Macronix International Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2025 and 2024 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Macronix International Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Macronix International Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2025 and 2024, combined total assets of these non-significant subsidiaries were NT$6,154,030 thousand and NT$5,977,847 thousand, respectively, representing 7.95% and 7.60%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$1,285,204 thousand and NT$1,054,901 thousand, respectively, representing 3.68% and 3.24%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2025 and 2024, the amounts of combined comprehensive income and loss of these subsidiaries were NT$(316,889) thousand and NT$106,701 thousand, respectively, representing 21.90% and (14.61)%, respectively, of the consolidated total comprehensive income and loss; for the six months ended June 30, 2025 and 2024, the amounts of combined comprehensive income and loss of these subsidiaries were NT$(472,065) thousand and NT$233,099 thousand, respectively, representing 28.08% and

(18.62)%, respectively, of the consolidated total comprehensive income and loss. These amounts as well as the related financial information of the investees as disclosed in Note 37 to the consolidated financial statements were based on the aforementioned subsidiaries' unreviewed financial statements for the same reporting periods as those of the Company.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months ended June 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Tung Hui Yeh and Kuo Tyan Hong.

Tung-hui Yeh

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 30, 2025

<u>*Notice to Readers*</u>

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 32)	$ 12,284,074	16	$ 11,623,489	15	$ 11,212,685	14
Financial assets at fair value through profit or loss - current (Notes 7 and 32)	3,035	-	-	-	-	-
Financial assets at amortized cost - current (Notes 4, 9 and 32)	-	-	44,780	-	44,450	-
Trade receivables, net (Notes 10 and 32)	3,422,143	4	2,896,982	4	3,455,222	5
Receivables from related parties, net (Notes 32 and 33)	342,885	1	441,810	1	288,150	-
Other receivables (Notes 10 and 32)	307,920	-	278,079	-	499,183	1
Inventories (Note 11)	12,146,148	16	13,405,910	17	13,523,159	17
Other current assets (Note 17)	539,691	1	562,946	1	840,356	1
Total current assets	29,045,896	38	29,253,996	38	29,863,205	38
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 32)	228,621	-	255,814	-	276,796	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 32)	4,106,466	5	3,334,785	4	3,846,936	5
Property, plant and equipment (Notes 13, 18, 30, 34 and 35)	40,627,078	52	41,873,910	54	41,762,319	53
Right-of-use assets (Note 14)	634,057	1	664,516	1	693,744	1
Intangible assets (Note 15)	49,054	-	71,539	-	80,177	-
Deferred tax assets (Note 27)	1,939,670	3	1,658,381	2	1,373,553	2
Prepayments for equipment	-	-	-	-	42,496	-
Other financial assets - non-current (Notes 16, 32 and 34)	763,768	1	763,413	1	762,771	1
Total non-current assets	48,348,714	62	48,622,358	62	48,838,792	62
TOTAL	$ 77,394,610	100	$ 77,876,354	100	$ 78,701,997	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 32)	$ 600,000	1	$ 500,000	1	$ 200,000	-
Contract liabilities (Note 26)	59,836	-	27,882	-	54,881	-
Trade payables (Note 20)	2,059,153	3	2,176,932	3	2,402,771	3
Payables to related parties (Notes 32 and 33)	473,583	1	685,900	1	731,302	1
Accrued compensation of employees and remuneration of directors (Notes 27, 32 and 33)	56,433	-	157,988	-	316,832	1
Payables for purchase of equipment (Note 32)	427,574	-	544,694	1	868,089	1
Other payables (Notes 21 and 32)	1,295,739	2	1,637,625	2	2,476,567	3
Other payables to related parties (Notes 32 and 33)	30	-	30	-	30	-
Current tax liabilities (Notes 4 and 28)	2,296	-	8,779	-	3,865	-
Provisions - current (Note 23)	37,860	-	29,771	-	31,385	-
Lease liabilities - current (Note 14)	98,991	-	89,604	-	108,160	-
Current portion of long-term borrowings (Notes 18, 30, 32 and 34)	4,948,042	6	4,206,328	5	3,016,138	4
Other current liabilities (Note 22)	249,887	-	254,862	-	291,510	-
Total current liabilities	10,309,424	13	10,320,395	13	10,501,530	13
NON-CURRENT LIABILITIES						
Bonds payable (Notes 4, 19 and 32)	2,853,279	4	-	-	-	-
Long-term borrowings (Notes 18, 30, 32 and 34)	19,027,935	25	20,792,962	27	19,250,808	25
Deferred tax liabilities (Note 28)	1,016,977	1	972,907	1	902,770	1
Lease liabilities - non-current (Note 14)	551,434	1	587,779	1	600,579	1
Net defined benefit liabilities (Notes 4 and 24)	985,486	1	1,030,482	2	1,108,044	1
Other non-current liabilities (Notes 22 and 30)	183,162	-	192,106	-	191,157	-
Total non-current liabilities	24,618,273	32	23,576,236	31	22,053,358	28
Total liabilities	34,927,697	45	33,896,631	44	32,554,888	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 25 and 30)						
Share capital						
Ordinary shares	18,558,264	24	18,558,264	24	18,558,264	24
Capital surplus	575,323	1	407,176	-	407,176	1
Retained earnings						
Legal reserve	4,331,651	5	4,331,651	6	4,331,651	5
Special reserve	120,320	-	97,721	-	97,721	-
Unappropriated earnings	16,866,060	22	19,049,095	24	20,982,924	27
Total retained earnings	21,318,031	27	23,478,467	30	25,412,296	32
Other equity	2,171,279	3	1,692,467	2	1,926,477	2
Treasury shares	(159,061)	-	(159,061)	-	(159,061)	-
Total equity attributable to owners of the Company	42,463,836	55	43,977,313	56	46,145,152	59
NON-CONTROLLING INTERESTS (Note 25)	3,077	-	2,410	-	1,957	-
Total equity	42,466,913	55	43,979,723	56	46,147,109	59
TOTAL	$ 77,394,610	100	$ 77,876,354	100	$ 78,701,997	100

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

(With Deloitte & Touche review report dated July 30, 2025)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 26 and 33)	$ 6,799,341	100	$ 6,455,575	100	$ 12,936,718	100	$ 12,216,036	100
OPERATING COSTS (Notes 11, 24, 27 and 33)	5,735,254	84	4,519,918	70	10,786,075	84	9,137,941	75
GROSS PROFIT	1,064,087	16	1,935,657	30	2,150,643	16	3,078,095	25
OPERATING EXPENSES (Notes 24, 27 and 33)								
Selling and marketing expenses	374,451	6	409,006	7	765,662	6	825,653	7
General and administrative expenses	382,645	6	407,542	6	759,529	6	798,980	6
Research and development expenses	1,386,050	20	1,630,962	25	2,786,698	21	3,266,961	27
Total operating expenses	2,143,146	32	2,447,510	38	4,311,889	33	4,891,594	40
LOSS FROM OPERATIONS	(1,079,059)	(16)	(511,853)	(8)	(2,161,246)	(17)	(1,813,499)	(15)
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 27)	62,864	1	50,608	1	115,549	1	101,512	1
Other income (Notes 14, 27 and 30)	283,822	4	235,253	3	323,415	2	295,727	2
Other gains and losses (Note 27)	(559,548)	(8)	(2,347)	-	(432,470)	(3)	64,802	1
Finance costs (Notes 27 and 30)	(115,726)	(2)	(85,807)	(1)	(222,329)	(2)	(159,115)	(1)
Total non-operating income and expenses	(328,588)	(5)	197,707	3	(215,835)	(2)	302,926	3
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(1,407,647)	(21)	(314,146)	(5)	(2,377,081)	(19)	(1,510,573)	(12)
INCOME TAX BENEFIT (Notes 4 and 28)	131,816	2	28,078	1	228,574	2	145,742	1
NET LOSS FOR THE PERIOD	(1,275,831)	(19)	(286,068)	(4)	(2,148,507)	(17)	(1,364,831)	(11)
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at FVTOCI (Note 25)	364,267	6	(500,619)	(8)	930,087	7	(108,464)	(1)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 25)	(535,231)	(8)	56,342	1	(462,537)	(3)	221,384	2
Other comprehensive (loss) income for the period, net of income tax	(170,964)	(2)	(444,277)	(7)	467,550	4	112,920	1
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	$ (1,446,795)	(21)	$ (730,345)	(11)	$ (1,680,957)	(13)	$ (1,251,911)	(10)
NET (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ (1,276,121)	(19)	$ (286,372)	(4)	$ (2,149,174)	(17)	$ (1,365,654)	(11)
Non-controlling interests	290	-	304	-	667	-	823	-
	$ (1,275,831)	(19)	$ (286,068)	(4)	$ (2,148,507)	(17)	$ (1,364,831)	(11)

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MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	$ (1,447,085)	(21)	$ (730,649)	(11)	$ (1,681,624)	(13)	$ (1,252,734)	(10)
Non-controlling interests	290	-	304	-	667	-	823	-
	$ (1,446,795)	(21)	$ (730,345)	(11)	$ (1,680,957)	(13)	$ (1,251,911)	(10)
LOSS PER SHARE (Note 29)								
Basic	$ (0.69)		$ (0.15)		$ (1.16)		$ (0.74)	
Diluted	$ (0.69)		$ (0.15)		$ (1.16)		$ (0.74)	

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

(With Deloitte & Touche review report dated July 30, 2025) (Concluded)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Share Capital			Retained Earnings			Other Equity					
	Share (Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at FVTOCI	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2024	1,855,826	$ 18,558,264	$ 406,198	$ 4,331,651	$ 93,025	$ 23,214,865	$ (159,889)	$ 2,039,768	$ (159,061)	$ 48,324,821	$ 1,134	$ 48,325,955
Special reserve	-	-	-	-	4,696	(4,696)	-	-	-	-	-	-
Cash dividends distributed by the Company - $0.50 per share	-	-	-	-	-	(927,913)	-	-	-	(927,913)	-	(927,913)
Net (loss) profit for the six months ended June 30, 2024	-	-	-	-	-	(1,365,654)	-	-	-	(1,365,654)	823	(1,364,831)
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	221,384	(108,464)	-	112,920	-	112,920
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	(1,365,654)	221,384	(108,464)	-	(1,252,734)	823	(1,251,911)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	66,322	-	(66,322)	-	-	-	-
Dividends distributed to subsidiaries to adjust capital surplus	-	-	978	-	-	-	-	-	-	978	-	978
BALANCE ON JUNE 30, 2024	1,855,826	$ 18,558,264	$ 407,176	$ 4,331,651	$ 97,721	$ 20,982,924	$ 61,495	$ 1,864,982	$ (159,061)	$ 46,145,152	$ 1,957	$ 46,147,109
BALANCE ON JANUARY 1, 2025	1,855,826	$ 18,558,264	$ 407,176	$ 4,331,651	$ 97,721	$ 19,049,095	$ 104,191	$ 1,588,276	$ (159,061)	$ 43,977,313	$ 2,410	$ 43,979,723
Special reserve	-	-	-	-	22,599	(22,599)	-	-	-	-	-	-
Equity component of convertible bonds issued by the Company	-	-	168,147	-	-	-	-	-	-	168,147	-	168,147
Net (loss) profit for the six months ended June 30, 2025	-	-	-	-	-	(2,149,174)	-	-	-	(2,149,174)	667	(2,148,507)
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	(462,537)	930,087	-	467,550	-	467,550
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	(2,149,174)	(462,537)	930,087	-	(1,681,624)	667	(1,680,957)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(11,262)	-	11,262	-	-	-	-
BALANCE ON JUNE 30, 2025	1,855,826	$ 18,558,264	$ 575,323	$ 4,331,651	$ 120,320	$ 16,866,060	$ (358,346)	$ 2,529,625	$ (159,061)	$ 42,463,836	$ 3,077	$ 42,466,913

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

(With Deloitte & Touche review report dated July 30, 2025)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (2,377,081)	$ (1,510,573)
Adjustments for:		
Depreciation expense	2,498,633	2,371,055
Amortization expense	27,847	38,717
Net gain on fair value changes of financial assets at fair value through profit or loss	(3,035)	-
Finance costs	222,329	159,115
Interest income	(115,549)	(101,512)
Dividend income	(192,394)	(167,220)
Net loss on foreign currency exchange	333,847	779
Amortization of government grants deferred revenue	(6,933)	(6,133)
Changes in operating assets and liabilities		
Trade receivables	(730,080)	(798,486)
Receivables from related parties	68,732	209,175
Other receivables	119,999	(183,293)
Inventories	1,259,762	(154,292)
Prepayments	-	333,147
Other current assets	25,423	(657,026)
Contract liabilities	31,954	13,854
Trade payables	(89,185)	330,691
Payables to related parties	(202,466)	(228,383)
Payables for compensation of employees and remuneration of directors	(101,555)	(649,133)
Other payables	(267,140)	84,079
Other payables to related parties	4,679	(835)
Provisions	8,089	6,580
Other current liabilities	12,026	(64,097)
Net defined benefit liabilities	(44,996)	(135,316)
Cash generated from (used in) operations	482,906	(1,109,107)
Interest received	104,368	99,136
Dividend received	48,586	48,579
Interest paid	(257,369)	(211,229)
Income tax paid	(11,971)	(16,595)
Net cash generated from (used in) operating activities	366,520	(1,189,216)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	7,080	150,328
Proceeds from sale of financial assets at amortized cost	44,780	-
Payments for property, plant and equipment	(1,352,569)	(2,663,179)
Proceeds from disposal of property, plant and equipment	-	84

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MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2025	**2024**
Increase in refundable deposits	$ (12)	$ (17)
Decrease in refundable deposits	181	-
Payments for intangible assets	(5,563)	(3,636)
(Increase) decrease in other financial assets	(1,059)	4,249
Net cash used in investing activities	(1,307,162)	(2,512,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	100,000	200,000
Proceeds from issuance of bonds	3,007,214	-
Proceeds from long-term borrowings	1,600,000	3,598,434
Repayments of long-term borrowings	(2,623,313)	(776,837)
Proceeds from guarantee deposits received	185	11
Repayment of leased liabilities	(63,215)	(57,219)
Net cash generated from financing activities	2,020,871	2,964,389
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(419,644)	43,771
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	660,585	(693,227)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	11,623,489	11,905,912
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 12,284,074	$ 11,212,685

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

(With Deloitte & Touche review report dated July 30, 2025) (Concluded)

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Macronix International Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) on December 9, 1989 and commenced business in December 1989. The Company operates principally as a designer, manufacturer and supplier of integrated circuits (ICs) and memory chips. The Company also is engaged in the design, research and development, consultation and trade of relevant products.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since March 15, 1995.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Company's board of directors on July 30, 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)

1) Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

2) 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.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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 1)

Note 1: 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.

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

The amendments mainly amend the requirements for the classification of financial assets, including:

a) if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

b) to clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

c) to clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

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 the possible impact of the application of the amendments on the Group’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB (Note 1)**
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

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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

(Concluded)

Note 1: 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.

Except for the above-mentioned impact, 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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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. 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 statement 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 used by 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.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 12, Tables 5 and 6 to the consolidated financial statements for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. For the summary of other material accounting policies, refer to the consolidated financial statements for the year ended December 31, 2024.

1) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

2) Retirement benefits

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

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

When developing material accounting estimates, the Group considers the possible impact of reciprocal tariffs measures from USA. The estimates and underlying assumptions are reviewed on an ongoing basis.

Material Accounting Judgments

a. Carbon fees

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the management recognizes the carbon fees provision based on the estimate of the chargeable emissions preferential rate levels and emission adjustment coefficient and charging rates of carbon fees. The estimate may vary as a result of whether to obtain the approval for the self-determined reduction plan. Therefore, the estimated amount of provision is subject to a higher degree of estimation uncertainties. The carrying amounts of the carbon fees provision as of June 30, 2025 are disclosed in Note 23 to the consolidated financial statements.

6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 12	$ 12	$ 12
Checking accounts and demand deposits	3,516,822	4,100,088	4,429,981
Cash equivalents			
Time deposits	8,767,240	7,523,389	6,782,692
	$ 12,284,074	$ 11,623,489	$ 11,212,685

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets not under hedge accounting convertible options	$ 3,035	$ -	$ -
Financial assets at FVTPL - non-current			
Financial assets mandatorily classified as at FVTPL			
Hybrid financial assets			
Foreign convertible preference shares	$ 228,621	$ 255,814	$ 276,796

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
Non-current			
Investments in equity instruments			
Domestic investments			
Listed shares	$ 2,783,268	$ 1,979,132	$ 2,535,729
Unlisted shares	829,870	690,283	719,324
	3,613,138	2,669,415	3,255,053
Foreign investments			
Listed shares	493,328	665,370	591,883
	$ 4,106,466	$ 3,334,785	$ 3,846,936

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group sold its ordinary shares at a fair value of $7,080 thousand and $243,533 June 2025 and for the years ended December 31, 2024, respectively. The related unrealized loss of financial assets at FVTOCI of $11,262 thousand and $91,105 thousand under other equity was transferred to retained earnings.

For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the amounts of dividend income were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Dividend income	$ 192,394	$ 167,220	$ 192,394	$ 167,220

As of June 30, 2025 and 2024, the Group's related investments still held amounted to NT$3,580,958 thousand and NT$3,223,733 thousand, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Time deposits with original maturities exceeding 1 year	$ -	$ 44,780	$ 44,450

The interest rate for time deposits with original maturities exceeding 1 year was all 2.40% per annum as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables			
Total amounts of trade receivables measured at amortized cost	$ 3,444,564	$ 2,919,403	$ 3,477,643
Less: Allowance for impairment loss	(22,421)	(22,421)	(22,421)
	$ 3,422,143	$ 2,896,982	$ 3,455,222
Other receivables			
Dividend receivables	$ 143,807	$ -	$ 118,641
Tax receivables	138,243	173,514	166,398
Insurance payment receivables	-	79,557	187,717
Others	25,870	25,008	26,427
	$ 307,920	$ 278,079	$ 499,183

a. Trade receivables

The average credit period for sales of goods is 60 days.

In determining the recoverability of a trade receivable, the Group evaluates each customer's credibility and financial position and considers any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of conditions at the reporting date. The Group estimates expected credit losses based on the number of days for which receivables are past due. As the Group's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for losses based on past due status of receivables is not further distinguished according to different segments of the Group's customer base.

The aging of trade receivables was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Neither past due nor impaired	$ 3,322,221	$ 2,835,538	$ 3,359,358
Past due but not impaired			
Within 60 days	99,405	61,444	95,864
61-120 days	517	-	-
Over 120 days	-	-	-
	$ 3,422,143	$ 2,896,982	$ 3,455,222

The above aging schedule was based on the past due days from the end of the credit term.

As of June 30, 2025 and 2024, the Group did not hold collateral for most of its receivables.

The movements of the allowance for doubtful trade receivables are as follows:

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1 and June 30	$ 22,421	$ 22,421

b. Other receivables

No allowance for impairment loss of other receivables was recognized since the other receivables of the Group were not past due and the Group assessed that there was no uncertainty of recoverability.

11. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods and merchandise	$ 1,111,345	$ 1,245,660	$ 1,093,739
Work in progress	10,106,004	10,868,952	11,332,973
Raw materials	928,799	1,291,298	1,096,447
	$ 12,146,148	$ 13,405,910	$ 13,523,159

For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the costs of inventories recognized as cost of goods sold included inventory loss that resulted from the write-downs of inventory to net realizable value. The amounts were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Loss on inventory write-downs	$ 293,069	$ 81,590	$ 1,117,686	$ 585,197

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company has direct and indirect majority ownership in the following subsidiaries: Run Hong Investment Ltd. (Run Hong), Hui Ying Investment Ltd. (Hui Ying), Mxtran Inc. (Mxtran), Macronix America, Inc. (MXA), Macronix (BVI) Co., Ltd. (MXBVI), New Trend Technology Inc. (NTTI), Macronix (Asia) Limited (MX Asia), Macronix Pte Ltd (MPL), Macronix Europe N.V. (MXE), Macronix (Hong Kong) Co., Limited (MXHK) and Macronix Microelectronics (Suzhou) Co., Ltd. (MXm).

			% of Ownership		
Investor	**Investee**	**Nature of Activities**	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**
The Company	Run Hong	Investment company	100.00	100.00	100.00
The Company	Hui Ying	Investment company	100.00	100.00	100.00
The Company and Run Hong	Mxtran	IC design	94.84	94.84	94.84
The Company	MXA	Sales and marketing	100.00	100.00	100.00
The Company	MXHK	Sales and marketing	100.00	100.00	100.00
The Company	MPL	After-sales services	100.00	100.00	100.00
The Company	MXBVI	Investment holding company	100.00	100.00	100.00
MXBVI	NTTI	IC design	100.00	100.00	100.00
MXBVI	MX Asia	After-sales services	100.00	100.00	100.00
MXBVI	MXE	After-sales services	100.00	100.00	100.00
MXHK	MXm	Development of integrated circuit system and software	100.00	100.00	100.00

The subsidiaries included in the consolidated financial statements are immaterial, and their financial statements have not been reviewed.

13. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Assets used by the Group	$ 40,627,078	$ 41,873,910	$ 41,762,319

	For the Six Months Ended June 30, 2025					
	Balance at Beginning of Period	**Additions**	**Disposals**	**Effects of Foreign Currency Exchange Differences**	**Reclassification**	**Balance at End of Period**
Cost						
Freehold land	$ 1,319,472	$ -	$ -	$ (76,683)	$ -	$ 1,242,789
Buildings	23,998,131	-	1,208	(19,156)	1,057,893	25,035,660
Machinery equipment	104,729,659	-	4,121	-	4,011,566	108,737,104
Research and development equipment	8,222,660	-	-	(3,953)	(874,088)	7,344,619
Transportation equipment	29,476	-	-	(168)	-	29,308
Leasehold improvements	12,948	643	-	(644)	8,000	20,947
Miscellaneous equipment	1,383,552	4,523	12,866	(8,467)	28,194	1,394,936
Advance payments and construction in progress	10,263,446	1,227,560	-	1	(4,232,247)	7,258,760
	149,959,344	$ 1,232,726	$ 18,195	$ (109,070)	$ (682)	151,064,123
Accumulated depreciation and impairment						
Freehold land	407,352	$ -	$ -	$ (43,301)	$ -	364,051
Buildings	18,624,515	306,510	1,208	(8,813)	-	18,921,004
Machinery equipment	84,342,984	1,803,318	4,121	-	712,693	86,854,874
Research and development equipment	3,480,556	269,954	-	(3,531)	(712,693)	3,034,286
Transportation equipment	20,845	1,725	-	(167)	-	22,403
Leasehold improvements	12,860	397	-	(637)	-	12,620
Miscellaneous equipment	1,196,322	52,194	12,866	(7,380)	(463)	1,227,807
	108,085,434	$ 2,434,098	$ 18,195	$ (63,829)	$ (463)	110,437,045
Carrying amount at June 30, 2024	$ 41,873,910					$ 40,627,078

	For the Six Months Ended June 30, 2024					
	Balance at Beginning of Period	Additions	Disposals	Effects of Foreign Currency Exchange Differences	Reclassification	Balance at End of Period
Cost						
Freehold land	$ 1,273,704	$ -	$ -	$ 38,397	$ -	$ 1,312,101
Buildings	23,525,604	-	-	5,841	175,940	23,707,385
Machinery equipment	95,821,160	-	59,762	-	7,278,000	103,039,398
Research and development equipment	7,536,336	-	-	1,177	162,717	7,700,230
Transportation equipment	27,916	-	3,220	51	4,789	29,536
Leasehold improvements	14,625	-	-	182	-	14,807
Miscellaneous equipment	1,345,563	462	3,502	3,223	55,299	1,401,045
Advance payments and construction in progress	15,527,033	2,559,171	-	-	(7,680,402)	10,405,802
	145,071,941	$ 2,559,633	$ 66,484	$ 48,871	$ (3,657)	147,610,304
Accumulated depreciation and impairment						
Freehold land	381,509	$ -	$ -	$ 21,681	$ -	403,190
Buildings	18,041,155	287,756	-	2,468	-	18,331,379
Machinery equipment	81,099,924	1,670,387	59,762	-	(28)	82,710,521
Research and development equipment	2,867,383	299,585	-	990	-	3,167,958
Transportation equipment	20,548	1,801	3,220	51	-	19,180
Leasehold improvements	14,401	71	-	176	-	14,648
Miscellaneous equipment	1,148,924	52,668	3,418	2,907	28	1,201,109
	103,573,844	$ 2,312,268	$ 66,400	$ 28,273	$ -	105,847,985
Carrying amount at June 30, 2024	$ 41,498,097					$ 41,762,319

For the three months ended June 30, 2025 and 2024 and six months ended June 30, 2025 and 2024, the Group assessed that no indication of an impairment loss was present; therefore, no impairment assessment was performed.

The carrying amount of the freehold land in the U.S.A. which was unutilized by the Group as of June 30, 2025, December 31, 2024 and June 30, 2024 was US$9,579 thousand, respectively.

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

Buildings	
Main buildings	31-40 years
Electronic equipment	11-20 years
Facility equipment	15 years
Landscape engineering	20 years
Machinery equipment	11 years
Research and development equipment	5-11 years
Transportation equipment	5 years
Leasehold improvements	6-16 years
Miscellaneous equipment	2-16 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount			
Freehold land	$ 544,979	$ 596,647	$ 625,018
Buildings	75,174	64,864	50,707

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
Machinery equipment	$ 12,326	$ -	$ 13,015
Transportation equipment	1,578	2,499	3,486
Miscellaneous equipment	-	506	1,518
	$ 634,057	$ 664,516	$ 693,744

(Concluded)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			$ 72,654	$ 57,228
Depreciation charge for right-of-use assets				
Freehold land	$ 13,701	$ 14,246	$ 27,408	$ 28,489
Buildings	11,429	10,155	23,170	20,096
Machinery equipment	6,164	4,721	11,991	8,013
Transportation equipment	453	569	908	1,186
Miscellaneous equipment	553	506	1,058	1,003
	$ 32,300	$ 30,197	$ 64,535	$ 58,787
Income from the subleasing of right-of-use assets (included in other income)	$ (886)	$ (979)	$ (1,772)	$ (1,959)

Except for the recognized depreciation, the Group did not have impairment of right-of-use assets for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount			
Current	$ 98,991	$ 89,604	$ 108,160
Non-current	$ 551,434	$ 587,779	$ 600,579

Range of discount rates for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Freehold land	1.22%-1.73%	1.22%-1.73%	1.22%-1.73%
Buildings	1.03%-6.00%	1.03%-6.00%	1.03%-6.00%
Machinery equipment	2.32%	2.14%	2.14%
Transportation equipment	1.45%-2.15%	1.45%-2.15%	1.18%-2.15%
Miscellaneous equipment	2.14%	2.14%	2.14%

c. Material lease-in activities and terms

The Group also leased certain land and buildings for the use as plant and office in a period of one to twenty 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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Expenses relating to short-term leases	$ 682	$ 235	$ 951	$ 436
Expenses relating to low-value asset leases	$ 36	$ -	$ 66	$ 40
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 2,691	$ 1,906	$ 4,353	$ 3,969
Total cash outflow for leases	$ (38,389)	$ (34,491)	$ (73,944)	$ (68,269)

The Group leases certain office buildings which qualify as short-term leases and certain office equipment which qualifies 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.

15. INTANGIBLE ASSETS

	For the Six Months Ended June 30, 2025					
	Balance at Beginning of Period	**Additions**	**Disposals**	**Net Exchange Differences**	**Reclassification**	**Balance at End of Period**
Cost						
Software	$ 213,868	$ 5,563	$ (63,728)	$ (2,146)	$ 505	$ 154,062
Accumulated amortization						
Software	142,329	$ 27,847	$ (63,728)	$ (1,898)	$ 458	105,008
Carrying amount at June 30, 2025	$ 71,539					$ 49,054

	For the Six Months Ended June 30, 2024				
	Balance at Beginning of Period	**Additions**	**Disposals**	**Net Exchange Differences**	**Balance at End of Period**
Cost					
Software	$ 265,677	$ 3,636	$ (27,804)	$ 569	$ 242,078
Accumulated amortization					
Software	150,458	$ 38,717	$ (27,804)	$ 530	161,901
Carrying amount at June 30, 2024	$ 115,219				$ 80,177

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Software	3 years

16. OTHER FINANCIAL ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Non-current			
Refundable deposits	$ 573,785	$ 574,489	$ 573,847
Restricted time deposits (Note 34)	189,983	188,924	188,924
	$ 763,768	$ 763,413	$ 762,771

17. OTHER ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Prepayments	$ 539,350	$ 562,743	$ 840,249
Others	341	203	107
	$ 539,691	$ 562,946	$ 840,356

The non-current prepayments were made according to the production capacity cooperation agreement signed between the Company and its suppliers; the prepayments were paid in accordance with the contract.

18. BORROWINGS

a. Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings			
Line of credit borrowings	$ 600,000	$ 500,000	$ 200,000
Interest rate	1.93%-1.98%	2.09%-2.13%	1.98%

b. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings from financial institutions	$ 24,057,378	$ 25,103,184	$ 22,386,323
Less: Current portion	4,948,042	4,206,328	3,016,138
Less: Government loan discount	81,401	103,894	119,377
Long-term borrowings	$ 19,027,935	$ 20,792,962	$ 19,250,808
Interest rate	1.38%-2.45%	1.38%-2.45%	1.38%-2.40%

	Repayment Term	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank borrowings denominated in NT$	From April 2021 to April 2028	$ 693,877	$ 816,326	$ 938,775
Unsecured bank borrowings denominated in NT$	From April 2021 to April 2028	1,629,167	1,916,667	2,204,167
Unsecured bank borrowings denominated in NT$	From April 2021 to April 2028	425,000	500,000	575,000
Unsecured bank borrowings denominated in NT$	From April 2021 to April 2028	779,167	916,667	1,054,167
Unsecured bank borrowings denominated in NT$	From April 2021 to April 2031	972,500	1,055,857	1,139,214
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2029	1,000,000	1,000,000	1,000,000
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2029	2,000,000	2,000,000	2,000,000
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2029	2,000,000	2,000,000	469,000
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2029	400,000	400,000	400,000
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2029	326,667	366,667	400,000
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2032	1,323,000	1,323,000	1,323,000
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2032	1,440,000	1,440,000	1,350,000
Unsecured bank borrowings denominated in NT$	From July 2022 to July 2032	268,000	268,000	58,000
Unsecured bank borrowings denominated in NT$	From August 2022 to August 2025	37,500	112,500	187,500
Unsecured bank borrowings denominated in NT$	From August 2022 to August 2029	500,000	500,000	500,000
Unsecured bank borrowings denominated in NT$	From June 2023 to June 2030	800,000	800,000	800,000
Unsecured bank borrowings denominated in NT$	From August 2023 to August 2030	2,000,000	2,000,000	2,000,000

(Continued)

	Repayment Term	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank borrowings denominated in NT$	From September 2023 to September 2025	$ 62,500	$ 187,500	$ 312,500
Unsecured bank borrowings denominated in NT$	From September 2023 to September 2026	750,000	1,000,000	1,000,000
Unsecured bank borrowings denominated in NT$	From September 2023 to September 2026	1,350,000	1,500,000	1,500,000
Unsecured bank borrowings denominated in NT$	From September 2023 to September 2026	600,000	600,000	600,000
Unsecured bank borrowings denominated in NT$	From March 2024 to March 2027	600,000	600,000	600,000
Unsecured bank borrowings denominated in NT$	From June 2024 to June 2031	1,200,000	1,200,000	1,200,000
Unsecured bank borrowings denominated in NT$	From July 2024 to July 2027	200,000	200,000	-
Unsecured bank borrowings denominated in NT$	From November 2024 to November 2027	800,000	800,000	-
Unsecured bank borrowings denominated in NT$	From November 2024 to November 2027	300,000	300,000	-
Unsecured bank borrowings denominated in NT$	From June 2025 to June 2027	100,000	-	-
Unsecured bank borrowings denominated in NT$	From June 2025 to June 2027	400,000	-	-
Unsecured bank borrowings denominated in NT$	From June 2025 to June 2027	100,000	-	-
Unsecured bank borrowings denominated in NT$	From June 2025 to June 2027	500,000	-	-
Unsecured bank borrowings denominated in NT$	From June 2025 to June 2027	500,000	-	-
Unsecured bank borrowings denominated in NT$	Pay off in September 2024	-	-	300,000
Unsecured bank borrowings denominated in NT$	Pay off in December 2024	-	-	125,000

(Continued)

	Repayment Term	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank borrowings denominated in NT$	Pay off in March 2025	$ -	$ 300,000	$ 350,000
Unsecured bank borrowings denominated in NT$	Pay off in June 2025	-	1,000,000	-
Less: Current portion		4,948,042	4,206,328	3,016,138
Less: Government loan discount		81,401	103,894	119,377
Total long-term borrowings		$ 19,027,935	$ 20,792,962	$ 19,250,808

(Concluded)

The Ministry of Economic Affairs implemented the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" on January 1, 2019, which provided enterprises to make compliant investments with financial institutions at preferential interest rates. The Group has obtained the approval of the Ministry of Economic Affairs to qualify for the project loan and signed a loan contract with a financial institution to obtain a financing line of NT$21 billion, with a credit period of 7 to 10 years. The funds obtained are used for factory expansion, purchased machinery and equipment, buildings and operating turnover, etc. The details of government grants are set out in Note 30 to the consolidated financial statements.

In addition, the Group's floating borrowing rate on the above borrowing is reset every one to three months.

The loan agreement requires the maintenance of a current ratio, debt ratio, and interest coverage ratio based on the Group's semi-annual and annual consolidated financial statements. For the six months ended June 30, 2025, the Group interest coverage ratio was lower than the standard set by the bank, but it was not a breach of the contract. The Group's operation and financial status remain stable and the financial ratio requirements are expected to be met in the year-end consolidated financial report.

19. BONDS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured domestic convertible bonds (1)	$ 3,000,000	$ -	$ -
Less: Discounts on bonds payable	146,721	-	-
Less: Current portions	-	-	-
	$ 2,853,279	$ -	$ -

a. Unsecured domestic convertible bonds

1) Issuance and OTC Trading: The conditions for the issuance of the Company's second domestic unsecured convertible corporate bonds are as follows:

a) The Company issued the second domestic unsecured convertible corporate bonds on March 24, 2025, with a total issuance amount of NT$3,000,000, issued at 100.5% of the par value, with a coupon rate of 0%. The issuance period is 3 years, and the circulation period is from March 24, 2025 to March 24, 2028. Upon maturity, the bonds will be repaid in cash in one lump sum according to the par value of the bonds.

b) From the day following three months after the issuance date of this bond (i.e. June 25, 2025) to the maturity date, except for the period during which the transfer of common shares is suspended in accordance with the law or the period prescribed by the issuance and conversion rules, the bondholders may request conversion into the Company's common shares. The rights and obligations of the converted common shares are the same as those of the originally issued common shares.

c) The conversion price is determined in accordance with the pricing model of the issuance and conversion method and shall be adjusted subsequently in accordance with the anti-dilution provisions. As of June 30, 2025, the conversion price of this convertible corporate bond is NT$23 per share.

d) From the day following the third month after the issuance of this Convertible Corporate Bond to the forty days before the expiration of the issuance period, if the closing price of the Company's common stock exceeds the then current conversion price by 30% (inclusive) for thirty consecutive business days, the Company may redeem the outstanding Convertible Corporate Bonds in cash at the par value of the bonds within the next thirty business days; or if the outstanding balance of this Convertible Corporate Bonds is less than 10% of the original total par value, the Company may redeem the outstanding Convertible Corporate Bonds in cash at the par value of the bonds at any time thereafter.

e) All Convertible Corporate Bonds that have been redeemed (including repurchased by securities dealers), repaid or converted by the Company will be cancelled and may no longer be sold or issued, and the conversion rights attached thereto will be extinguished.

2) As of June 30, 2025, the Convertible Corporate Bonds have not yet been converted into common stock.

The convertible bonds contain asset, liability and equity components. The asset component was presented in current asset under the heading of financial assets at fair value through profit or loss - current. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.8393% per annum on initial recognition.

Proceeds from issuance	$ 3,006,000
Asset component	1,215
Equity component	(168,147)
Liability component at the date of issue	2,839,068
Interest calculated at the effective interest rate of 1.8393%.	14,211
Liability component on June 30, 2025	$ 2,853,279

20. TRADE PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Trade payables	$ 2,059,153	$ 2,176,932	$ 2,402,771

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Payables for maintenance and repairs	$ 232,932	$ 291,930	$ 300,240
Payables for bonuses	183,368	363,869	193,491
Payables for patents	93,748	93,748	93,748
Payable for spare parts	88,719	145,012	116,066
Payables for insurance	81,056	74,415	106,221
Payable for pension	74,513	79,127	76,675
Payables for dividends	19,533	19,713	945,418
Others	521,870	569,811	644,708
	$ 1,295,739	$ 1,637,625	$ 2,476,567

22. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Refund liabilities	$ 159,340	$ 180,222	$ 222,652
Receipts under custody	54,069	37,845	59,839
Temporary credits	36,478	36,795	9,019
	$ 249,887	$ 254,862	$ 291,510
Non-current			
Government grants deferred revenue (Note 30)	$ 162,938	$ 169,871	$ 169,108
Guarantee deposits	20,224	22,235	22,049
	$ 183,162	$ 192,106	$ 191,157

23. PROVISIONS

	June 30, 2025	December 31, 2024	June 30, 2024
Current			
Employee benefits (a)	$ 30,617	$ 29,771	$ 31,385
Carbon fee (b)	7,243	-	-
	$ 37,860	$ 29,771	$ 31,385

a. The provision for employee benefits represents vested long service leave entitlements accrued.

b. In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, The Group recognizes the carbon fees provision based on the estimate of the chargeable emissions and charging rates of carbon fees from 2025. The Group assessment is very likely to secure central competent authority for approval of a self-determined reduction plan in accordance, and the implementation progress report of the self-determined reduction plan for the 2025 is expected to be submitted by April 30, 2026. Therefore, the carbon fee provisions is calculated based on the preferential rate.

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and Mxtran of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under on the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The Group's subsidiaries in Hong Kong, the USA, Europe, Japan, Korea, Singapore and China 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.

b. Defined benefit plans

Employee benefit expenses in respect of the Group's defined benefit retirement plans were NT$1,557 thousand and NT$2,376 thousand for the three months ended June 30, 2025 and 2024, respectively, and NT$3,114 thousand and NT$4,752 thousand for the six months ended June 30, 2025 and 2024, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023.

The Group maintains a separate executive pension plan, and the net periodic pension costs were NT$2,070 thousand and NT$1,803 thousand for the three months ended June 30, 2025 and 2024 and NT$4,140 thousand and NT$3,606 thousand for the six months ended June 30, 2025 and 2024, respectively.

25. EQUITY

a. Share capital

Ordinary shares

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Numbers of shares authorized (in thousands)	6,550,000	6,550,000	6,550,000
Share authorized	$ 65,500,000	$ 65,500,000	$ 65,500,000
Numbers of shares issued and fully paid (in thousands)	1,855,826	1,855,826	1,855,826
Shares issued	$ 18,558,264	$ 18,558,264	$ 18,558,264

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

A total of 864,704 thousand shares and 650,000 thousand shares of the Company's authorized shares were reserved for the issuance of convertible bonds and employee share options.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	$ 359,064	$ 359,064	$ 359,064
Bond issuance at a premium	168,147	-	-
Donations	37	37	37
Treasury share transactions	43,466	43,466	43,466
	$ 570,714	$ 402,567	$ 402,567
May be used to offset a deficit only			
Changes in percentage of ownership interests in subsidiaries (2)	$ 4,609	$ 4,609	$ 4,609

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 paid-in capital and once a year).

2) Such capital surplus arises from changes in capital surplus of subsidiaries accounted for by using the equity method.

c. Retained earnings and dividends policy

The Company's Articles of Incorporation state that where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside a legal reserve 10% of the remaining profit (until the amount of the legal reserve equals the amount of the Company's paid-in capital), 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 by the shareholders in their meeting for the distribution of dividends and bonuses to shareholders. Regarding the policies on the distribution of employees' compensation and remuneration of directors stated in the Company's Articles of Incorporation, refer to "Employees' compensation and remuneration of directors" in Note 27 (g) to the consolidated financial statements.

The Company is classified under the capital intensive industry. In accordance with the long-term financial program of the Company, the above shareholders' dividends can be retained as undistributed earnings, and then be distributed in future, as determined by the shareholders at the Annual General Meeting.

Distributions shall be prioritized to take the form of cash dividends. Nevertheless, it still depends on the Company's financial, sales or operating conditions. The Company's Articles of Incorporation provide that no more than 50% of the current year's total amount of distributable earnings can be distributed in the form of share dividends.

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

The appropriations of earnings for 2024 and 2023, which were proposed by the Company’s board of directors on May 23, 2025 and resolved by the shareholders in the Company’s general meeting of shareholders on May 30, 2024, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	**2023**
Special reserve	$ 22,599	$ 4,696
Cash dividends	$ -	$ 927,913
Cash dividends per share (NT$)	$ -	$ 0.5

d. Special reserve

	For the Six Months Ended June 30	
	2025	**2024**
Beginning on January 1	$ 97,721	$ 93,025
Appropriations in respect of Treasury shares	22,599	4,696
Balance on June 30	$ 120,320	$ 97,721

The Company appropriated earnings to a special reserve for the difference between the market price and carrying amount of the Company’s shares held by subsidiaries proportional to its holding of those subsidiaries. The special reserve appropriated may be reversed to the extent that the market price reverses.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2025	**2024**
Balance on January 1	$ 104,191	$ (159,889)
Exchange differences on translation of the financial statements of foreign operations	(462,537)	221,384
Balance on June 30	$ (358,346)	$ 61,495

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	**2024**
Balance on January 1	$ 1,588,276	$ 2,039,768
Recognized for the period		
Unrealized gain (loss) - equity instrument	930,087	(108,464)
Other comprehensive income recognized for the period	2,518,363	1,931,304
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	11,262	(66,322)
Balance on June 30	$ 2,529,625	$ 1,864,982

f. Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Balance at January 1	$ 2,410	$ 1,134
Share of profit for the period	667	823
Balance at June 30	$ 3,077	$ 1,957

g. Treasury shares

The Company’s shares held by its subsidiaries on June 30, 2025, December 31, 2024 and June 30, 2024 were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
June 30, 2025			
Hui Ying	1,957	$ 159,061	$ 41,578
December 31, 2024			
Hui Ying	1,957	$ 159,061	$ 38,741
June 30, 2024			
Hui Ying	1,957	$ 159,061	$ 50,970

The Company’s shares held by subsidiaries are regarded as treasury shares; shareholder’s rights are retained, except the rights to participate in any share issuance for cash and to vote.

26. REVENUE

a. Disaggregation of revenue from contracts with customers

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Products				
Flash	$ 5,450,753	$ 5,022,048	$ 10,295,601	$ 9,273,236
ROM	836,320	867,980	1,688,488	1,892,390
Foundry	512,268	561,445	952,615	1,041,463
Others	-	4,102	14	8,947
	$ 6,799,341	$ 6,455,575	$ 12,936,718	$ 12,216,036

b. Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Contract liabilities (classified as current liabilities)	$ 59,836	$ 27,882	$ 54,881

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of the performance obligation and the customer's payment.

The Company recognized revenue from the beginning balance of contract liabilities as follow:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
From the beginning balance of contract liabilities				
Sale of goods	$ 2,326	$ 2,969	$ 26,830	$ 40,664

27. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Bank deposits	$ 62,864	$ 50,608	$ 115,549	$ 101,512

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Dividend income	$ 192,394	$ 167,220	$ 192,394	$ 167,220
Others	91,428	68,033	131,021	128,507
	$ 283,822	$ 235,253	$ 323,415	$ 295,727

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net foreign exchange (losses) gains	$ (570,501)	$ 1,960	$ (437,642)	$ 72,050
Other losses	10,953	(4,307)	5,172	(7,248)
	$ (559,548)	$ (2,347)	$ (432,470)	$ 64,802

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest on loans	$ 122,942	$ 105,352	$ 252,446	$ 201,746
Interest on bonds	13,080	-	14,211	-
Interest on lease liabilities	3,055	3,266	6,282	6,605
Less: Amounts included in the cost of qualifying assets	(23,351)	(22,811)	(50,610)	(49,236)
	$ 115,726	$ 85,807	$ 222,329	$ 159,115

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Capitalized interest	$ 23,351	$ 22,811	$ 50,610	$ 49,236
Capitalization rate	1.70%	1.66%	1.70%	1.60%

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of depreciation by function				
Operating costs	$ 1,048,649	$ 977,375	$ 2,087,679	$ 1,945,268
Operating expenses	205,719	214,260	410,954	425,787
	$ 1,254,368	$ 1,191,635	$ 2,498,633	$ 2,371,055
An analysis of amortization by function				
Operating costs	$ 7,838	$ 11,369	$ 19,590	$ 22,816
Operating expenses	3,783	7,345	8,257	15,901
	$ 11,621	$ 18,714	$ 27,847	$ 38,717

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits (Note 24)				
Defined contribution plans	$ 60,901	$ 67,011	$ 124,289	$ 133,148
Defined benefit plans	3,627	4,179	7,254	8,358
	64,528	71,190	131,543	141,506
Other employee benefits	1,558,363	1,735,561	3,167,547	3,431,507
Total employee benefits expense	$ 1,622,891	$ 1,806,751	$ 3,299,090	$ 3,573,013

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of employee benefits expense by function				
Operating costs	$ 656,011	$ 716,342	$ 1,344,146	$ 1,414,897
Operating expenses	966,880	1,090,409	1,954,944	2,158,116
	$ 1,622,891	$ 1,806,751	$ 3,299,090	$ 3,573,013

(Concluded)

g. Compensation of employees and remuneration of directors

In compliance with the Articles of Incorporation, the Company accrued compensation of employees and remuneration of directors at the rates of 15% and no higher than 2% that it is generally set at this 2% level, respectively, of net profit before income tax, compensation of employees, and remuneration of directors, which 20% must be distributed to grassroots employees. The Company does not intend to contribute employees' compensation and remuneration of directors for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024 due to the Company's net loss before tax.

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.

In compliance with the Articles of Incorporation, the Company does not intend to contribute employees' compensation and remuneration of directors for the year 2023 and 2024 due to the Company's net loss before tax.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the TWSE.

28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax benefit are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	$ 939	$ 5,195	$ 1,202	$ 9,192
Adjustments for prior period	4,975	111	4,991	(183)
Overseas income tax	234	801	2,452	1,502
Deferred tax				
In respect of the current period	(137,963)	(34,185)	(237,219)	(156,253)
Income tax benefit recognized in profit or loss	$ (131,815)	$ (28,078)	$ (228,574)	$ (145,742)

b. Income tax assessments

The Company's, Mxtran's, Hui Ying's and Run Hong's tax returns through 2023 have been assessed by the tax authorities.

29. LOSS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Basic loss per share	$ (0.69)	$ (0.15)	$ (1.16)	$ (0.74)
Diluted loss per share	$ (0.69)	$ (0.15)	$ (1.16)	$ (0.74)

The loss and weighted average number of ordinary shares outstanding in the computation of loss per share from continuing operations were as follows:

Net loss for the period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Loss for the period attributable to owners of the Company	$ (1,276,121)	$ (286,372)	$ (2,149,174)	$ (1,365,654)

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	**2024**	**2025**	**2024**
Weighted average number of ordinary shares in computation of basic earnings per share	1,853,870	1,853,870	1,853,870	1,853,870
Effects of potentially dilutive ordinary shares:				
Restricted shares to employees	Note	Note	Note	Note
Compensation of employees or bonus issue to employees	Note	Note	Note	Note
Weighted average number of ordinary shares in computation of diluted earnings per share	1,853,870	1,853,870	1,853,870	1,853,870

Note: The potential shares have an anti-dilution effect for the net loss for the six months ended June 30, 2025 and 2024. Such shares are not included in the calculation of loss per share.

30. GOVERNMENT GRANTS

As of June 30, 2025, the Company obtained a government preferential interest rate loan of $19,498,000 thousand from the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan". The loan will be repaid on an average monthly basis after the date of expiry. At the time of the borrowing, the fair value of the borrowing was estimated based on the market interest rate. The difference between the amount obtained and the fair value of the loan is $206,470 thousand, which is regarded as a government low interest loan and recognized as deferred income. For the six months ended June 30, 2025 and 2024, the Company recognized other income of $6,933 thousand and $6,133 thousand, respectively. For the six months ended June 30, 2025 and 2024, the interest expense of the loan was $22,493 thousand and $22,276 thousand, respectively.

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to operate under the premises of going concerns and growth while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group’s strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Group determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

The management of the Group periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In general, the Group implements prudent strategy of risk management.

32. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

June 30,2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible Bonds	$ 2,853,279	$ -	$ 2,853,279	$ -	$ 2,853,279

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

1) Fair value hierarchy

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Convertible bonds	$ -	$ 3,035	$ -	$ 3,035
Foreign convertible preference shares	-	-	228,621	228,621
	$ -	$ 3,035	$ 228,621	$ 231,656
Financial assets at FVTOCI				
Investments in equity instruments				
Securities listed in ROC	$ 2,783,268	$ -	$ -	$ 2,783,268
Securities listed in other countries	493,328	-	-	493,328
Securities unlisted	-	-	829,870	829,870
	$ 3,276,596	$ -	$ 829,870	$ 4,106,466

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign convertible preference shares	$ -	$ -	$ 255,814	$ 255,814
Financial assets at FVTOCI				
Investments in equity instruments				
Securities listed in the ROC	$ 1,979,132	$ -	$ -	$ 1,979,132
Securities listed in other countries	665,370	-	-	665,370
Securities unlisted	-	-	690,283	690,283
	$ 2,644,502	$ -	$ 690,283	$ 3,334,785

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign convertible preference shares	$ -	$ -	$ 276,796	$ 276,796
Financial assets at FVTOCI				
Investments in equity instruments				
Securities listed in ROC	$ 2,535,729	$ -	$ -	$ 2,535,729
Securities listed in other countries	591,883	-	-	591,883
Securities unlisted	-	-	719,324	719,324
	$ 3,127,612	$ -	$ 719,324	$ 3,846,936

There were no transfers between Level 1 and Level 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the six months ended June 30, 2025

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance on January 1	$ 255,814	$ 690,283	$ 946,097
Sales	-	-	-
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	139,587	139,587
Effects of foreign currency exchange differences	(27,193)	-	(27,193)
Balance on June 30	$ 228,621	$ 829,870	$ 1,058,491

For the six months ended June 30, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
Balance on January 1	$ 261,911	$ 842,438	$ 1,104,349
Sales	-	(150,780)	(150,780)
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	27,666	27,666
Effects of foreign currency exchange differences	14,885	-	14,885
Balance on June 30	$ 276,796	$ 719,324	$ 996,120

3) Valuation used in Level 3 fair value measurement

The fair values of equity securities listed in the ROC and other countries and foreign convertible preference shares was arrived at using either the asset-based approach or based on the multiplier evaluated in the active market by the market approach and adjustments of liquidity.

c. Categories of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Measured at amortized costs (1)	$ 16,982,547	$ 15,875,039	$ 16,096,063
Measured at FVTPL	231,656	255,814	276,796
Measured at FVTOCI	4,106,466	3,334,785	3,846,936
Financial liabilities			
Measured at amortized cost (2)	28,607,954	30,157,139	28,715,006

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, trade receivables (including receivables from related parties), other receivables and other financial assets.

2) The balances included financial liabilities measured at amortized cost, which comprise, short-term borrowings, trade payables (including payables to related parties), other payables (including other payables to related parties), payables for purchases of equipment, bonds payable, guarantee deposits received and long-term loans (including current portion).

d. Financial risk management objectives and policies

The Group manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by management in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Group must comply with certain treasury procedures that provide guiding principles for overall financial risk management.

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 price risk (see (c) below).

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

Sensitivity analysis

The Group was mainly exposed to the USD and JPY.

The sensitivity analysis of foreign currency risk focuses mainly on exchange rates for transactions in currencies other than the entity's functional currency (i.e., foreign currencies) which are recognized at the rates of exchange prevailing at the end of each reporting period.

The following table details the Group's sensitivity to a 3% and 10% increase in New Taiwan dollars (i.e., the functional currency) against the USD and JPY, respectively. The sensitivity rates used are 3% (USD) and 10% (JPY) when reporting foreign currency risk internally to key management personnel.

	USD Impact		**JPY Impact**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**	
	2025	**2024**	**2025**	**2024**
Pretax profit decrease	$ 81,482	$ 51,830	$ 96,778	$ 100,938

b) Interest rate risk

The Group is exposed to interest rate risk from outstanding bank loans. Interest rates of the Group's long-term bank loans are floating, and changes in interest rates would affect the future cash flows but not the fair value.

The sensitivity analysis of interest is performed based on the financial liabilities exposed to cash flow interest rate risk at the end of each reporting period.

If interest rates had been 50 basis points higher/lower, the Group's pre-tax loss for the six months ended June 30, 2025 and 2024 would have increased/decreased by $59,940 thousand and $56,167 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitive analysis

A sensitivity analysis of equity price is performed based on the fair values of equity investments at the end of each reporting period.

If equity prices had been 10% higher/lower, equity for the six months ended June 30, 2025 and 2024 would have increased/decreased by $410,647 thousand and $384,694 thousand, respectively, as a result of the changes in fair value of available-for-sale investments.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk mainly arises from trade receivables - operating, bank deposits, and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

In order to maintain the credit quality of trade receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables.

Credit evaluation is performed in the consideration of the relevant factors, such as financial condition, external and internal credit scoring, historical experience, and economic conditions, which may affect the customer's paying ability. The Group holds some of the credit enhancements such as prepayments and collateral to mitigate its credit risks.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's ten largest customers accounted for 46%, 48% and 45% of its total trade receivables (including receivables from related parties), respectively. The Group believed that the concentration of credit risk was relatively insignificant for the remaining trade receivables.

Financial credit risk

The Group's exposure to financial credit risk which pertained to bank deposits and other financial instruments were evaluated and monitored by Corporate Treasury function. The Group only deals with creditworthy counterparties and banks so that no significant credit risk was identified.

3) Liquidity risk

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements of cash and cash equivalents and the unused of financing facilities associated with existing operations.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual, undiscounted payments, including principal and estimated interest of interest bearing.

June 30, 2025

	On Demand or Less than 1 Year	1-3 Years	3-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Noninterest bearing	$ 4,312,511	$ -	$ -	$ -	$ 4,312,511
Lease liabilities	108,047	154,997	138,779	270,964	672,787
Interest bearing	6,026,640	13,225,083	4,997,470	1,443,329	25,692,522
	$ 10,447,198	$ 13,380,080	$ 5,136,249	$ 1,714,293	$ 30,677,820

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 108,047	$ 293,776	$ 261,380	$ 9,584	$ -	$ -

December 31, 2024

Non-derivative financial liabilities	On Demand or Less than 1 Year	1-3 Years	3-5 Years	5+ Years	Total
Non-interest bearing	$ 5,203,169	$ -	$ -	$ -	$ 5,203,169
Lease liabilities	101,905	160,245	143,003	342,136	747,289
Interest bearing	5,222,091	13,121,483	6,233,932	2,258,470	26,835,976
	$ 10,527,165	$ 13,281,728	$ 6,376,935	$ 2,600,606	$ 32,786,434

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 101,905	$ 303,248	$ 306,092	$ 28,911	$ 7,133	$ -

June 30, 2024

Non-derivative financial liabilities	On Demand or Less than 1 Year	1-3 Years	3-5 Years	5+ Years	Total
Noninterest bearing	$ 6,795,591	$ -	$ -	$ -	$ 6,795,591
Lease liabilities	119,307	147,786	128,699	372,888	768,680
Interest bearing	3,678,637	10,430,956	6,677,709	3,051,399	23,838,701
	$ 10,593,535	$ 10,578,742	$ 6,806,408	$ 3,424,287	$ 31,402,972

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 119,307	$ 276,485	$ 306,416	$ 56,448	$ 10,024	$ -

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and their relationships associated with the Company:

Related Party	Relationship with the Company
MegaChips Corporation (MegaChips)	Key management personnel
Ardentec Corporation (Ardentec)	The Group is its major management authority

(Continued)

Related Party	Relationship with the Company
Macronix Education Foundation (MXIC Foundation)	Others
Wolley Inc. (Wolley)	Others

(Concluded)

b. Operating revenue

Items	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Sales	Key management personnel				
	MegaChips	$ 849,463	$ 887,677	$ 1,714,163	$ 1,919,616

Sales prices for the related parties were not comparable to those for external customers as the Group was the sole provider of these customers. The sales terms for the related parties was 30 days after the monthly closing.

c. Purchases

Related Party Category/ Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Key management personnel				
MegaChips	$ 28,163	$ 89,389	$ 140,975	$ 97,396

Materials purchased from related parties were for manufacturing process. The payment term was 30 days after monthly closing and after acceptance of material.

d. Receivables from related parties

Item	Related Party Category/ Name	June 30, 2025	December 31, 2024	June 30, 2024
Receivables from related parties net	Key management personnel MegaChips	$ 342,885	$ 441,810	$ 288,150

The outstanding trade receivables from related parties are unsecured. For the six months ended June 30, 2025 and 2024, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Item	Related Party Category/ Name	June 30, 2025	December 31, 2024	June 30, 2024
Payables to related parties	Key management personnel MegaChips	$ 341,607	$ 547,990	$ 619,689
	The Group is its major management authority	131,976	137,910	111,613
		$ 473,583	$ 685,900	$ 731,302

(Continued)

Item	Related Party Category/ Name	June 30, 2025	December 31, 2024	June 30, 2024
Other payables to related parties	Other	$ 30	$ 30	$ 30

(Concluded)

The outstanding trade payables from related parties are unsecured and will be settled in cash.

f. Other transactions with related parties

Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Manufacturing expenses	The Group is its major management authority				
	Ardentec	$ 149,429	$ 115,290	$ 240,237	$ 196,933
Operating expenses	Others				
	Wolley	$ 7,524	$ -	$ 7,524	$ -
	MXIC Education	5,406	5,030	10,811	10,061
		$ 12,930	$ 5,030	$ 18,335	$ 10,061

The manufacturing expenses of related parties were comparable to those with other vendors. The payment terms were 60 days after monthly closing.

g. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term benefits	$ 38,362	$ 40,420	$ 80,499	$ 84,719
Post-employment benefits	2,070	1,803	4,140	3,606
Other long-term employee benefits	2	(18)	18	(1)
	$ 40,434	$ 42,205	$ 84,657	$ 88,324

The remuneration of key executives was determined by the remuneration committee based on the performance of individuals and market trends.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the tariff of imported raw materials guarantees, natural gas agreement, land and dormitory lease agreement:

	June 30, 2025	December 31, 2024	June 30, 2024
Pledge deposits (classified as other financial assets - non-current)	$ 189,983	$ 188,924	$ 188,924

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of June 30, 2025 were as follows:

a. As of June 30, 2025, December 31, 2024 and June 30, 2024, unused letters of credit amounted to approximately $24,759 thousand, $199,405 and $471,969 thousand, respectively.

b. Unrecognized commitments are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property plant and equipment	$ 1,012,578	$ 2,053,795	$ 3,123,148

c. As a contribution to society, the Company's board of directors passed a resolution to donate to National Cheng Kung University to establish the "School of Computing" in order to cultivate cross domain innovative talents with dual expertise "specific discipline" and "computing", and to fulfill the Company's social responsibilities with a donation amount of $100,000 thousand per year for the next ten years on June 2, 2020. As of June 30, 2025, the Company has made a donation of $500,000 thousand to National Cheng Kung University.

d. On December 26, 2023, the board of directors of the Company approved the joint development project with IBM regarding "Enterprise-class SSD Storage" from December 2023 to December 2026. As of June 30, 2025, the unrecognized contract amount is US$7,500 thousand.

e. The Company signed a long-term purchase contract with supplier A. According to the contract, the Company shall prepay deposits, and these suppliers shall supply the Company according to the quantity and price agreed in the contract. As of June 30, 2025, the Company's prepayments and deposits for supplier A was $549,580 thousand, and the unpaid contract amounts was US$55,440 thousand.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2025

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
JPY	$ 6,858,700	0.2034	$ 1,395,060
USD	120,810	29.300	3,539,734
			$ 4,934,794

(Continued)

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
JPY	$ 2,100,663	0.2034	$ 427,275
USD	28,111	29.300	823,662
			$ 1,250,937
			(Concluded)

December 31, 2024

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
JPY	$ 8,240,401	0.2099	$ 1,729,660
USD	89,848	32.785	2,945,657
			$ 4,675,317
Financial liabilities			
Monetary items			
JPY	4,186,023	0.2099	$ 878,646
USD	38,346	32.785	1,257,159
			$ 2,135,805

June 30, 2024

	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
JPY	$ 10,407,971	0.2017	$ 2,099,288
USD	102,539	32.45	3,327,392
			$ 5,426,680
Financial liabilities			
Monetary items			
JPY	5,403,611	0.2017	$ 1,089,908
USD	49,298	32.45	1,599,728
			$ 2,689,636

Realized and unrealized net foreign exchange (loss) gains were $(570,501) thousand and $1,960 thousand for the three months ended June 30, 2025 and 2024, respectively. Realized and unrealized net foreign exchange gains were $(437,642) thousand and $72,050 thousand for the six months ended June 30, 2025 and 2024, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

   1) Financing provided to others: None

   2) Endorsements/guarantees provided: None

   3) Significant marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Table 1 (attached)

   4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2 (attached)

   5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3 (attached)

   6) Intercompany relationships and significant intercompany transactions: Table 4 (attached)

b. Information on investees: Table 5 (attached)

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, shareholding ratio, investment gains or losses, carrying amount of the investment at the end of the period, repatriation of investment gains or losses, and limit on the amount of investment in the mainland China area: Table 6 (attached)

   2) Any of the significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Table 4 (attached)

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and the assessment of segment performance emphasizes the types of goods or services delivered or provided. Considering the nature of the product and the process of manufacture, the management integrated those divisions of similar operation functions into one operation segment. The resource allocation and performance of the Group's overall business focus on the memory products and wafer fabrication segment, so the Group only takes the memory products and wafer fabrication segment as the reportable segment.

There was no material difference between the accounting policies of the Group reportable segment and those described in Note 4. For the revenue and operating results of the segment, refer to the consolidated financial statements.

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Shares as Collateral
				Shares/Unit	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Shares							
	Ardentec Corporation	The Company serves as member of its board of directors	Financial assets at FVTOCI - non-current	35,951,871	$ 2,725,152	7.33	$ 2,725,152	None
	United Industrial Gases Co., Ltd.	None	〃	6,671,877	797,690	3.06	797,690	None
MXBVI	Shares							
	Tower Semiconductor Ltd.	None	Financial assets at FVTOCI - non-current	388,400	493,328	0.35	493,328	None
	Foreign Convertible Preference Shares							
	Wolley Inc.	Associate (Note)	Financial assets at FVTPL - non-current	2,400,000	130,795	18.00	130,795	None

Note: The Company has the ability to participate in the decision-making of the company's financial and operating policies and has significant influence on the company.

MACRONIX INTERNATIONAL CO., LTD. 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 SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance	% to Total	
The Company	MegaChips	Its subsidiary, Shun Ying Investment, is represented in MXIC's board of directors	Sales	$ 1,714,163	14	30 days after monthly closing	Note 33	Note 33	$ 342,885	8	-
	MXHK	Subsidiary	Sales	1,963,887	16	45 days after monthly closing	Note 33	Note 33	576,726	14	-
	MXA	Subsidiary	Sales	880,654	7	Net 60 days	Note 33	Note 33	198,996	5	-
	Mxtran	Subsidiary	Sales	462,229	4	30 days after monthly closing	Note 33	Note 33	149,696	4	-
	MegaChips	Its subsidiary, Shun Ying Investment, is represented in MXIC's board of directors	Purchase	140,975	6	30 days after monthly closing and after acceptance of materials	Note 33	Note 33	341,606	14	-
MXHK	The Company	Subsidiary	Purchase	USD 61,643	100	45 days after monthly closing	No material difference	No material difference	USD 19,683	100	-
MXA	The Company	Subsidiary	Purchase	USD 27,568	100	Net 60 days	No material difference	No material difference	USD 6,792	100	-

TABLE 3

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	MegaChips	Its subsidiary, Shun Ying Investment, is represented in MXIC's board of directors	$ 342,885	8.74 times	$ -	-	$ 250,572 thousand	$ -
	MXHK	Subsidiary	576,726	8.94 times	-	-	410,117 thousand	-
	MXA	Subsidiary	198,996	10.34 times	-	-	167,784 thousand	-
	Mxtran	Subsidiary	149,696	11.35 times	-	-	72,552 thousand	-

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
			Financial Statement Accounts	Amount	Payment Term	% to Total Revenue or Assets
The Company	MXHK	1	Sales	$ 1,963,887	Note 2	15
			Net receivable from related parties	576,726	-	1
	MXA	1	Sales	880,654	Note 2	7
			Net receivable from related parties	198,996	-	-
	Mxtran	1	Sales	462,229	Note 2	4
			Net receivable from related parties	149,696	-	-
MXHK	Mxm	3	Operating expenses	179,401	-	1
			Other payables to related parties	100,928	-	-

Note 1: The transactions from the parent company to the subsidiary are denoted as 1.

The transactions from the subsidiary to the parent company are denoted as 2.

The transactions between two subsidiaries are denoted as 3.

Note 2: The sale price referred to the product price to end customer.

Note 3: The transaction terms with related parties were 30 to 60 days after monthly closing and were similar to those of third parties.

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2025	December 31, 2024	Shares	%	Carrying Amount			
The Company	MXA	San Jose, California, U.S.A.	Sales and marketing	$ 2,640	$ 2,640	100,000	100.00	$ 429,757	$ 11,229	$ 11,229	Subsidiary
	MXBVI	Tortola, British Virgin Islands	Investment holding company	6,744,008	6,744,008	182,589,357	100.00	2,491,140	32,363	32,363	Subsidiary
	MXHK	Hong Kong	Sales and marketing	598,700	598,700	89,700,000	100.00	588,906	(37,400)	(37,400)	Subsidiary
	MPL	Singapore	After-sales services	5,348	5,348	174,000	100.00	8,309	579	579	Subsidiary
	Hui Ying	Taipei, Taiwan	Investment	500,000	500,000	-	100.00	168,025	(3,630)	(3,630)	Subsidiary
	Run Hong	Taipei, Taiwan	Investment	1,014,432	1,014,432	-	100.00	71,108	(2,290)	(2,290)	Subsidiary
	Mxtran	Hsinchu, Taiwan	IC design	755,287	755,287	69,627,323	90.43	53,868	12,920	11,684	Subsidiary
MXBVI	NTTI	San Jose, California, U.S.A.	IC design	952,473	942,554	29,150,000	100.00	288,285	(6,188)	Note	Subsidiary
	MXE	Belgium	After-sales services	2,106	2,106	1,000	100.00	173,517	4,813	Note	Subsidiary
	MX Asia	Cayman Island	After-sales services	19,744	19,744	600,000	100.00	77,953	2,629	Note	Subsidiary
Run Hong	Mxtran	Hsinchu, Taiwan	IC design	40,318	40,318	3,393,200	4.41	2,629	(2,290)	Note	Subsidiary

Note: Under relevant regulations, no disclosure of investment gain (loss) is needed.

TABLE 6

MACRONIX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(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, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2025	Net Income (Loss) of the Investee	% Ownership for Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
MXm	Development of integrated circuit system and software	$ 296,160	MXHK (Note 2)	$ 296,160	$ -	$ -	$ 296,160	$ 9,437	100	$ 9,437	$ 463,403	$ -

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amounts of Investment Stipulated by Investment Commission, MOEA
$ 296,160	$ 296,160	$ 25,478,302

Note 1: The amount was recognized based on the unreviewed financial statements of the investee company.

Note 2: The Company invested in a company located in mainland China indirectly through the existing company in a third country.