang Growth Equity Investment Partnership L.P. (“Ningbo Anchuang”)	79,814	75,866
Zhenjiang Puhe Equity Investment Fund Partnership (Limited Partnership) (“Puhe”)	45,608	43,352
Hefei Kangtong Equity Investment Partnership (Limited Partnership) (“Kangtong”) (b)	-	28,427
Alphatecture Venture Fund Limited Partnership (“Alphatecture”)	137,520	238,898
Yiwu Huaxin Yuanjing Venture Investment Center L.P. (“Huaxin”)	125,420	130,056
Hangzhou Xinling Enterprise Management Partnership L.P. (“Xinling”)	142,917	135,847
Hefei Walden II IC Industry Investment Partnership L.P. (“Walden”)	610,915	612,749
Shenzhen Juyuan Xinchuang Capital Fund, LLP (“Juyuan Xinchuang”)	364,866	260,113
Guangzhou Huaxin Shengjing Venture Capital Center (Limited Partnership) (“Guangzhou Huaxin”)	136,825	91,039
Xiamen Jianda Guili Equity Partners LLP (“Guili”)	159,629	151,732
Hangzhou Xinruiwei Equity Investment Partnership (Limited Partnership) (“Xinruiwei”)	-	-
Hangzhou Huaxin Yunkai Equity Investment Partnership (Limited Partnership) (“Yunkai”)	136,825	130,056
Suzhou Juyuan Zhenxin Capital Fund, LLP. (“Juyuan Zhenxin”)	319,257	303,465
Hangzhou Zhitong Enterprise Management Partnership L.P. (“Zhitong”)	159,629	151,732
Hangzhou Haibang Shurui Equity Investment Partnership Enterprise (Limited Partnership) (“Haibang”)	31,926	30,347
Wuxi Huaxin Semiconductor Partnership (L.P.) (“Wuxi Huaxin”)	-	-
Unlisted companies		
Hangzhou Hualan Microelectronic Co., Ltd. (“Hualan”)	41,141	45,981
Calterah Semiconductor Technology (Shanghai) Co., Ltd. (“Calterah”)	57,437	147,406
Powerland Technology Inc. (“Powerland”)	388,304	349,087
Shanghai Geometrical Perception and Learning Co., Ltd. (“Geometrical”)	95,613	80,038
Zhejiang Sentronic Semiconductor Co., Ltd. (“Sentronic”) (c)	145,259	192,197
Hangzhou Einno Semiconductor Co., Ltd. (“Einno”)	47,641	49,737
Chengdu Analog Circuit Technology Inc. (ACTT)	182,273	227,510
Fujian Baicheng New Energy Technology Co., Ltd. (“Baicheng”)	81,823	90,468
AIStorm, Inc. (“AIStorm”)	4,861	23,830
Enovate3D (Hangzhou) Technology Co., Ltd. (“Enovate3D”)	130,364	157,648

(Continued)

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Zhejiang Hexin Semiconductor Co., Ltd. (“Hexin”)	\$ 192,941	\$ 208,174
Hangzhou Xight Semi-conductor Technology Co., Ltd. (“Xight”)	9,782	15,677
Sichuan ZILLNK Technology Co., Ltd (“ZILLNK”)	114,997	125,337
JT Microelectronics (Shenzhen) Co., Ltd. (Note 13)	<u>24,550</u>	<u>-</u>
	<u>\$ 3,983,380</u>	<u>\$ 4,122,780</u>

(Concluded)

- a. Partnership affairs are performed by the general partner, and the Group is a limited partner who only has the right to share profit and does not have the ability to influence the relevant activities, so it does not have significant influence over the limited partnerships.
- b. The liquidation procedure of Hefei Kangtong Equity Investment Partnership (Limited Partnership) was completed in June 2024.
- c. In April 2020, Hangzhou Silergy signed an investment agreement with Sentronic to subscribe capital for RMB39,744 thousand. In November 2020, Hangzhou Silergy subscribed another capital for RMB31,350 thousand. As of December 31, 2024, Hangzhou Silergy had paid RMB71,094 thousand, and the paid capital contribution accounted for 23.169% of the paid-in capital. Pursuant to the articles of incorporation of Sentronic, the voting rights were determined on the basis of a percentage of capital commitment. Hangzhou Silergy had a capital commitment of 18.611% in Sentronic, and thus Hangzhou Silergy does not have significant influence over Sentronic.
- d. On November 21, 2024, the Group’s board of directors planned that Hangzhou Silergy will invest in Hangzhou Sizhi Tiancheng Equity Investment Partnership. In January 2025, Hangzhou Silergy signed the partner agreement with the advisor of Sizhi Tiancheng to subscribe capital for RMB2,250,000 thousand, with the paid capital contribution accounting for 45% of the total subscribed amount. As of March 12, 2025, the actual capital contribution has yet to be made.

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

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI		
Listed shares		
InnoScience (Suzhou) Technology Holding Co., Ltd.	\$ <u>492,721</u>	\$ <u>-</u>

In December 2024, the Group invested the ordinary shares of InnoScience (Suzhou) Technology Holding Co., Ltd. for \$14,986 thousand for medium to long-term strategic purposes; the management designated these investments as at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 4,338,523	\$ 5,728,588
Bank deposit for specified purpose	<u>68,426</u>	<u>-</u>
	<u>\$ 4,406,949</u>	<u>\$ 5,728,588</u>
Interest rate range of time deposits	1.55%-7.25%	2.80%-5.52%

## 10. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 2,462,256	\$ 1,785,580
Less: Allowance for impairment loss	<u>(1,869)</u>	<u>(641)</u>
	<u>\$ 2,460,387</u>	<u>\$ 1,784,939</u>
<u>Other receivables</u>		
Interest receivables	\$ 30,516	\$ 110,945
Rent receivables	11,108	10,110
Discount receivables	-	337,526
Share receivables	-	19,509
Others	<u>60,071</u>	<u>52,002</u>
	<u>\$ 101,695</u>	<u>\$ 530,092</u>

### Accounts Receivable

The average credit period of sales of goods is 30-90 days. Due to the short average credit period of sales of goods, no interest was charged on trade receivables.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated with reference to the past default records of the debtor and an analysis of the debtor's current financial position and general economic conditions of the industry in which the debtors operate. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The following table details the loss allowance of accounts receivable:

December 31, 2024

	<b>Not Past Due</b>	<b>1 to 60 Days Past Due</b>	<b>61 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 180 Days Past Due</b>	<b>Total</b>
Gross carrying amount	\$ 2,199,972	\$ 254,857	\$ 5,305	\$ 784	\$ 1,338	\$ 2,462,256
Loss allowance (Lifetime ECLs)	<u>(128)</u>	<u>(155)</u>	<u>(194)</u>	<u>(54)</u>	<u>(1,338)</u>	<u>(1,869)</u>
Amortized cost	<u>\$ 2,199,844</u>	<u>\$ 254,702</u>	<u>\$ 5,111</u>	<u>\$ 730</u>	<u>\$ -</u>	<u>\$ 2,460,387</u>

December 31, 2023

	<b>Not Past Due</b>	<b>1 to 60 Days Past Due</b>	<b>61 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 180 Days Past Due</b>	<b>Total</b>
Gross carrying amount	\$ 1,635,038	\$ 145,997	\$ 4,545	\$ -	\$ -	\$ 1,785,580
Loss allowance (Lifetime ECLs)	<u>(480)</u>	<u>(149)</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(641)</u>
Amortized cost	<u>\$ 1,634,558</u>	<u>\$ 145,848</u>	<u>\$ 4,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,784,939</u>

The movements of the loss allowance of accounts receivable were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 641	\$ 4,846
Impairment (reversed) loss recognized on receivables	1,164	(4,252)
Foreign exchange gains and losses	<u>64</u>	<u>47</u>
Balance at December 31	<u>\$ 1,869</u>	<u>\$ 641</u>

## 11. INVENTORIES

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Finished goods	\$ 867,145	\$ 764,065
Work in progress	1,259,579	810,880
Raw materials	<u>727,672</u>	<u>242,225</u>
	<u>\$ 2,854,396</u>	<u>\$ 1,817,170</u>

The cost of goods sold for the years ended December 31, 2024 and 2023 was \$8,518,673 thousand and \$8,847,896 thousand, respectively. The cost of goods sold included inventory write-downs of \$19,984 thousand and \$998,991 thousand for the years ended December 31, 2024 and 2023, respectively.

## 12. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership		Remark
			2024	2023	
Silergy Corp. ("Silergy")	Silergy Technology ("TECH")	Development, design and sales of power management ICs	100.00%	100.00%	-
	Silergy Semiconductor Technology (Hangzhou) Co., Ltd ("Hangzhou Silergy")	Development, design and sales of electronic components, and related technical services	100.00%	100.00%	-
	Silergy Semiconductor (Samoa) Limited ("Silergy Samoa")	Holding company	100.00%	100.00%	-
	Silergy Semiconductor (Hong Kong) Limited ("HK Silergy")	Holding company	100.00%	100.00%	1)
	Silicon Prospect Investment Limited ("Silicon Prospect")	Holding company	100.00%	100.00%	-
Hangzhou Silergy	Nanjing Silergy Micro Technology Co., Ltd. ("Nanjing Silergy Micro")	Development, design and sales of electronic components	63.83%	63.83%	2)
	Xian Silergy Semiconductor Technology Co., Ltd. ("Xian Silergy")	Development, design and sales of electronic components	100.00%	100.00%	-
	Chengdu Silergy Semiconductor Technology Co., Ltd. ("Chengdu Silergy")	Development and design of electronic components	100.00%	100.00%	-
	Shanghai Silergy Semiconductor Technology Co., Ltd. ("Shanghai Silergy")	Development and design of electronic components	49.00%	49.00%	3)
	Hefei Silergy Semiconductor Technology Co., Ltd. ("Hefei Silergy")	Development, design and sales of electronic components	100.00%	100.00%	4)
	Hangzhou Silergy Test Technology Co., Ltd. ("Hangzhou Silergy Test")	Testing of electronic components, integrated circuits, semiconductors and electronic products	100.00%	100.00%	5)
	Xiamen Silergy Semiconductor Technology Co., Ltd. ("Xiamen Silergy")	Development, design and sales of electronic components	100.00%	100.00%	6)
Silergy Samoa	Silergy Technology (Taiwan) Inc. ("Taiwan Silergy")	Development, design and sales of electronic components	100.00%	100.00%	-
	Silergy Technologies Private Limited ("India")	Development, design and sales of electronic components	100.00%	100.00%	-
	Silergy Korea Limited ("Korea")	Development, design and sales of electronic components	100.00%	100.00%	-
Hong Kong Silergy	Silergy Semiconductor (Macau) Limited ("Macau Silergy")	Development and design of electronic components	100.00%	100.00%	-
Nanjing Silergy Micro	Shanghai Silergy Microelectronics Technology Co., Ltd. ("Shanghai Silergy Micro")	Development and design of electronic components	100.00%	100.00%	-
	Nanjing Silergy Micro (HK) Co., Limited ("Nanjing Silergy (HK)")	Development, design and sales of electronic components	100.00%	100.00%	-
	Guangdong Silergy Micro Technology Co., Ltd ("Guangdong Silergy Micro")	Development, design and sales of electronic components	100.00%	100.00%	7)

#### Remarks:

- 1) Silergy injected capital into HK Silergy at US\$500 thousand in January 2024.
- 2) In October 2022, the Group's board of directors resolved to implement a cash capital increase. As of December 31, 2024, the uncollected capital increase, which amounted to RMB42,500 thousand, was recorded as long-term receivables.
- 3) On January 11, 2023, Hangzhou Silergy disposed of 51% of the equity for RMB5,100 thousand. After the disposal, Hangzhou Silergy's proportion of ownership decreased from 100% to 49%. Pursuant to the articles of incorporation of Shanghai Silergy, the Group determined that it still has control over Shanghai Silergy and, consequently, classified Shanghai Silergy as a subsidiary.
- 4) In May 2023, Hangzhou Silergy had remitted RMB20,000 thousand.
- 5) In June 2023, May 2024 and November 2024, Hangzhou Silergy had remitted RMB50,000 thousand, RMB50,000 thousand and RMB50,000 thousand, respectively. On December 19, 2024, pursuant to a resolution of the board of directors, Hangzhou Silergy will remit RMB150,000 thousand into Hangzhou Silergy Test. As of December 31, 2024, the capital of Hangzhou Silergy had not yet been remitted.

- 6) In May 2023, Hangzhou Silergy set up Xiamen Silergy. In May 2023, July 2023 and September 2023, Hangzhou Silergy had remitted RMB1,000 thousand, RMB4,000 thousand and RMB5,000 thousand, respectively.
- 7) In August 2023, Nanjing Silergy set up Guangdong Silergy Micro. In September 2024, Nanjing Silergy had remitted RMB2,000 thousand.
- b. Subsidiaries excluded from the consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2024	2023
Nanjing Silergy Micro	36.17%	36.17%

Refer to Table 7 for information on the places of incorporation and principal places of business.

Name of Subsidiary	Loss Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2024	2023	2024	2023
	Nanjing Silergy Micro	<u>\$ (149,299)</u>	<u>\$ (112,640)</u>	<u>\$ 530,107</u>

The summarized financial information below represents amounts before intragroup eliminations.

Nanjing Silergy Micro and subsidiaries

	December 31	
	2024	2023
Current assets	\$ 1,199,570	\$ 1,014,001
Non-current assets	2,001,484	1,365,806
Current liabilities	(1,454,386)	(604,855)
Non-current liabilities	<u>(281,063)</u>	<u>(53,703)</u>
Equity	<u>\$ 1,465,605</u>	<u>\$ 1,721,249</u>
Equity attributable to:		
Owners of Nanjing Silergy Micro	\$ 935,498	\$ 1,098,676
Non-controlling interests of Nanjing Silergy Micro	<u>530,107</u>	<u>622,573</u>
	<u>\$ 1,465,605</u>	<u>\$ 1,721,249</u>

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Revenue	\$ 1,930,551	\$ 2,079,484
Loss/total comprehensive loss for the year	\$ (412,772)	\$ (311,420)
Loss/total comprehensive loss attributable to:		
Owners of Nanjing Silergy Micro	\$ (263,473)	\$ (198,780)
Non-controlling interests of Nanjing Silergy Micro	(149,299)	(112,640)
	<u>\$ (412,772)</u>	<u>\$ (311,420)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 335,913	\$ 57,587
Investing activities	(622,617)	(373,225)
Financing activities	779,355	156,565
Net cash inflow (outflow)	<u>\$ 492,651</u>	<u>\$ (159,073)</u>

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Investments in associates</u>		
Material associates		
Hefei SMAT Technology Co., Ltd. (“SMAT”)	\$ 405,199	\$ 407,298
Winsheng Material Technology Co., Ltd. (“WMT”)	108,041	215,044
Associates that are not individually material		
Wuxin (Shanghai) Semiconductor Technology Co., Ltd. (“Shanghai Wuxin”)	146,605	147,257
Zhuhai Hengqin Accu-Rate Technology Co., Ltd. (“Accu-Rate”)	127,611	129,158
JT Microelectronics (Shenzhen) Co., Ltd. (“JT”)	-	42,418
	<u>\$ 787,456</u>	<u>\$ 941,175</u>

#### a. Material associates

Company Name	Nature of Activities	Principal Places of Business	Proportion of Ownership and Voting Rights	
			December 31, 2024	December 31, 2023
Unlisted companies				
Hefei SMAT Technology Co., Ltd. (“SMAT”)	Developing and manufacturing vehicles and IOT	China	38.29%	38.29%
Winsheng Material Technology Co., Ltd. (“WMT”)	Manufacturing and selling electronic components	Taiwan	44.32%	44.46%

The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

SMAT

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current assets	\$ 434,619	\$ 354,365
Non-current assets	1,124,726	1,345,918
Current liabilities	(430,751)	(519,571)
Non-current liabilities	<u>(24,400)</u>	<u>(29,568)</u>
Equity	<u>\$ 1,104,194</u>	<u>\$ 1,151,144</u>
Proportion of the Group's ownership	<u>38.29%</u>	<u>38.29%</u>
Equity attributable to the Group	\$ 422,821	\$ 440,799
Unrealized gain on disposal of intangible assets	<u>(17,622)</u>	<u>(33,501)</u>
Carrying amount	<u>\$ 405,199</u>	<u>\$ 407,298</u>

**For the Year Ended December 31**

	<b>2024</b>	<b>2023</b>
Operating revenue	<u>\$ 692,734</u>	<u>\$ 621,193</u>
Net loss for the year	<u>\$ (105,664)</u>	<u>\$ (219,152)</u>

WMT

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current assets	\$ 120,075	\$ 247,135
Non-current assets	169,430	213,958
Current liabilities	(43,217)	(26,572)
Non-current liabilities	<u>(2,514)</u>	<u>(2,476)</u>
Equity	<u>\$ 243,774</u>	<u>\$ 432,045</u>
Proportion of the Group's ownership	<u>44.32%</u>	<u>44.46%</u>
Equity attributable to the Group	\$ 108,041	\$ 192,101
Goodwill	-	15,786
Other intangible assets	<u>-</u>	<u>7,157</u>
Carrying amount	<u>\$ 108,041</u>	<u>\$ 215,044</u>

**For the Year Ended December 31**

	<b>2024</b>	<b>2023</b>
Operating revenue	<u>\$ 18,090</u>	<u>\$ 21,195</u>
Net loss for the year	<u>\$ (186,668)</u>	<u>\$ (106,602)</u>

As of December 31, 2024, the carrying amount of the Group's equity investment in Winsheng Material Technology Co., Ltd. accounted for using the equity method was significantly higher than its market value based on its closing price on December 31, 2024. The Group conducted the impairment test on the equity investment by comparing its recoverable amount with its carrying amount. Based on the assessment, the recoverable amount of the Group's equity investment in Winsheng Material Technology Co., Ltd. was less than its carrying amount by \$22,747 thousand (on the basis of its value-in-use) as of December 31, 2024, then an impairment loss of investment accounted for using the equity method was recognized as \$22,747 thousand in 2024.

b. Associates that are not individually material

In 2023, Hangzhou Silergy subscribed for 35% of the equity of Wuxin (Shanghai) using machinery and equipment worth RMB32,500 thousand and the cash for RMB2,500 thousand.

In September 2024, Hangzhou Silergy resigned from its position as a board member of JT Microelectronics (Shenzhen) Co., Ltd. ("JT"). Since Hangzhou Silergy no longer held significant influence over JT, the investment was reclassified as financial assets at fair value through profit or loss - non-current, and a gain from disposal of investment of NT\$7,301 thousand was recognized. Refer to Note 7 for the details.

Refer to Tables 6 and 7 for the nature of activities, principal places of business and countries of incorporation of the associates.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income or loss of those investments were calculated based on the associates' audited financial statements for the same period as the Group.

#### 14. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Office Equipment	Leasehold Improvements	Construction in Progress	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 1,202,752	\$ 1,398,785	\$ 269,767	\$ 51,773	\$ 622,354	\$ 3,545,431
Additions	4,091	574,954	40,956	10,861	1,462,615	2,093,477
Disposals	-	(1,802)	(9,613)	(5,610)	-	(17,025)
Reclassification	53,536	10,349	20	-	-	63,905
Effect of foreign currency exchange differences	60,331	78,461	13,457	1,986	48,895	203,130
Balance at December 31, 2024	<u>\$ 1,320,710</u>	<u>\$ 2,060,747</u>	<u>\$ 314,587</u>	<u>\$ 59,010</u>	<u>\$ 2,133,864</u>	<u>\$ 5,888,918</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2024	\$ 149,943	\$ 841,551	\$ 174,642	\$ 29,077	\$ -	\$ 1,195,213
Depreciation expense	35,259	292,758	52,914	8,474	-	389,405
Disposals	-	(681)	(5,976)	(1,028)	-	(7,685)
Reclassification	5,962	-	-	-	-	5,962
Effect of foreign currency exchange differences	8,049	45,413	7,969	1,068	-	62,499
Balance at December 31, 2024	<u>\$ 199,213</u>	<u>\$ 1,179,041</u>	<u>\$ 229,549</u>	<u>\$ 37,591</u>	<u>\$ -</u>	<u>\$ 1,645,394</u>
Carrying amount at December 31, 2024	<u>\$ 1,121,497</u>	<u>\$ 881,706</u>	<u>\$ 85,038</u>	<u>\$ 21,419</u>	<u>\$ 2,133,864</u>	<u>\$ 4,243,524</u>

(Continued)

	<b>Buildings</b>	<b>Machinery and Equipment</b>	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Construction in Progress</b>	<b>Total</b>
<u>Cost</u>						
Balance at January 1, 2023	\$ 1,141,017	\$ 1,294,805	\$ 217,956	\$ 35,109	\$ 19,053	\$ 2,707,940
Additions	15,817	243,194	56,782	17,301	631,513	964,607
Disposals	-	(177,653)	(1,642)	(230)	-	(179,525)
Reclassification	65,823	61,019	829	-	(15,531)	112,140
Effect of foreign currency exchange differences	(19,905)	(22,580)	(4,158)	(407)	(12,681)	(59,731)
Balance at December 31, 2023	<u>\$ 1,202,752</u>	<u>\$ 1,398,785</u>	<u>\$ 269,767</u>	<u>\$ 51,773</u>	<u>\$ 622,354</u>	<u>\$ 3,545,431</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ 112,725	\$ 577,294	\$ 132,555	\$ 22,753	\$ -	\$ 845,327
Depreciation expense	34,123	316,240	45,987	6,745	-	403,095
Disposals	-	(37,901)	(1,541)	(230)	-	(39,672)
Reclassification	5,723	-	-	-	-	5,723
Effect of foreign currency exchange differences	(2,628)	(14,082)	(2,359)	(191)	-	(19,260)
Balance at December 31, 2023	<u>\$ 149,943</u>	<u>\$ 841,551</u>	<u>\$ 174,642</u>	<u>\$ 29,077</u>	<u>\$ -</u>	<u>\$ 1,195,213</u>
Carrying amount at December 31, 2023	<u>\$ 1,052,809</u>	<u>\$ 557,234</u>	<u>\$ 95,125</u>	<u>\$ 22,696</u>	<u>\$ 622,354</u>	<u>\$ 2,350,218</u>

(Concluded)

As of December 31, 2024, transfer of property rights of the buildings in Chengdu had not been completed due to local laws and regulations. The carrying amount of the buildings is RMB11,822 thousand. However, according to the agreement, relevant property rights of the Group are protected by law.

No impairment assessment was performed for the years ended December 31, 2024 and 2023 as there was no indication of impairment.

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

Buildings	35-50 years
Machinery and equipment	3-10 years
Office equipment	2-10 years
Leasehold improvements	2-5 years

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Carrying amount</u>		
Land	\$ 584,193	\$ 565,907
Buildings	<u>241,979</u>	<u>271,852</u>
	<u>\$ 826,172</u>	<u>\$ 837,759</u>

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	\$ <u>55,707</u>	\$ <u>322,952</u>
Depreciation charge for right-of-use assets		
Land	\$ 12,140	\$ 11,509
Buildings	97,824	82,139
Machinery and equipment	<u>-</u>	<u>958</u>
	<u>\$ 109,964</u>	<u>\$ 94,606</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant impairment of right-of-use assets during the 12 months ended December 31, 2024 and 2023.

The Group built their headquarters on leasehold land located in Hangzhou and plans to sublease part of the office space under operating leases. The related land use rights are presented as investment properties as set out in Note 16. The amounts disclosed above related to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Current	\$ <u>101,934</u>	\$ <u>84,538</u>
Non-current	\$ <u>162,024</u>	\$ <u>205,476</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Buildings	1.75%-5.41%	1.81%-5.41%
Machinery and equipment	-	1.88%

c. Material lease activities and terms

The Group also leases machinery and equipment for the use of research and development with lease terms of 1 years. The Group does not have purchase options for lease arrangements at the end of the lease terms.

The Group also leases land and buildings for the plants and offices with lease terms of 1 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 63,143</u>	<u>\$ 55,685</u>
Total cash outflow for leases	<u>\$ (164,536)</u>	<u>\$ (125,038)</u>

The Group's leases of certain land and buildings qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INVESTMENT PROPERTIES

	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2024	\$ 575,580	\$ 16,093	\$ 591,673
Reclassification to property, plant and equipment	(53,536)	-	(53,536)
Reclassification to right-of-use assets	-	(1,221)	(1,221)
Effects of foreign currency exchange differences	<u>29,348</u>	<u>824</u>	<u>30,172</u>
Balance at December 31, 2024	<u>\$ 551,392</u>	<u>\$ 15,696</u>	<u>\$ 567,088</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 52,394	\$ 1,575	\$ 53,969
Depreciation expense	12,056	339	12,395
Reclassification to property, plant and equipment	(5,962)	-	(5,962)
Reclassification to right-of-use assets	-	(121)	(121)
Effects of foreign currency exchange differences	<u>2,795</u>	<u>84</u>	<u>2,879</u>
Balance at December 31, 2024	<u>\$ 61,283</u>	<u>\$ 1,877</u>	<u>\$ 63,160</u>
Carrying amount at December 31, 2024	<u>\$ 490,109</u>	<u>\$ 13,819</u>	<u>\$ 503,928</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 633,720	\$ 17,563	\$ 651,283
Reclassification to property, plant and equipment	(48,444)	-	(48,444)
Reclassification to right-of-use assets	-	(1,198)	(1,198)
Effects of foreign currency exchange differences	<u>(9,696)</u>	<u>(272)</u>	<u>(9,968)</u>
Balance at December 31, 2023	<u>\$ 575,580</u>	<u>\$ 16,093</u>	<u>\$ 591,673</u>

(Continued)

	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 45,964	\$ 1,337	\$ 47,301
Depreciation expense	13,074	369	13,443
Reclassification to property, plant and equipment	(5,723)	-	(5,723)
Reclassification to right-of-use assets	-	(103)	(103)
Effects of foreign currency exchange differences	<u>(921)</u>	<u>(28)</u>	<u>(949)</u>
Balance at December 31, 2023	<u>\$ 52,394</u>	<u>\$ 1,575</u>	<u>\$ 53,969</u>
Carrying amount at December 31, 2023	<u>\$ 523,186</u>	<u>\$ 14,518</u>	<u>\$ 537,704</u> (Concluded)

Right-of-use assets included in investment properties refer to land located in Hangzhou, which the Group leased to build their headquarters, and planned to sublease part of their office space to others under operating leases.

The maturity analysis of lease payments receivable of investment properties leased under operating leases as of December 31, 2024 and 2023 was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Year 1	\$ 82,042	\$ 59,808
Year 2	57,748	54,158
Year 3	48,466	36,594
Year 4	27,960	34,377
Year 5	21,268	25,623
Over year 5	<u>40,177</u>	<u>58,209</u>
	<u>\$ 277,661</u>	<u>\$ 268,769</u>

Management was unable to reliably measure the fair value of investment properties located in Hangzhou and Xi'an, because the market for comparable properties in those areas is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair values of the investment properties are not reliably measurable.

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	35-46 years
Right-of-use assets	50 years

## 17. GOODWILL

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Cost</u>		
Balance at January 1	\$ 2,715,629	\$ 2,722,110
Effect of foreign currency exchange differences	<u>176,438</u>	<u>(6,481)</u>
Balance at December 31	<u>\$ 2,892,067</u>	<u>\$ 2,715,629</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 1,308,797	\$ 1,217,669
Impairment losses recognized	43,710	95,894
Effect of foreign currency exchange differences	<u>84,697</u>	<u>(4,766)</u>
Balance at December 31	<u>\$ 1,437,204</u>	<u>\$ 1,308,797</u>
Carrying amount at December 31	<u>\$ 1,454,863</u>	<u>\$ 1,406,832</u>

For the year ended December 31, 2024, the Group evaluated the goodwill generated from the acquisition of the power management related businesses and net assets of NXP B.V. (NXP) and recognized impairment losses on goodwill of \$43,710 thousand. The recoverable amount of NXP was US\$3,872 thousand, which was determined on the basis of the value in use and the discount rate of 15.6%. The main reason for the impairment loss was the lower-than-expected profitability of the related products.

## 18. OTHER INTANGIBLE ASSETS

	<b>Computer Software</b>	<b>Technical Know-how</b>	<b>Customer Relationships</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2024	\$ 342,819	\$ 520,498	\$ 1,219,074	\$ 2,082,391
Additions	92,869	10,347	-	103,216
Disposals	(6,026)	-	-	(6,026)
Reclassification	-	6,807	-	6,807
Effect of foreign currency exchange differences	<u>24,214</u>	<u>32,952</u>	<u>82,373</u>	<u>139,539</u>
Balance at December 31, 2024	<u>\$ 453,876</u>	<u>\$ 570,604</u>	<u>\$ 1,301,447</u>	<u>\$ 2,325,927</u>

(Continued)

	<b>Computer Software</b>	<b>Technical Know-how</b>	<b>Customer Relationships</b>	<b>Total</b>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 266,520	\$ 436,029	\$ 839,150	\$ 1,541,699
Amortization expenses	79,448	34,447	87,839	201,734
Disposals	(6,026)	-	-	(6,026)
Effect of foreign currency exchange differences	<u>19,316</u>	<u>28,185</u>	<u>58,508</u>	<u>106,009</u>
Balance at December 31, 2024	<u>\$ 359,258</u>	<u>\$ 498,661</u>	<u>\$ 985,497</u>	<u>\$ 1,843,416</u>
Carrying amount at December 31, 2024	<u>\$ 94,618</u>	<u>\$ 71,943</u>	<u>\$ 315,950</u>	<u>\$ 482,511</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 278,107	\$ 513,177	\$ 1,219,498	\$ 2,010,782
Additions	75,531	10,142	-	85,673
Disposals	(11,329)	-	-	(11,329)
Reclassification	2,082	-	-	2,082
Effect of foreign currency exchange differences	<u>(1,572)</u>	<u>(2,821)</u>	<u>(424)</u>	<u>(4,817)</u>
Balance at December 31, 2023	<u>\$ 342,819</u>	<u>\$ 520,498</u>	<u>\$ 1,219,074</u>	<u>\$ 2,082,391</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 208,280	\$ 404,604	\$ 732,898	\$ 1,345,782
Amortization expenses	70,688	33,970	108,100	212,758
Disposals	(11,329)	-	-	(11,329)
Effect of foreign currency exchange differences	<u>(1,119)</u>	<u>(2,545)</u>	<u>(1,848)</u>	<u>(5,512)</u>
Balance at December 31, 2023	<u>\$ 266,520</u>	<u>\$ 436,029</u>	<u>\$ 839,150</u>	<u>\$ 1,541,699</u>
Carrying amount at December 31, 2023	<u>\$ 76,299</u>	<u>\$ 84,469</u>	<u>\$ 379,924</u>	<u>\$ 540,692</u>

(Concluded)

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

Computer software	1-10 years
Technical know-how	6-10 years
Customer relationships	5-12 years

## 19. OTHER ASSETS

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Current</u>		
Prepayments to suppliers	\$ 294,249	\$ 124,836
Current tax assets	280,582	75,576
Prepaid expenses	30,872	24,512
Offset against business tax payable	268,435	60,580
Other prepayments	<u>52,347</u>	<u>12,283</u>
	<u>\$ 926,485</u>	<u>\$ 297,787</u>

## 20. BORROWINGS

### a. Short-term borrowings

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Unsecured borrowings</u>		
Bank loans	<u>\$ 746,698</u>	<u>\$ 160,403</u>

The ranges of interest rate for short-term borrowings were 2.70% to 2.80% per annum as of December 31, 2024 and 2023.

### b. Long-term borrowings

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Secured borrowings</u>		
Bank loans	<u>\$ 1,136,357</u>	<u>\$ -</u>

The Group has signed long-term loan contracts with the banks for the construction of factories and buildings, which are also guaranteed by the land and buildings. The ranges of interest rates were 2.60% to 3.20% per annum as of December 31, 2024, and the last repayment date of the contract is June 20, 2039.

## 21. OTHER PAYABLES AND LIABILITIES

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 1,487,014	\$ 749,950
Payables for contingent consideration*	42,743	40,017
Payables for remuneration of directors	13,533	14,286
Payables for property tax	10,383	8,737
Payables for equipment	3,958	7,051
Payables for dividends	2,216	3,593
Payables for interest	2,042	-
Payables for mask fees	777	2,643
Payables for business tax	2,992	2,525
Others	<u>281,944</u>	<u>228,086</u>
	<u>\$ 1,847,602</u>	<u>\$ 1,056,888</u>
Other liabilities		
Contract liabilities	\$ 19,286	\$ 21,927
Others	<u>28,194</u>	<u>21,054</u>
	<u>\$ 47,480</u>	<u>\$ 42,981</u>

\* In July 2019, the Group acquired a division of NewEdge Technologies, Inc. According to the contract, if the sales of certain products reach a certain amount during the contract period, the Group has to pay a certain amount of contingent consideration; after settlement, the amount was US\$1,303 thousand. However, the counterparty disagreed with the definition of specific items and filed an arbitration with the Shanghai International Economic and Trade Arbitration Commission in October 2023, which was still in progress as of the financial statements authorized for issue. The Company assessed that the outcome of the arbitration would not have a material impact on the related amount.

## 22. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

Silergy Technology (Taiwan) Inc. (originally named Integrated Crystal Technology Inc.) adopted a pension plan under the Labor Pension Act in Taiwan (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of Silergy's subsidiaries in China are members of retirement benefit plans operated by their respective governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Silergy's subsidiaries, branches and offices in other areas are required to contribute to the retirement benefit plans according to the relevant policies in their respective areas.

b. Defined benefit plans

Silergy Technology (Taiwan) Inc. adopted a defined benefit plan under the Labor Standards Act of Taiwan (LSA), under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. Silergy Technology (Taiwan) Inc. (originally named Integrated Crystal Technology Inc.) contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds (the "Bureau") under Taiwan's Ministry of Labor; the Group has no right to influence the Bureau's investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Present value of defined benefit obligation	\$ 1,432	\$ 5,643
Fair value of plan assets	<u>(3,085)</u>	<u>(2,741)</u>
Net defined benefit (assets) liabilities	<u>\$ (1,653)</u>	<u>\$ 2,902</u>

Movements in net defined benefit (assets) liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit (Assets) Liabilities</b>
Balance at January 1, 2024	\$ 5,643	\$ (2,741)	\$ 2,902
Service cost			
Current service cost	735	-	735
Net interest expense (income)	<u>71</u>	<u>(35)</u>	<u>36</u>
Recognized in profit or loss	<u>806</u>	<u>(35)</u>	<u>771</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(239)	(239)
Actuarial gain - experience adjustments	(4,820)	-	(4,820)
Actuarial gain - changes in financial assumptions	<u>(197)</u>	<u>-</u>	<u>(197)</u>
Recognized in other comprehensive income	<u>(5,017)</u>	<u>(239)</u>	<u>(5,256)</u>
Contributions from the employer	<u>-</u>	<u>(70)</u>	<u>(70)</u>
Balance at December 31, 2024	<u>\$ 1,432</u>	<u>\$ (3,085)</u>	<u>\$ (1,653)</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit (Assets) Liabilities</b>
Balance at January 1, 2023	\$ 3,935	\$ (2,572)	\$ 1,363
Service cost			
Current service cost	577	-	577
Net interest expense (income)	<u>66</u>	<u>(44)</u>	<u>22</u>
Recognized in profit or loss	<u>643</u>	<u>(44)</u>	<u>599</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(11)	(11)
Actuarial loss - experience adjustments	520	-	520
Actuarial loss - changes in financial assumptions	<u>545</u>	<u>-</u>	<u>545</u>
Recognized in other comprehensive income	<u>1,065</u>	<u>(11)</u>	<u>1,054</u>
Contributions from the employer	<u>-</u>	<u>(114)</u>	<u>(114)</u>
Balance at December 31, 2023	<u>\$ 5,643</u>	<u>\$ (2,741)</u>	<u>\$ 2,902</u> (Concluded)

Through the defined benefit plans under the LSA in Taiwan, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rate	1.51%	1.26%
Expected rate of salary increase	2.50%	3.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will decrease/increase as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Discount rate		
0.5% increase	<u>\$ (94)</u>	<u>\$ (352)</u>
0.5% decrease	<u>\$ 102</u>	<u>\$ 379</u>
Expected rate of salary increase		
0.5% increase	<u>\$ 99</u>	<u>\$ 367</u>
0.5% decrease	<u>\$ (92)</u>	<u>\$ (345)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Expected contributions to the plan for the next year	<u>\$ 72</u>	<u>\$ 118</u>
Average duration of the defined benefit obligation	13.96 years	13.14 years

## 23. EQUITY

### a. Ordinary shares

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Number of shares authorized (in thousands)	<u>800,000</u>	<u>800,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>387,433</u>	<u>384,199</u>
Shares issued	<u>\$ 968,582</u>	<u>\$ 960,498</u>

The changes in the Company's share stock were due to the employees' exercise of their employee share options and the issuance of restricted shares to employees.

b. Capital surplus

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
Issuance of ordinary shares	\$ 7,301,670	\$ 6,807,589
Employee share options	852,191	676,145
Employee restricted shares	1,544,838	1,544,838
<u>May be used to offset a deficit only</u>		
Share of changes in capital surplus of associates	12,319	31,310
Change in percentage of ownership interest in subsidiaries (2)	43,166	66,847
<u>May not be used for any purpose</u>		
Employee share options	3,370,873	2,699,046
Employee restricted shares	<u>391,492</u>	<u>581,807</u>
	<u>\$ 13,516,549</u>	<u>\$ 12,407,582</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from employee share options of subsidiaries.

c. Retained earnings and dividend policy

Under the Company's dividend policy in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. In the case of dividends to be paid in cash, the Company's board of directors shall report such distribution in the next annual shareholders' general meeting, after the Company's board of directors approves the distribution of dividends in cash. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors, refer to Note 25(g) on employee benefits expense.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals Silergy's paid-in capital. The legal reserve may be used to offset deficit. If Silergy has no deficit and the legal reserve has exceeded 25% of Silergy's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022 were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	2023	2022	2023	2022
Provision for (reversal of)				
special reserve	\$ 383,665	\$ (1,248,912)	\$ -	\$ -
Cash dividends	751,316	1,710,741	1.96	4.50

The above appropriations for cash dividends were resolved by the Company's board of directors on March 12, 2024 and March 9, 2023, respectively, and the chairman was authorized to distribute the amount. The Group adjusted the distribution ratio with the weighted average number of actual outstanding shares by the base date of cash dividends. The other proposed appropriations were resolved by the shareholders in their meetings on May 30, 2024 and May 26, 2023, respectively.

In 2023, the actual cash dividends per share distributed was adjusted to NT\$1.96011904.

In 2022, the actual cash dividends per share distributed was adjusted to NT\$4.49431016.

The appropriations of earnings for 2024, which were proposed by the Company's board of directors on March 12, 2025, were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Reversal of special reserve	\$ (596,716)	\$ -
Cash dividends	928,216	2.4

The above appropriation for cash dividends was resolved by the Company's board of directors; the other proposed appropriation is expected to be resolved by the shareholders in their meeting on May 29, 2025.

d. Treasury shares (December 31, 2023: None)

	<u>Shares Transferred to Employees (In Thousands)</u>
Number of shares from January 1, 2024 to December 31, 2024	595

To transfer shares to employees, the Company bought back 595 thousand shares for a total of \$239,746 thousand on the Taiwan Stock Exchange from December 21, 2023 to February 20, 2024.

## 24. REVENUE

	<u>For the Year Ended December 31</u>	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 18,354,119	\$ 15,223,954
Revenue from the rendering of services	<u>100,728</u>	<u>203,381</u>
	<u>\$ 18,454,847</u>	<u>\$ 15,427,335</u>

a. Contract information

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of integrated circuit products. Sales of integrated circuit products are recognized as the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the provision of services based on contracts. The Company recognizes revenue on the basis of percentage of completion for its contracts.

b. Contract balances

	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Accounts receivable (Note 10)	<u>\$ 2,460,387</u>	<u>\$ 1,784,939</u>	<u>\$ 1,617,688</u>
Contract liabilities			
Sale of goods	\$ 1,457	\$ 4,987	\$ 1,109
Operating leases	<u>17,829</u>	<u>16,940</u>	<u>17,326</u>
	<u>\$ 19,286</u>	<u>\$ 21,927</u>	<u>\$ 18,435</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year was summarized as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
From contract liabilities at the beginning of the year		
Sale of goods	\$ 4,987	\$ 1,109
Operating leases	<u>16,940</u>	<u>17,326</u>
	<u>\$ 21,927</u>	<u>\$ 18,435</u>

For information regarding revenue details, refer to Note 36.

## 25. NET PROFIT

### a. Other operating income and expenses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Gain on disposal of intangible assets	\$ 17,426	\$ 17,094
(Loss) gain on disposal of property, plant and equipment	<u>(4,395)</u>	<u>15,840</u>
	<u>\$ 13,031</u>	<u>\$ 32,934</u>

In December 2015, SMAT was set up by Hangzhou Silergy, HK Silergy and unrelated third parties. The Group invested RMB100,000 thousand through Hangzhou Silergy and RMB73,876 thousand through HK Silergy for a patent acquisition. The fair value of the patent was determined by an independent third party. Accordingly, a gain of RMB61,361 thousand resulting from the patent-related transaction with SMAT was recognized only to the extent of the interests in this associate that were not related to the Group. To the extent of the investment related to the Group, Hangzhou Silergy recognized an unrealized gain of RMB38,639 thousand, which would be amortized over the economic life of the patent. For the year ended December 31, 2024 and 2023, the total realized gain was \$17,426 thousand and \$17,094 thousand, respectively.

### b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Rental income	\$ 101,686	\$ 106,853
Government grants	91,883	89,573
Dividend income	84,528	360,702
Others	<u>15,478</u>	<u>16,454</u>
	<u>\$ 293,575</u>	<u>\$ 573,582</u>

### c. Interest expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ 30,029	\$ -
Interest on lease liabilities	3,867	2,537
Others	-	3
Less: Amounts included in the cost of qualifying assets (capitalized borrowing)	<u>(17,438)</u>	<u>-</u>
	<u>\$ 16,458</u>	<u>\$ 2,540</u>
Capitalized interest	\$ 17,438	\$ -
Capitalization rate	2.60%-3.20%	-

d. Depreciation and amortization

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Other intangible assets	\$ 201,734	\$ 212,758
Property, plant and equipment	389,405	403,095
Right-of-use assets	109,964	94,606
Investment properties	<u>12,395</u>	<u>13,443</u>
	<u>\$ 713,498</u>	<u>\$ 723,902</u>
An analysis of depreciation by function		
Operating cost	\$ 161,892	\$ 205,289
Operating expenses	337,477	292,412
Non-operating income and expenses	<u>12,395</u>	<u>13,443</u>
	<u>\$ 511,764</u>	<u>\$ 511,144</u>
An analysis of amortization by function		
Selling and marketing expenses	\$ 68	\$ -
General and administrative expenses	117,131	135,171
Research and development expenses	<u>84,535</u>	<u>77,587</u>
	<u>\$ 201,734</u>	<u>\$ 212,758</u>

e. Operating expenses directly related to investment properties

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Direct operating expenses from investment properties generating rental income	\$ 28,140	\$ 29,535
Direct operating expenses from investment properties not generating rental income	<u>3,325</u>	<u>3,092</u>
	<u>\$ 31,465</u>	<u>\$ 32,627</u>

f. Employee benefits expense

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Post-employment benefits (Note 22)		
Defined contribution plan	\$ 266,592	\$ 233,130
Defined benefit plans	<u>771</u>	<u>599</u>
	<u>267,363</u>	<u>233,729</u>
Share-based payments		
Equity-settled	<u>776,320</u>	<u>1,167,162</u>
		(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits		
Salary	\$ 3,976,090	\$ 3,194,597
Labor and health insurance	203,217	182,506
Others	<u>327,992</u>	<u>278,067</u>
	<u>4,507,299</u>	<u>3,655,170</u>
Total employee benefits expense	<u>\$ 5,550,982</u>	<u>\$ 5,056,061</u>
An analysis of employee benefits expense by function		
Operating expenses	<u>\$ 5,550,982</u>	<u>\$ 5,056,061</u>

(Concluded)

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at rates of 8% to 20% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Company's board of directors on March 12, 2025 and March 12, 2024, respectively, were as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	8.11%	8.00%
Remuneration of directors	0.54%	1.73%

Amount

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	\$ 203,752	\$ 66,112
Remuneration of directors	13,533	14,286

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors resolved and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

## 26. INCOME TAX

### a. Income tax recognized in profit or loss

Major components of income tax (expense) benefit are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ (321,378)	\$ (93,534)
In respect of prior years	(18,905)	(4,713)
Deferred tax		
In respect of the current year	<u>(118,498)</u>	<u>113,067</u>
Income tax (expense) benefit recognized in profit or loss	<u>\$ (458,781)</u>	<u>\$ 14,820</u>

A reconciliation of accounting profit and income tax (expense) benefit was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit before tax	<u>\$ 2,616,710</u>	<u>\$ 622,230</u>
Income tax expense calculated at the statutory rate	\$ (886,725)	\$ (317,118)
Nondeductible expenses in determining taxable income	(146,374)	(175,128)
Tax-exempt income	688,291	429,226
Tax credit of research and development	402,015	395,515
Unrecognized loss carryforwards	(370,300)	(323,852)
Adjustments for prior year's current tax expense	(18,905)	(4,713)
Others	<u>(126,783)</u>	<u>10,890</u>
Income tax (expense) benefit recognized in profit or loss	<u>\$ (458,781)</u>	<u>\$ 14,820</u>

Silergy and Silergy Samoa are exempt from business income tax in accordance with local laws and regulations.

The applicable corporate tax rate for Silergy Technology (Taiwan) Inc. in the ROC was 20%.

The applicable tax rate used by subsidiaries in China is 25%. The applicable tax rate used by the branches of Silergy in Hong Kong and Nanjing Silergy (HK) in Hong Kong is 16.5%. The tax rate applicable to Nanjing Silergy Micro decreased to 15% after approval was obtained from the local tax authorities, as tax credits are given to high-tech enterprises. Hangzhou Silergy and Xian Silergy obtained approval from the local tax authorities to have an additional tax deduction; the applicable tax rate decreased to 10% and 12.5%, respectively. Tax rates used by other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

**For the Year Ended December 31**  
**2024**                      **2023**

Deferred tax

In respect of the current year

Remeasurement of defined benefit plan	\$ <u>(1,051)</u>	\$ <u>211</u>
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c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Write-downs of inventory	\$ 150,042	\$ (34,533)	\$ -	\$ 7,220	\$ 122,729
Financial assets at FVTPL	-	2,998	-	(1,133)	1,865
Property, plant and equipment	1,435	64	-	99	1,598
Allowance for uncollectible amounts	445	307	-	28	780
Unrealized gain on disposal of intangible assets	3,350	(1,743)	-	155	1,762
Defined benefit retirement plans	649	-	(649)	-	-
Research and development expenses	115,613	(114,065)	-	5,441	6,989
Lease liabilities	41,807	(7,147)	-	2,595	37,255
Others	<u>10,510</u>	<u>(1,000)</u>	<u>-</u>	<u>553</u>	<u>10,063</u>
	<u>\$ 323,851</u>	<u>\$ (155,119)</u>	<u>\$ (649)</u>	<u>\$ 14,958</u>	<u>\$ 183,041</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Financial assets at FVTPL	\$ 28,643	\$ (28,643)	\$ -	\$ -	\$ -
Right-of-use assets	37,993	(7,657)	-	2,326	32,662
Defined benefit retirement plans	-	-	402	-	402
Others	<u>1,716</u>	<u>(321)</u>	<u>-</u>	<u>80</u>	<u>1,475</u>
	<u>\$ 68,352</u>	<u>\$ (36,621)</u>	<u>\$ 402</u>	<u>\$ 2,406</u>	<u>\$ 34,539</u>

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehen- sive Income</b>	<b>Exchange Difference</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Write-downs of inventory	\$ 63,417	\$ 89,422	\$ -	\$ (2,797)	\$ 150,042
Property, plant and equipment	2,229	(805)	-	11	1,435
Allowance for uncollectible amounts	274	178	-	(7)	445
Unrealized gain on disposal of intangible assets	5,111	(1,709)	-	(52)	3,350
Defined benefit retirement plans	438	-	211	-	649
Research and development expenses	80,631	35,508	-	(526)	115,613
Lease liabilities	-	42,450	-	(643)	41,807
Others	<u>12,783</u>	<u>(2,191)</u>	<u>-</u>	<u>(82)</u>	<u>10,510</u>
	<u>\$ 164,883</u>	<u>\$ 162,853</u>	<u>\$ 211</u>	<u>\$ (4,096)</u>	<u>\$ 323,851</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Financial assets at FVTPL	\$ 17,000	\$ 12,173	\$ -	\$ (530)	\$ 28,643
Right-of-use assets	-	38,580	-	(587)	37,993
Others	<u>2,709</u>	<u>(967)</u>	<u>-</u>	<u>(26)</u>	<u>1,716</u>
	<u>\$ 19,709</u>	<u>\$ 49,786</u>	<u>\$ -</u>	<u>\$ (1,143)</u>	<u>\$ 68,352</u>

- d. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Loss carryforwards		
Expiry in 2025	\$ 80,613	\$ 76,625
Expiry in 2027	86,301	84,124
Expiry in 2028	1,349,305	1,286,695
Expiry in 2029	1,688,423	-
No expiry years	<u>122,375</u>	<u>125,235</u>
	<u>\$ 3,327,017</u>	<u>\$ 1,572,679</u>

- e. Income tax assessments

The tax returns of Silergy Technology (Taiwan) Inc. through 2022 have been assessed by the tax authorities.

## 27. EARNINGS PER SHARE

Unit: Dollars Per Share

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Basic earnings per share	<u>\$ 5.95</u>	<u>\$ 1.96</u>
Diluted earnings per share	<u>\$ 5.79</u>	<u>\$ 1.89</u>

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

### Net Profit Attributable to Owners of the Company for the Year

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 2,286,178</u>	<u>\$ 746,004</u>

### Ordinary Shares Outstanding

(In Thousands of Shares)

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	384,168	381,467
Effect of potentially dilutive ordinary shares:		
Employee share options	9,772	11,683
Restricted shares for employees	589	858
Employees' compensation	<u>571</u>	<u>308</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>395,100</u>	<u>394,316</u>

The Group may settle compensation paid to employees in cash or shares, therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 28. SHARE-BASED PAYMENT ARRANGEMENTS

### a. Employee share option plan of the Group

The outstanding options granted are valid for 10 years and exercisable at certain percentages after a certain period from the grant date. Except for options currently outstanding but granted before the IPO whose exercise price needs to be separately agreed on, other options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange on the grant dates.

For any subsequent changes in Silergy's capital surplus, the exercise price or the number of shares corresponding to each option unit is adjusted in accordance with the rules for each plan. The exercise price is adjusted accordingly based on the agreed formula. If the exercise price after the adjustment is higher than before the adjustment, then it will not be adjusted. The Company passed the revision of its articles of incorporation regarding par value per share through its shareholders' meeting on May 27, 2022. According to the amendment, the par value per share changed from NT\$10 to NT\$2.5. The Company had completed the registration formalities and the reissuance of shares in July 2022. Consequently, the exercise price per share of outstanding employee share options has been adjusted to 25% of its original exercise price; and the number of each exercisable shares has been adjusted from 1 share to 4 shares.

The board of directors of Silergy agreed to issue 3,500,000 options on February 7, 2024. Each option entitles the holder to subscribe to one ordinary share of Silergy. Submission to the FSC is completed. The Company granted employee share option warrants of 3,200,000, 10,000, and 60,000 options in April, September and December 2024, respectively.

The board of directors of Silergy agreed to issue 3,000,000 options on March 12, 2024. Each option entitles the holder to subscribe to one ordinary share of Silergy. Submission to the FSC is completed. The Company granted employee share option warrants of 362,500 and 268,000 options in September and December 2024, respectively.

The board of directors of Silergy agreed to issue 5,000,000 options on March 12, 2025. Each option entitles the holder to subscribe to one ordinary share of Silergy. Submission to the FSC is pending for approval to take effect.

Information on employee share options was as follows:

Employee Share Options	2024		2023	
	Units of Options	Weighted-average Exercise Price	Units of Options	Weighted-average Exercise Price
Balance at January 1	16,933,438	\$ 378	12,398,054	\$ 358
Options granted	6,720,888	364	5,156,300	395
Options exercised	(873,954)	146	(620,916)	130
Options expired	<u>(1,655,559)</u>	390	<u>-</u>	-
Balance at December 31	<u>21,124,813</u>	382	<u>16,933,438</u>	378
Options exercisable, at December 31	<u>3,879,294</u>	264	<u>3,719,167</u>	156
Weighted-average fair value of options granted (\$)	<u>\$ 152</u>		<u>\$ 157</u>	

For the years ended December 31, 2024 and 2023, the weighted-average share prices at the date of exercise were \$441 and \$400, respectively.

Information about outstanding options as of December 31, 2024 and 2023 was as follows:

	December 31	
	2024	2023
Range of exercise price	\$258-\$1,066	\$258-\$1,066
Weighted-average remaining contractual life (years)	0.64-9.97	1.64-9.97

Options granted from 2023 to 2024 were priced using the binomial option pricing model, and the inputs to the model were as follows:

Issue Date	Fair Value Per Option - Grant Date	Exercise Price	Expected Volatility	Expected Life	Expected Dividend Yield	Risk-free Interest
March 14, 2023	178-199	482	51.02%- 53.66%	6 years- 7.5 years	-	1.093%- 1.120%
June 16, 2023	132-147	355	51.15%- 53.94%	6 years- 7.5 years	-	1.123%- 1.143%
August 24, 2023	100-110	258	51.25%- 53.34%	6.5 years- 7.5 years	-	1.142%- 1.162%
November 14, 2023	135-145	354.5	51.72%- 55.48%	6 years- 7.5 years	-	1.250%- 1.265%
December 20, 2023	173-183	431.5	51.75%- 55.88%	6 years- 7.5 years	-	1.199%- 1.205%
March 29, 2024	131-142	328	52.23%- 56.70%	6 years- 7.5 years	-	1.388%- 1.415%
April 10, 2024	145-154	355.5	52.36%- 56.27%	6 years- 7.5 years	-	1.448%- 1.475%
May 14, 2024	166-181	413.5	52.87%- 56.75%	6 years- 7.5 years	-	1.551%- 1.583%
September 18, 2024	165-175	396	53.96%- 58.08%	6 years- 7.5 years	-	1.434%- 1.455%
December 19, 2024	167-182	403	54.43%- 57.33%	6 years- 7.5 years	-	1.584%- 1.605%

The compensation cost recognized was \$847,873 thousand and \$1,062,715 thousand for the years ended December 31, 2024 and 2023, respectively.

b. Restricted shares for employees

The restrictions on the rights of the outstanding restricted shares in 2024 and 2023 that have not met the vesting conditions are as follows:

- 1) The employees should not sell, pledge, transfer, donate or in any other way dispose of these shares.
- 2) The employees holding these shares are entitled to receive share dividends but not cash dividends, and they are not entitled to subscribe to new ordinary shares issued for cash.
- 3) The employees holding these shares have no voting rights.

If an employee fails to meet the vesting conditions, Silergy will recall and cancel the restricted shares without any reimbursement. On August 29, 2024, the Company's board of directors resolved to recall and cancel 427,175 shares under a restricted share plan without any reimbursement.

In the shareholders' meeting on May 30, 2024, the Company's shareholders proposed the issuance of 500,000 shares under a restricted share plan. The registration of this issuance was completed with the Financial Supervisory Commission (FSC). In September and December 2024, the Company issued 68,739 and 96,446 restricted employee shares.

Information on the restricted shares for employees is as follows:

<b>Restricted Shares for Employees</b>	<b>2024</b>	<b>2023</b>
Balance at January 1	1,067,175	1,467,631
Shares issued	165,185	155,605
Shares cancelled	(427,175)	-
Shares vested	<u>-</u>	<u>(556,061)</u>
Balance at December 31	<u>805,185</u>	<u>1,067,175</u>

For the years ended December 31, 2024 and 2023, information on the outstanding restricted employee shares is as follows:

<b>Grant Date</b>	<b>Fair Value Per Share - Grant Date</b>	<b>Shares Granted (In Thousands of Shares)</b>	<b>Vesting Period</b>
March 14, 2023	482	22	1 year
June 16, 2023	355	134	1 year-3 years
September 18, 2024	396	69	2 years
December 19, 2024	403	96	2 years

The compensation cost recognized was reversal \$71,552 thousand and recognition \$104,447 thousand for the years ended December 31, 2024 and 2023, respectively.

## 29. GOVERNMENT GRANTS

Silergy Semiconductor Technology (Hangzhou) Co., Ltd. received a total of \$233,600 thousand (RMB51,720 thousand) from the Development and Reform Bureau of Hangzhou High-Tech Industrial Development Zone (Binjiang) in 2024, which was recognized as a reduction in research and development expenses.

## 30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group's capital structure management strategy is based on (a) its scale of operations and expected growth and product development - an appropriate market share target is determined, and the capital expenditures required to meet this target are estimated; (b) industry developments - the Group calculates the required working capital under an overall plan for long-term asset development; and (c) the Group's competitiveness - estimates are made of marginal contribution, operating profit rate and cash flows of possible products, taking into consideration the risk factors of industrial cyclical fluctuations and product life cycles to determine the Group's appropriate capital structure.

Management regularly reviews the Group's capital structure and considers the costs and risks of different capital structures. In general, the Group has a prudent risk management strategy.

### 31. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that are not measured at fair value

Management believed the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

- b. Fair value of financial instruments that are measured at fair value on a recurring basis

- 1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Equity instruments	\$ -	\$ -	\$ 3,983,380	\$ 3,983,380
Financial assets at FVTOCI				
Equity instruments	\$ 492,721	\$ -	\$ -	\$ 492,721

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Equity instruments	\$ -	\$ -	\$ 4,122,780	\$ 4,122,780

- 2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2024	\$ 4,122,780	\$ -	\$ 4,122,780
Recognized in profit or loss	(443,599)	-	(443,599)
Distribute the principal	(103,127)	-	(103,127)
Recognized in other comprehensive income	-	1,415	1,415
Reclassification	24,792	-	24,792
Additions	132,289	491,306	623,595
Translation adjustments	250,245	-	250,245
Balance at December 31, 2024	\$ 3,983,380	\$ 492,721	\$ 4,476,101

For the year ended December 31, 2023

<b>Financial Assets (Liabilities)</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Liabilities at FVTPL</b>	<b>Total</b>
	<b>Equity Instruments</b>	<b>Contingent Consideration</b>	
Balance at January 1, 2023	\$ 3,729,859	\$ (16,858)	\$ 3,713,001
Recognized in profit or loss	121,115	1,166	122,281
Reclassification	-	15,692	15,692
Additions	336,749	-	336,749
Translation adjustments	<u>(64,943)</u>	<u>-</u>	<u>(64,943)</u>
Balance at December 31, 2023	<u>\$ 4,122,780</u>	<u>\$ -</u>	<u>\$ 4,122,780</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

a) Equity instrument investments

Equity instrument investments are unlisted company shares with no active market. Fair values are estimated mainly using the asset-based approach or market approach, which is estimated with reference to the net asset value and Company's recent financing activities, valuation of similar companies, market conditions and other economic indicators, etc.

b) Contingent consideration

Contingent consideration is calculated based on the expected revenue of NewEdge with agreed formula.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Equity instruments	\$ 3,983,380	\$ 4,122,780
Assets measured at amortized cost (1)	23,732,451	21,225,923
Financial assets at FVTOCI		
Equity instruments	492,721	-
<u>Financial liabilities</u>		
Liabilities measured at amortized cost (2)	4,343,123	2,363,583

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables (excluding tax receivable), refundable deposits and long-term accounts receivable.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, accounts payable, accounts payable - related parties, other payables, long-term borrowing and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, accounts receivable, other receivables, refundable deposits, long-term accounts receivable, accounts payable, other payables, short-term borrowing, long-term borrowing, lease liabilities and guarantee deposits. The Group's corporate treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

a) Foreign currency risk

The Group had foreign currency-denominated sales and purchases, which exposed the Group to foreign currency risk. The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the U.S. dollar strengthening 5% against the relevant currency. For a 5% weakening of the U.S. dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	<b>U.S. Dollar Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss and equity*	\$ 65,818	\$ 52,506

\* This was mainly attributable to the exposure on outstanding U.S. dollar-denominated deposits, receivables and payables, which were not hedged at the end of the reporting period.

b) Interest rate risk

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value interest rate risk		
Financial assets	\$ 12,583,506	\$ 8,571,228
Financial liabilities	1,010,656	450,417
Cash flow interest rate risk		
Financial assets	7,803,728	9,736,703
Financial liabilities	1,136,357	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's floating-rate financial assets and financial liabilities at the end of the reporting period.

Had interest rates been 50 basis points higher and all other variables held constant, the Group's pretax profit for the years ended December 31, 2024 and 2023 would have increased by \$33,337 thousand and \$48,684 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate changes on its variable-rate bank deposits.

c) Other price risk

The Group's price risk of equity instrument investments in 2024 and 2023 are primarily from the investments in equity instruments at FVTPL and equity instruments at FVTOCI.

If the price of the equity instrument increased (decreased) by 5% at the end of the reporting period, the Group's profit before tax will increase (decrease) by \$199,169 thousand and \$206,139 thousand in 2024 and 2023, respectively. The Group's other comprehensive income before tax will increase (decrease) by 24,636 thousand in 2024.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation approximates the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly or non-publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The accounts receivable balances of individual customers that each accounted for more than 10% of the total balance as of December 31, 2024 and 2023, were as follows:

	<b>December 31, 2024</b>
Customer G	\$ 866,383
Customer F	<u>395,382</u>
	<u>\$ 1,261,765</u>
	<b>December 31, 2023</b>
Customer A	\$ 201,969
Customer G	541,785
Customer F	<u>358,905</u>
	<u>\$ 1,102,659</u>

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's working capital was sufficient and there was no liquidity risk due to lack of funds needed to meet contractual obligations.

	<u>December 31</u>	
	<b>2024</b>	<b>2023</b>
<u>Financing facilities</u>		
Bank loan facilities		
Amount unused	\$ 7,851,560	\$ 2,601,136
Amount used	<u>1,883,055</u>	<u>160,403</u>
	<u>\$ 9,734,615</u>	<u>\$ 2,761,539</u>

## 32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between Silergy and its subsidiaries, which are related parties of Silergy, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and its related parties are disclosed below.

### a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
SMAT	Associate
WMT	Associate
Wuxin (Shanghai)	Associate

b. Purchases of goods

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Associates	\$ <u>90,552</u>	\$ <u>42,130</u>

Terms and conditions for purchases of goods from related parties are the same as that of general transactions.

c. Payables to related parties

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31</b>	
		<b>2024</b>	<b>2023</b>
Accounts payable - related parties	Associates	\$ <u>16,228</u>	\$ <u>3,577</u>

d. Disposal of property, plant and equipment

<b>Related Party Category/Name</b>	<b>Proceeds</b>		<b>Gain on Disposal</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Associates	\$ <u>1,697</u>	\$ <u>-</u>	\$ <u>391</u>	\$ <u>-</u>

e. Others

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2024</b>	<b>2023</b>
Research and development expense	Associates	\$ <u>934</u>	\$ <u>4,072</u>
Other income	Associates	\$ <u>-</u>	\$ <u>3,046</u>

  

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31</b>	
		<b>2024</b>	<b>2023</b>
Refundable deposits	Associates	\$ <u>6,841</u>	\$ <u>6,503</u>
Contract liabilities	Associates	\$ <u>-</u>	\$ <u>60</u>

f. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Salaries	\$ 55,267	\$ 56,976
Post-employment benefits	1,318	714
Share-based payments	<u>46,506</u>	<u>5,229</u>
	\$ <u>103,091</u>	\$ <u>62,919</u>

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group on December 31, 2024 were as follows:

#### Significant Unrecognized Commitment

The Group signed long-term raw material purchase contracts with several suppliers and paid a certain amount of money as a deposit. The contracts also stipulated the minimum purchase amount per year. As of December 31, 2024, the Group did not need to recognize any liability provisions due to signing long-term raw material purchase contracts with suppliers. The Group was unable to reach the minimum purchase amount in 2023, and the Group paid the penalty of \$108,292 thousand according to contracts.

To reduce its impact, the Group signed supply-chain contracts with several customers to guarantee specific production capacity and received a certain amount of money as a deposit.

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

The following information was aggregated by the foreign currencies other than functional currencies of the Group and the exchange rates between the foreign currencies and the respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

#### (Foreign Currencies and Carrying Amounts in Thousands)

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,109	32.785 (USD:NTD)	\$ 167,498
USD	37,058	7.1884 (USD:RMB)	1,214,953
USD	221	1,459.70 (USD:KRW)	7,260
USD	600	8.0012 (USD:MOP)	19,676
NTD	156,884	0.0305 (NTD:USD)	<u>156,884</u>
			<u>\$ 1,566,271</u>
<u>Financial liabilities</u>			
Monetary items			
USD	394	32.785 (USD:NTD)	\$ 12,915
USD	2,444	7.1884 (USD:RMB)	80,111
NTD	17,426	0.0305 (NTD:USD)	<u>17,426</u>
			<u>\$ 110,452</u>

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 868	30.705 (USD:NTD)	\$ 26,640
USD	34,269	7.0827 (USD:RMB)	1,052,241
USD	587	1,284.19 (USD:KRW)	18,032
USD	553	8.1706 (USD:MOP)	16,972
GBP	54	1.2750 (GBP:USD)	2,120
HKD	841	0.1296 (HKD:USD)	<u>3,346</u>
			<u>\$ 1,119,351</u>
<u>Financial liabilities</u>			
Monetary items			
USD	361	30.705 (USD:NTD)	\$ 11,098
USD	1,715	7.0827 (USD:RMB)	52,661
NTD	15,593	0.0326 (NTD:USD)	<u>15,593</u>
			<u>\$ 79,352</u>

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$189,870 thousand and \$76,280 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

### **35. SEPARATELY DISCLOSED ITEMS**

a. Information about significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 2)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 3)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)

- 9) Trading in derivative instruments (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 5)
- b. Information on investees (Table 6)
- c. Information on investments in mainland China
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table 7)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Note 32 and Table 5)
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 4 and 5)
    - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. (Table 1)
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. (None)
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services. (None)
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

### **36. SEGMENT INFORMATION**

- a. Segment information

Information reported to the chief operating decision maker is for the purposes of resource allocation and assessment of segment performance. Under IFRS 8 “Operating Segments,” if the operating revenue of an operating segment accounts for up to 90% of the Group’s total revenue, the Group is considered as having only one reportable segment.

- b. Revenue from major products and services

The Group mainly develops, designs, and sells the integrated circuit products and the electronic products, which is the major source of revenue.

c. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	<b>Revenue from External Customers</b>		<b>Non-current Assets</b>	
	<b>For the Year Ended December 31</b>		<b>December 31</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
China (including Hong Kong)	\$ 11,094,188	\$ 8,737,307	\$ 7,814,183	\$ 5,838,688
Others	<u>7,360,659</u>	<u>6,690,028</u>	<u>306,814</u>	<u>342,530</u>
	<u>\$ 18,454,847</u>	<u>\$ 15,427,335</u>	<u>\$ 8,120,997</u>	<u>\$ 6,181,218</u>

Non-current assets included property, plant and equipment, right-of-use assets, investment properties, goodwill, other intangible assets, refundable deposits, long-term receivables and prepayments for equipments.

d. Information about major customers

Customers that individually contributed 10% or more to the Group's revenue were as follows:

	<b>For the Year Ended December 31, 2024</b>	
	<b>Amount</b>	<b>Percentage of Revenue (%)</b>
Customer C	<u>\$ 2,669,098</u>	<u>14.46</u>
	<b>For the Year Ended December 31, 2023</b>	
	<b>Amount</b>	<b>Percentage of Revenue (%)</b>
Customer C	<u>\$ 1,632,892</u>	<u>10.73</u>

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Silergy Corp.	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	2	\$ 17,620,850	\$ 3,278,500	\$ 3,278,500	\$ 1,704,820	\$ -	9.31	\$ 35,207,497	Y	N	Y	
		Xian Silergy Semiconductor Technology Co., Ltd.	2	17,620,850	983,550	983,550	491,775	-	2.79	35,207,497	Y	N	Y	
1	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Hangzhou Silergy Test Technology Co., Ltd.	2	12,947,457	4,560,820	4,560,820	4,560,820	-	17.61	25,894,914	N	N	Y	
		Nanjing Silergy Micro Technology Co., Ltd.	2	7,768,474	2,280,410	2,280,410	2,280,410	-	8.81	25,894,914	N	N	Y	
		Hefei Silergy Semiconductor Technology Co., Ltd.	2	12,947,457	957,772	957,772	-	-	3.70	25,894,914	N	N	Y	

Note 1: No. 0 represents the parent company; other numbers represent subsidiaries.

Note 2: The nature of the relationship between the endorser/guarantor and the endorsee/guarantee are represented by the following numerals:

- No. 1 - companies with business transactions.
- No. 2 - a subsidiary directly holding over 50% of the ordinary shares.
- No. 3 - a parent and subsidiary collectively holding over 50% of the ordinary shares of the investee company.
- No. 4 - a parent company holding 50% of the ordinary shares directly or through a subsidiary indirectly.
- No. 5 - companies (based on the contractual project requirements of the same industry) with contractual mutual guarantees.
- No. 6 - companies guaranteed by their respective common shareholdings in accordance with mutual investment relations.
- No. 7 - companies engaged in performance guarantees of contracts related to the pre-sale of real estate in accordance with the Consumer Protection Law.

Note 3: Limit on endorsements/guarantees provided for single:

- No. 1 - The total amount of the guarantee shall not exceed 50% of the net value of the endorser if a parent and subsidiary collectively hold 100% of the shares of the endorsee.
- No. 2 - The total amount of the guarantee shall not exceed 30% of the net value of the endorser if a parent and subsidiary collectively are not holding 100% of the shares of the endorsee.

Note 4: The total amount of guarantee shall not exceed 100% of the endorser's net value.

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2024**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Silergy Corp.	Shares							
	Alphatecture Venture Fund Limited Partnership	-	Financial assets at FVTPL - non-current	-	\$ 137,520 (US\$ 4,194,613)	7.750	\$ 137,520 (US\$ 4,194,613)	
	InnoScience (Suzhou) Technology Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	3,734,500	492,721 (US\$ 15,028,842)	0.425	492,721 (US\$ 15,028,842)	
Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Wuxi Huaxin Semiconductor Partnership (L.P.)	-	Financial assets at FVTPL - non-current	-	-	3.442	-	
	Hangzhou Hualan Microelectronique Co., Ltd.	-	Financial assets at FVTPL - non-current	1,166,700	41,141 (RMB 9,020,633)	0.778	41,141 (RMB 9,020,633)	
	Calterah Semiconductor Technology (Shanghai) Co., Ltd.	-	Financial assets at FVTPL - non-current	-	57,437 (RMB 12,593,653)	8.953	57,437 (RMB 12,593,653)	
	Shenzhen Anchuang Technology Equity Investment Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	15,243 (RMB 3,342,240)	6.780	15,243 (RMB 3,342,240)	
	Powerland Technology Inc.	-	Financial assets at FVTPL - non-current	-	388,304 (RMB 85,139,105)	5.545	388,304 (RMB 85,139,105)	
	Ningbo Meishan Bonded Port Area Anchuang Growth Equity Investment Partnership L.P.	-	Financial assets at FVTPL - non-current	-	79,814 (RMB 17,500,000)	1.186	79,814 (RMB 17,500,000)	
	Shanghai Geometrical Perception and Learning Co., Ltd.	-	Financial assets at FVTPL - non-current	-	95,613 (RMB 20,963,991)	2.429	95,613 (RMB 20,963,991)	
	Yiwu Huaxin Yuanjing Venture Investment Center L.P.	-	Financial assets at FVTPL - non-current	-	125,420 (RMB 27,499,451)	2.147	125,420 (RMB 27,499,451)	
	Zhejiang Sentronic Semiconductor Co., Ltd.	-	Financial assets at FVTPL - non-current	-	145,259 (RMB 31,849,228)	23.169	145,259 (RMB 31,849,228)	
	Hangzhou Einno Semiconductor Co., Ltd.	-	Financial assets at FVTPL - non-current	-	47,641 (RMB 10,445,712)	10.763	47,641 (RMB 10,445,712)	
	Hangzhou Xinling Enterprise Management Partnership L.P.	-	Financial assets at FVTPL - non-current	-	142,917 (RMB 31,335,789)	36.857	142,917 (RMB 31,335,789)	
	Chengdu Analog Circuit Technology Inc.	-	Financial assets at FVTPL - non-current	631,333	182,273 (RMB 39,964,897)	1.126	182,273 (RMB 39,964,897)	
	Hefei Walden II IC Industry Investment Partnership L.P.	-	Financial assets at FVTPL - non-current	-	610,915 (RMB 133,948,413)	11.066	610,915 (RMB 133,948,413)	
	Fujian Baicheng New Energy Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	81,823 (RMB 17,940,332)	5.776	81,823 (RMB 17,940,332)	
	Enovate3D (Hangzhou) Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	130,364 (RMB 28,583,554)	11.577	130,364 (RMB 28,583,554)	
	Zhejiang Hexin Semiconductor Co., Ltd.	-	Financial assets at FVTPL - non-current	-	192,941 (RMB 42,304,107)	3.600	192,941 (RMB 42,304,107)	
Shenzhen Juyuan Xinchuang Capital Fund, LLP.	-	Financial assets at FVTPL - non-current	-	364,866 (RMB 80,000,000)	1.433	364,866 (RMB 80,000,000)		

(Continued)

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Guangzhou Huaxin Shengjing Venture Capital Center (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	\$ 136,825 (RMB 30,000,000)	1.584	\$ 136,825 (RMB 30,000,000)	
	Xiamen Jianda Guili Equity Partners LLP.	-	Financial assets at FVTPL - non-current	-	159,629 (RMB 35,000,000)	58.236	159,629 (RMB 35,000,000)	
	Hangzhou Xight Semi-conductor Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	9,782 (RMB 2,144,866)	5.992	9,782 (RMB 2,144,866)	
	Hangzhou Xinruiwei Equity Investment Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	-	38.994	-	
	Hangzhou Huaxin Yunkai Equity Investment Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	136,825 (RMB 30,000,000)	2.430	136,825 (RMB 30,000,000)	
	Sichuan ZILLNK Technology Co., Ltd.	-	Financial assets at FVTPL - non-current	-	114,997 (RMB 25,214,008)	2.109	114,997 (RMB 25,214,008)	
	Suzhou Juyuan Zhenxin Capital Fund, LLP.	-	Financial assets at FVTPL - non-current	-	319,257 (RMB 70,000,000)	3.325	319,257 (RMB 70,000,000)	
	Hangzhou Zhitong Enterprise Management Partnership L.P.	-	Financial assets at FVTPL - non-current	-	159,629 (RMB 35,000,000)	33.330	159,629 (RMB 35,000,000)	
	Hangzhou Haibang Shurui Equity Investment Partnership Enterprise (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	31,926 (RMB 7,000,000)	2.208	31,926 (RMB 7,000,000)	
	JT Microelectronics (Shenzhen) Co., Ltd.	-	Financial assets at FVTPL - non-current	90,909	24,550 (RMB 5,382,722)	6.000	24,550 (RMB 5,382,722)	
Nanjing Silergy Micro Technology Co., Ltd.	Zhenjiang Puhe Equity Investment Fund Partnership (Limited Partnership)	-	Financial assets at FVTPL - non-current	-	45,608 (RMB 10,000,000)	4.975	45,608 (RMB 10,000,000)	
Silergy Technology	AIStorm, Inc.	-	Financial assets at FVTPL - non-current	178,784	4,861 (US\$ 148,266)	0.667	4,861 (US\$ 148,266)	

Note: Refer to Tables 6 and 7 for information about subsidiaries and associates.

(Concluded)

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2024**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance (Note 5)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Silergy Corp.	InnoScience (Suzhou) Technology Holding Co., Ltd.	Financial assets at FVTOCI - non-current	-	-	-	\$ -	3,734,500	\$ 491,306	-	\$ -	\$ -	\$ -	3,734,500	\$ 492,721

Note 1: The securities referred to in this table refer to stocks, securities, certificates of beneficial interests and securities derived from the abovementioned items.

Note 2: For securities recognized under the equity method, the two columns must be filled out; for the other securities, the columns may be skipped.

Note 3: The amounts of the aggregate purchases or sales shall be calculated separately based on the market price to determine if they reach NT\$300 million or 20% of the paid-in capital.

Note 4: The paid-in capital refers to the paid-in capital of the parent company. Where the issuer's shares have no par value or have a par value not set at NT\$10, the calculation of a transaction amount of 20% of the paid-in capital under the regulation shall be based on 10% of the equity attributable to the owners of the parent as stated in the balance sheet.

Note 5: The ending balance includes the evaluation adjustment to financial assets.

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2024**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Silergy Corp.	Parent company	Sale	\$ (1,536,691)	(12.06)	Net 30 days from the end of the month when the invoice is issued	\$ -	-	\$ 59,474	4.30	Note 2
Nanjing Silergy Micro Technology Co., Ltd.	Silergy Corp.	Parent company	Sale	(551,726)	(37.00)	Net 30 days from the end of the month when the invoice is issued	-	-	-	-	Note 2
Xian Silergy Semiconductor Technology Co., Ltd.	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	The same ultimate parent company	Sale	(508,479)	(37.63)	Net 30 days from the end of the month when the invoice is issued	-	-	10,136	14.99	Note 2

Note 1: Transaction terms and prices between the Company and its subsidiaries are similar to regular transactions.

Note 2: Intercompany balances and transactions were eliminated upon consolidation.

Note 3: Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Terms (Note 5)	Percentage to Consolidated Total Gross Sales or Total Assets (Note 3)
0	Silergy Corp.	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	1	Accounts payable	\$ 59,474	-	0.15
		Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	1	Other payable	32,241	-	0.08
		Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	1	Operating expenses	102,665	-	0.56
		Nanjing Silergy Micro Technology Co., Ltd.	1	Prepayments	154,676	-	0.38
		Xian Silergy Semiconductor Technology Co., Ltd.	1	Accounts payable	6,500	-	0.02
		Silergy Technology	1	Sales	56,431	-	0.31
		Silergy Technology	1	Operating expenses	706,166	-	3.83
		Silergy Semiconductor (Samoa) Limited	1	Other payable	21,885	-	0.05
		Silergy Technology (Taiwan) Inc.	1	Other payable	50,668	-	0.12
		Silergy Technology (Taiwan) Inc.	1	Operating expenses	342,933	-	1.86
		Silergy Korea Limited	1	Other payable	101,820	-	0.25
		Silergy Korea Limited	1	Operating expenses	74,737	-	0.40
		Silergy Technology Private Limited	1	Other payable	11,447	-	0.03
		Silergy Technology Private Limited	1	Operating expenses	15,901	-	0.09
		Silergy Semiconductor (Macau) Limited	1	Other payable	4,848	-	0.01
Silergy Semiconductor (Macau) Limited	1	Operating expenses	167,294	-	0.91		
1	Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Silergy Corp.	2	Sales	1,536,691	-	8.33
		Nanjing Silergy Micro Technology Co., Ltd.	3	Sales	5,209	-	0.03
		Xian Silergy Semiconductor Technology Co., Ltd.	3	Accounts payable	10,136	-	0.02
		Xian Silergy Semiconductor Technology Co., Ltd.	3	Sales	2,700	-	0.01
		Chengdu Silergy Semiconductor Technology Co., Ltd.	3	Operating expenses	90,198	-	0.49
		Shanghai Silergy Semiconductor Technology Co., Ltd.	3	Prepayments	22,804	-	0.06
		Shanghai Silergy Semiconductor Technology Co., Ltd.	3	Operating expenses	175,338	-	0.95
		Silergy Technology	3	Sales	29,315	-	0.16
		Silergy Technology	3	Accounts receivable	49	-	-
		Hefei Silergy Semiconductor Technology Co., Ltd	3	Sales	3,712	-	0.02
		Xiamen Silergy Semiconductor Technology Co., Ltd.	3	Operating expenses	63,139	-	0.34
Silergy Technology (Taiwan) Inc.	3	Other payable	1,739	-	-		

(Continued)

No. (Note 1)	Company Name	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 4)	Terms (Note 5)	Percentage to Consolidated Total Gross Sales or Total Assets (Note 3)
2	Xian Silergy Semiconductor Technology Co., Ltd.	Silergy Corp.	2	Sales	\$ 48,362	-	0.26
		Silergy Technology	3	Sales	12,276	-	0.07
		Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	3	Sales	508,479	-	2.76
3	Nanjing Silergy Micro Technology Co., Ltd.	Silergy Corp.	2	Sales	551,726	-	2.99
		Silergy Technology	3	Sales	12,761	-	0.07
		Silergy Technology (Taiwan) Inc.	3	Sales	318	-	-
		Nanjing Silergy Micro (HK) Co., Limited	3	Accounts payable	232	-	-
		Nanjing Silergy Micro (HK) Co., Limited	3	Operating expenses	339	-	-
		Shanghai Silergy Microelectronics Technology Co., Ltd.	3	Operating expenses	168,058	-	0.91
4	Nanjing Silergy Micro (HK) Co., Limited	Silergy Corp.	2	Sales	8,118	-	0.04
		Silergy Technology	3	Sales	140	-	-
		Nanjing Silergy Micro Technology Co., Ltd.	3	Sales	266	-	-
		Silergy Technology (Taiwan) Inc.	3	Accounts payable	6,486	-	0.02
		Silergy Technology (Taiwan) Inc.	3	Other payable	171	-	-
		Silergy Technology (Taiwan) Inc.	3	Operating expenses	3,596	-	0.02
5	Silergy Technology	Silergy Corp.	2	Sales	281	-	-
6	Silergy Technology (Taiwan) Inc.	Nanjing Silergy Micro (HK) Co., Limited	3	Sales	80,689	-	0.44
7	Hefei Silergy Semiconductor Technology Co., Ltd.	Silergy Corp.	2	Sales	2,311	-	0.01
		Silergy Technology	3	Sales	191	-	-
		Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	3	Sales	917	-	-

Note 1: No. 0 represents the parent company; other numbers represent subsidiaries.

Note 2: The directional flow of the transactions are represented by the following numerals:

- No. 1 - from parent company to subsidiary.
- No. 2 - from subsidiary to parent company.
- No. 3 - between subsidiaries.

Note 3: The accounts in the consolidated balance sheets and those in the consolidated statements of comprehensive income were based on the Company's consolidated total assets and total gross sales, respectively.

Note 4: Intercompany balances and transactions were eliminated upon consolidation.

Note 5: The selling prices and payment terms for intercompany sales and purchases were not significantly different from those for unrelated parties. For other intercompany transactions, prices and terms were based on mutual agreements.

(Concluded)

**SILERGY CORP.**  
(Incorporated in the Cayman Islands)  
**AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee (Notes 3 and 4)	Share of Profit (Loss) (Notes 1, 3 and 4)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount (Notes 1 and 2)			
Silergy Corp.	Silergy Technology	Suite 601, 2600 Great America Way, Santa Clara City, Santa Clara County, California State, United States	Development, design and sales of power management IC	US\$ 7,378,454	US\$ 7,378,454	-	100.00	\$ 13,427	\$ (436,204) (US\$ -13,583,831)	\$ (436,204) (US\$ -13,583,831)	Subsidiary
	Silergy Semiconductor (Samoa) Limited	Portcullis TrustNet chambers, P.O. Box 1225, Apia, Samoa	Holding company	US\$ 24,300,000	US\$ 24,300,000	-	100.00	552,321	3,415 (US\$ 106,339)	3,415 (US\$ 106,339)	Subsidiary
	Silergy Semiconductor (Hong Kong) Limited	15/F., BOC Group Life Assurance Tower, 136 Des Voeux Road Central, Hong Kong	Holding company	US\$ 12,300,000	US\$ 11,800,000	-	100.00	167,123	(26,945) (US\$ -839,102)	(26,945) (US\$ -839,102)	Subsidiary
	Silicon Prospect Investment Limited	Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Island	Holding company	US\$ 13,000,000	US\$ 13,000,000	-	100.00	116,891	(84,222) (US\$ -2,622,746)	(84,222) (US\$ -2,622,746)	Subsidiary
Silergy Semiconductor (Samoa) Limited	Silergy Technology (Taiwan) Inc.	7F.-8, No. 38, Taiyuan St., Zhubei City, Hsinchu County 302, Taiwan	Development, design and sales of electronic components	314,831	314,831	31,700,000	100.00	285,355	27,547	27,547	Subsidiary
	Silergy Technologies Private Limited	Unit #501, 5th Floor, Prestige Towers, Residency Road, Bangalore-560025, Karnataka, India	Development, design and sales of electronic components	US\$ 38,200	US\$ 38,200	-	100.00	19,883	(831) (US\$ -25,883)	(831) (US\$ -25,883)	Subsidiary
	Silergy Korea Limited	#1202, #1203, 120 Heungdeokjungang-ro, Giheung-gu, Yongin-si, Gyeonggi-do, Korea (UTOWER)	Development, design and sales of electronic components	US\$ 600,000 (KRW 655,800,000)	US\$ 600,000 (KRW 655,800,000)	-	100.00	96,276	14,073 (US\$ 438,233)	14,073 (US\$ 438,233)	Subsidiary
Silergy Semiconductor (Hong Kong) Limited	Silergy Semiconductor (Macau) Limited	15/C, Kung Ou Edf, 367-371 Avenida da Praia Grande, Macau	Development and design of electronic components	US\$ 111,372 (MOP 900,000)	US\$ 111,372 (MOP 900,000)	-	100.00	(7,534)	(7,600) (MOP -1,914,331)	(7,600) (MOP -1,914,331)	Subsidiary
Nanjing Silergy Micro Technology Co., Ltd.	Nanjing Silergy Micro (HK) Co., Limited	Unit 701, 7/F Citicorp CTR 18 Whitfield Rd, Causeway Bay, Hong Kong	Development, design and sales of electronic components	US\$ 5,200,960	US\$ 5,200,960	-	100.00	426,608	179,156 (US\$ 5,579,085)	179,156 (US\$ 5,579,085)	Subsidiary
Silicon Prospect Investment Limited	Winsheng Material Technology Co., Ltd.	No. 191, Jieyukeng Rd., Rueifang Dist., New Taipei City	Manufacturing and selling of electronic components	362,109	362,109	14,453,631	44.32	108,041	(186,668)	(84,161)	Related company (Note 6)

Note 1: Except for Winsheng Material Technology Co., Ltd., the carrying amount of the investments and the share of profit or loss were eliminated upon consolidation.

Note 2: Translation was based on the exchange rate on December 31, 2024.

Note 3: Translation was based on the average exchange rate for the year ended December 31, 2024.

Note 4: Information was based on the investee's current year's audited financial statements.

Note 5: Refer to Table 7 for information on investments in mainland China.

Note 6: The loss on impairment of investment accounted for using the equity method was \$22,747 thousand in 2024.

**SILERGY CORP.**  
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**AND SUBSIDIARIES**

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee (Note 2)	Percentage of Ownership (%)	Investment Income (Loss) Recognized (Notes 2, 3 and 4)	Carrying Amount as of December 31, 2024 (Notes 1 and 4)	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	Development, design and sale of electronic components and related technical services	US\$ 58,520,270 (RMB 381,687,917)	Through Silergy Corp.	\$ -	\$ -	\$ -	\$ -	\$ 4,134,193 (RMB 916,688,189)	100.00	\$ 4,134,193 (RMB 916,688,189)	\$ 25,894,612	\$ -
Hangzhou Silergy Test Technology Co., Ltd.	Testing of electronic components, integrated circuits, semiconductors and electronic products	RMB 200,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(20,299) (RMB -4,500,991)	100.00	(20,299) (RMB -4,500,991)	888,751	-
Nanjing Silergy Micro Technology Co., Ltd.	Development, design and sale of electronic components	RMB 49,296,575	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(412,772) (RMB -91,525,417)	63.83	(263,473) (RMB -58,420,845)	935,498	-
Xian Silergy Semiconductor Technology Co., Ltd.	Development, design, and sale of electronic components, integrated circuits, semiconductors and electronic products	RMB 91,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	383,749 (RMB 85,089,839)	100.00	383,749 (RMB 85,089,839)	1,966,862	-
Chengdu Silergy Semiconductor Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 34,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(27,952) (RMB -6,197,943)	100.00	(27,952) (RMB -6,197,943)	35,073	-
Shanghai Silergy Semiconductor Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 10,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(24,924) (RMB -5,526,555)	49.00	(12,212) (RMB -2,708,012)	(22,325)	-
Hefei Silergy Semiconductor Technology Co., Ltd.	Development, design and sale of electronic components	RMB 60,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	180,442 (RMB 40,010,092)	100.00	180,442 (RMB 40,010,092)	467,411	-
Xiamen Silergy Semiconductor Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 10,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(23,270) (RMB -5,159,742)	100.00	(23,270) (RMB -5,159,742)	687	-
Shanghai Silergy Microelectronics Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 53,000,000	Through Nanjing Silergy Micro Technology Co., Ltd.	-	-	-	-	77 (RMB 17,022)	63.83	49 (RMB 10,865)	(2,686)	-
Guangdong Silergy Micro Technology Co., Ltd.	Development and design of electronic components, integrated circuits, semiconductors and electronic products	RMB 7,000,000	Through Nanjing Silergy Micro Technology Co., Ltd.	-	-	-	-	(20,064) (RMB -4,448,880)	63.83	(12,807) (RMB -2,839,728)	4,252	-
Hefei SMAT Technology Co., Ltd.	Development and manufacturing of vehicles and IOT	RMB 505,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(105,664) (RMB -23,429,123)	23.66	(25,004) (RMB -5,544,127)	243,667 (Note 6)	-
	Development and manufacturing of vehicles and IOT	RMB 505,000,000	Through Silergy Semiconductor (Hong Kong) Limited	-	-	-	-	(105,664) (US\$ -3,290,469)	14.63	(15,457) (US\$ -481,363)	161,532	-
Zhuhai Hengqin Accu-Rate Technology Co., Ltd.	Development and manufacturing of integrated circuits	RMB 1,428,600	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(18,485) (RMB -4,098,693)	26.92	(8,177) (RMB -1,813,073)	127,611	-
JT Microelectronics (Shenzhen) Co., Ltd.	Development and design of integrated circuits and semiconductors	RMB 1,515,255	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(95,160) (RMB -21,100,172)	-	(8,370) (RMB -1,855,884)	-	-
Wuxin (Shanghai) Semiconductor Technology Co., Ltd.	Development and sale of integrated circuits	RMB 100,000,000	Through Silergy Semiconductor Technology (Hangzhou) Co., Ltd.	-	-	-	-	(23,494) (RMB -5,209,376)	35.00	(8,223) (RMB -1,823,282)	146,605	-

Accumulated Outward Remittance for Investments from Taiwan in Mainland China as of December 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$ - (Note 5)	\$ - (Note 5)	\$ - (Note 5)

(Continued)

Note 1: Translation was based on the exchange rate on December 31, 2024.

Note 2: Translation was based on the average exchange rate for the year ended December 31, 2024.

Note 3: Information was based on the investee's audited financial statements for the current year.

Note 4: Except for Hefei SMAT Technology Co., Ltd., Accu-Rate, JT Microelectronics (Shenzhen) Co., Ltd., and Wuxin (Shanghai) Semiconductor Co., Ltd. the carrying amount of the investments and the share of profit or loss were eliminated upon consolidation.

Note 5: Foreign security issuers are not subject to the investment limitation set out in the "Guidelines on Investment and Technical Cooperation in Mainland China" issued by the Ministry of Economic Affairs on August 29, 2008, whereby the limit is 60% of an investment entity's most recent net value.

Note 6: Refers to the net amount after deducting the unrealized gain on disposal of intangible assets.

(Concluded)

**SILERGY CORP.**  
**(Incorporated in the Cayman Islands)**  
**AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chen Wei	27,924,560	7.20
Investment account of Fidelity Funds managed by Standard Chartered Bank business department	22,254,000	5.74

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.