

**Winbond Electronics Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Winbond Electronics Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Winbond Electronics Corporation and its subsidiaries (collectively, the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, 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

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.

Conclusion

Based on our reviews, 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 March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 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 Kuo-Tyan Hong and Wen-Yea Shyu.

The image shows two handwritten signatures in black ink. The first signature is on the left, followed by a large, stylized flourish. The second signature is on the right, written in a cursive style.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 5, 2025

Notice to Readers

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 18,378,489	10	\$ 14,100,396	8	\$ 13,710,169	7
Current financial assets at fair value through profit or loss (Note 7)	209,165	-	201,804	-	197,175	-
Current financial assets at fair value through other comprehensive income (Note 8)	7,948,245	4	8,318,400	5	12,379,952	7
Accounts receivable, net (Note 9)	11,829,058	7	10,010,017	6	11,336,048	6
Accounts receivable due from related parties, net (Note 31)	26,114	-	28,329	-	50,769	-
Finance lease receivables - current (Notes 10 and 31)	-	-	22,506	-	90,086	-
Other receivables (Notes 11 and 31)	740,161	1	700,684	-	754,289	1
Inventories (Note 12)	23,539,566	13	24,201,163	13	22,391,551	12
Other current assets (Note 31)	1,713,233	1	1,932,190	1	2,046,833	1
Total current assets	64,384,031	36	59,515,489	33	62,956,872	34
NON-CURRENT ASSETS						
Non-current financial assets at fair value through profit or loss (Note 7)	-	-	-	-	80,000	-
Non-current financial assets at fair value through other comprehensive income (Note 8)	3,310,935	2	3,442,851	2	3,239,848	2
Investments accounted for using equity method (Note 13)	7,601,215	4	7,390,428	4	10,261,090	6
Property, plant and equipment (Note 14)	98,400,631	54	100,252,092	56	100,916,364	54
Right-of-use assets (Notes 15 and 31)	1,973,685	1	1,984,623	1	2,129,203	1
Investment properties (Note 16)	1,418,452	1	1,369,827	1	1,476,797	1
Intangible assets (Note 17)	747,188	-	815,589	1	573,221	-
Deferred income tax assets (Note 4)	2,100,033	1	1,665,713	1	2,321,263	1
Other non-current assets (Notes 6 and 31)	1,365,901	1	1,347,536	1	1,645,162	1
Total non-current assets	116,918,040	64	118,268,659	67	122,642,948	66
TOTAL	\$ 181,302,071	100	\$ 177,784,148	100	\$ 185,599,820	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 6,118,230	3	\$ 2,119,990	1	\$ 3,623,000	2
Current financial liabilities at fair value through profit or loss (Note 7)	99,258	-	142,481	-	155,924	-
Notes and accounts payable	5,583,490	3	5,506,722	3	5,133,781	3
Accounts payable due to related parties (Note 31)	1,461,964	1	1,554,595	1	1,383,832	1
Payables on machinery and equipment	1,326,206	1	2,064,502	1	2,339,318	1
Other payables (Note 31)	7,952,453	5	8,170,293	5	8,528,864	5
Current tax liabilities (Note 4)	425,814	-	280,031	-	874,623	1
Lease liabilities - current (Notes 15 and 31)	310,974	-	287,101	-	279,759	-
Long-term borrowings and bonds payable - current portion (Notes 18 and 19)	19,963,517	11	19,960,335	11	9,380,787	5
Other current liabilities (Note 31)	1,617,168	1	1,675,665	1	858,579	-
Total current liabilities	44,859,074	25	41,761,715	23	32,558,467	18
NON-CURRENT LIABILITIES						
Non-current financial assets at fair value through profit or loss (Note 7)	11,850	-	-	-	-	-
Bonds payable (Notes 4 and 19)	4,783,234	3	-	-	9,984,125	5
Long-term borrowings (Notes 18 and 28)	28,012,291	15	31,127,718	18	36,362,020	20
Provisions - non-current (Note 20)	1,977,221	1	1,970,859	1	2,203,275	1
Lease liabilities - non-current (Notes 15 and 31)	1,774,501	1	1,803,971	1	1,950,848	1
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,315,357	1	1,278,185	1	1,636,505	1
Other non-current liabilities (Note 31)	513,011	-	682,279	-	2,205,623	1
Total non-current liabilities	38,387,465	21	36,863,012	21	54,342,396	29
Total liabilities	83,246,539	46	78,624,727	44	86,900,863	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)						
Share capital	45,000,002	25	45,000,002	25	41,800,002	23
Capital surplus	13,757,780	7	13,699,048	8	10,135,875	5
Retained earnings						
Legal reserve	4,772,874	3	4,772,874	3	4,772,874	3
Unappropriated earnings	22,121,017	12	23,212,159	13	22,238,406	12
Exchange differences on translation of the financial statements of foreign operations	(529,154)	-	(906,715)	-	(977,054)	(1)
Unrealized gains on financial assets measured at fair value through other comprehensive income	5,311,785	3	5,874,120	3	12,991,963	7
Total equity attributable to owners of the parent	90,434,304	50	91,651,488	52	90,962,066	49
NON-CONTROLLING INTERESTS (Note 22)	7,621,228	4	7,507,933	4	7,736,891	4
Total equity	98,055,532	54	99,159,421	56	98,698,957	53
TOTAL	\$ 181,302,071	100	\$ 177,784,148	100	\$ 185,599,820	100

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 31)	\$ 19,992,617	100	\$ 20,121,351	100
OPERATING COSTS (Notes 12 and 31)	<u>14,870,849</u>	<u>74</u>	<u>14,559,622</u>	<u>72</u>
GROSS PROFIT	<u>5,121,768</u>	<u>26</u>	<u>5,561,729</u>	<u>28</u>
OPERATING EXPENSES (Note 31)				
Selling expenses	573,444	3	524,111	3
General and administrative expenses	1,217,647	6	1,150,422	6
Research and development expenses	4,277,226	22	4,054,374	20
Expected credit (gain) loss (Note 9)	<u>18,818</u>	<u>-</u>	<u>19,459</u>	<u>-</u>
Total operating expenses	<u>6,087,135</u>	<u>31</u>	<u>5,748,366</u>	<u>29</u>
LOSS FROM OPERATIONS	<u>(965,367)</u>	<u>(5)</u>	<u>(186,637)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 31)	100,573	-	81,863	-
Dividend income	735	-	633	-
Other income (Notes 15, 28 and 31)	104,870	1	72,597	-
Share of profit (loss) of associates	(12,272)	-	(75,840)	-
Gains (losses) on disposal of property, plant and equipment (Note 31)	638	-	124,799	1
Gains (losses) on disposal of intangible assets	1,153	-	-	-
Gains (losses) on foreign exchange (Note 34)	126,871	1	311,003	2
Gains (losses) on financial instruments at fair value through profit or loss	(96,220)	(1)	(351,289)	(2)
Interest expense (Notes 15, 28 and 31)	(325,751)	(2)	(285,186)	(1)
Other expenses (Note 31)	<u>(81,045)</u>	<u>-</u>	<u>(118,507)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(180,448)</u>	<u>(1)</u>	<u>(239,927)</u>	<u>(1)</u>
LOSS BEFORE INCOME TAX	(1,145,815)	(6)	(426,564)	(2)
INCOME TAX BENEFIT (Notes 4 and 25)	<u>(158,898)</u>	<u>(1)</u>	<u>(161,803)</u>	<u>(1)</u>
NET LOSS	<u>(986,917)</u>	<u>(5)</u>	<u>(264,761)</u>	<u>(1)</u>

(Continued)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Losses Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income (loss)				
that will not be reclassified to profit or loss:				
Unrealized losses from investments in equity				
instruments at fair value through other				
comprehensive income	\$ (960,040)	(5)	\$ (294,180)	(2)
Share of other comprehensive income (loss) of				
associates accounted for using equity method	107,128	1	(572,156)	(3)
Income tax related to items that will not be				
reclassified	79,000	-	-	-
Components of other comprehensive income (loss)				
that will be reclassified to profit or loss:				
Exchange differences on translation of the				
financial statements of foreign operations	<u>624,620</u>	<u>3</u>	<u>(15,712)</u>	<u>-</u>
Other comprehensive loss	<u>(149,292)</u>	<u>(1)</u>	<u>(882,048)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE LOSS	<u>\$ (1,136,209)</u>	<u>(6)</u>	<u>\$ (1,146,809)</u>	<u>(6)</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the parent	\$ (1,091,142)	(5)	\$ (464,347)	(2)
Non-controlling interests	<u>104,225</u>	<u>-</u>	<u>199,586</u>	<u>1</u>
	<u>\$ (986,917)</u>	<u>(5)</u>	<u>\$ (264,761)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the parent	\$ (1,275,916)	(7)	\$ (1,334,761)	(7)
Non-controlling interests	<u>139,707</u>	<u>1</u>	<u>187,952</u>	<u>1</u>
	<u>\$ (1,136,209)</u>	<u>(6)</u>	<u>\$ (1,146,809)</u>	<u>(6)</u>
LOSSES PER SHARE (Note 26)				
Basic	<u>\$ (0.24)</u>		<u>\$ (0.11)</u>	
Diluted	<u>\$ (0.24)</u>		<u>\$ (0.11)</u>	

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

(Concluded)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Parent					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income					
			Legal Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2024	\$ 41,800,002	\$ 10,135,865	\$ 4,772,874	\$ 22,702,753	\$ (1,007,855)	\$ 13,893,178	\$ 92,296,817	\$ 8,163,361	\$ 100,460,178	
Net income (loss) for the three months ended March 31, 2024	-	-	-	(464,347)	-	-	(464,347)	199,586	(264,761)	
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	30,801	(901,215)	(870,414)	(11,634)	(882,048)	
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	(464,347)	30,801	(901,215)	(1,334,761)	187,952	(1,146,809)	
Changes in ownership interests in subsidiaries	-	10	-	-	-	-	10	10	20	
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(614,432)	(614,432)	
BALANCE, MARCH 31, 2024	\$ 41,800,002	\$ 10,135,875	\$ 4,772,874	\$ 22,238,406	\$ (977,054)	\$ 12,991,963	\$ 90,962,066	\$ 7,736,891	\$ 98,698,957	
BALANCE, JANUARY 1, 2025	\$ 45,000,002	\$ 13,699,048	\$ 4,772,874	\$ 23,212,159	\$ (906,715)	\$ 5,874,120	\$ 91,651,488	\$ 7,507,933	\$ 99,159,421	
Net income (loss) for the three months ended March 31, 2025	-	-	-	(1,091,142)	-	-	(1,091,142)	104,225	(986,917)	
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	377,561	(562,335)	(184,774)	35,482	(149,292)	
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	(1,091,142)	377,561	(562,335)	(1,275,916)	139,707	(1,136,209)	
Changes in ownership interests in subsidiaries	-	58,732	-	-	-	-	58,732	54,072	112,804	
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(80,484)	(80,484)	
BALANCE, MARCH 31, 2025	\$ 45,000,002	\$ 13,757,780	\$ 4,772,874	\$ 22,121,017	\$ (529,154)	\$ 5,311,785	\$ 90,434,304	\$ 7,621,228	\$ 98,055,532	

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (1,145,815)	\$ (426,564)
Adjustments for:		
Depreciation expense	3,157,910	2,951,668
Amortization expense	96,658	100,736
Expected credit (gain) loss recognized on accounts receivable	18,818	19,459
Interest expense	325,751	285,186
Interest income	(100,573)	(81,863)
Dividend income	(735)	(633)
Share of (profit) loss of associates	12,272	75,840
(Gains) losses on disposal of intangible assets	(1,153)	-
(Gains) losses on disposal of property, plant and equipment	(638)	(124,799)
(Gains) on lease modification	(949)	(4,951)
Other income under government grants	(43,665)	(14,394)
Changes in operating assets and liabilities		
(Increase) decrease in financial assets and liabilities at fair value through profit or loss	(44,642)	371,085
(Increase) decrease in accounts receivable	(1,847,541)	(1,713,444)
(Increase) decrease in accounts receivable due from related parties	2,215	(6,062)
(Increase) decrease in other receivables	(27,962)	18,912
(Increase) decrease in inventories	661,597	1,478,418
(Increase) decrease in other current assets	136,215	(214,983)
(Increase) decrease in other non-current assets	(25,694)	28,497
Increase (decrease) in notes and accounts payable	170,552	(748,016)
Increase (decrease) in accounts payable due to related parties	(92,631)	69,358
Increase (decrease) in other payables	(291,722)	273,535
Increase (decrease) in other current liabilities	(175,301)	(189,420)
Increase (decrease) in other non-current liabilities	(145,563)	(150,617)
Cash flows generated by (used in) operations	637,404	1,996,948
Interest received	98,382	87,291
Dividends received	735	633
Interest paid	(293,465)	(324,183)
Income taxes paid	(50,375)	(37,976)
Net cash flows generated by (used in) operating activities	392,681	1,722,713
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of financial assets at fair value through other comprehensive income	(445,382)	-
Acquisitions of property, plant and equipment	(1,581,948)	(8,578,192)
Proceeds from disposal of property, plant and equipment	1,074	127,356
Increase in unearned receipts - disposal of assets	-	245,333
(Increase) decrease in refundable deposits	(6,468)	(11,968)

(Continued)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2025	2024
(Increase) decrease in other receivables - time deposits	\$ (108)	\$ (290)
Acquisitions of intangible assets	(36,363)	(70,539)
(Increase) decrease in finance lease receivables	<u>23,989</u>	<u>22,783</u>
Net cash flows generated by (used in) investing activities	<u>(2,045,206)</u>	<u>(8,265,517)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	3,784,150	2,585,580
Proceeds from issuance of convertible bonds	4,883,290	-
Proceeds from long-term borrowings	1,530,000	5,000,000
Repayments of long-term borrowings	(4,663,104)	(4,262,500)
Repayments of lease liabilities	(77,701)	(78,080)
Increase (decrease) in guarantee deposits	<u>-</u>	<u>(100)</u>
Net cash flows generated by (used in) financing activities	<u>5,456,635</u>	<u>3,244,900</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>473,983</u>	<u>45,475</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,278,093	(3,252,429)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>14,100,396</u>	<u>16,962,598</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 18,378,489</u>	<u>\$ 13,710,169</u>

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

(Concluded)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Winbond Electronics Corporation (the “Company”) was incorporated in the Republic of China (ROC) in September 1987 and is engaged in the design, development, manufacture and marketing of very large scale integration (VLSI) integrated circuits (ICs) used in a variety of microelectronic applications.

The Company’s shares have been listing on the Taiwan Stock Exchange Corporation since October 18, 1995.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 5, 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)

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.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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)

Note: 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.

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:

- 1) 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.
- 2) 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.
- 3) 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)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) 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 discounted 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.

2) 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

The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

The Group 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.

Except for the above-mentioned impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the each of the above-mentioned 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

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2024.

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.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of Consolidation

a. Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. 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.

Attribution of total comprehensive income to non-controlling interests

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 existing subsidiaries

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.

b. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
The Company	Winbond International Corporation (“WIC”)	Investment holding	100.00	100.00	100.00
The Company	Winbond Electronics Corporation Japan (“WECJ”)	Research, development, sales and after-sales service of semiconductor	100.00	100.00	100.00
The Company	Winbond Electronics (HK) Limited (“WEHK”)	Sales of semiconductor and investment holding	100.00	100.00	100.00
The Company	Winbond Technology Ltd. (“WTL”)	Design and service of semiconductor	100.00	100.00	100.00
The Company	Callisto Holding Limited (“Callisto”)	Electronic commerce and investment holding	100.00	100.00	100.00
The Company	Winbond Electronics Germany GmbH (“WEG”)	Marketing service of semiconductor	100.00	100.00	100.00
The Company	Winbond Electronics India Private Limited (“WEIL”)	Sales and service of semiconductor	99.99	99.99	99.99
The Company	Atfields Manufacturing Technology Corporation (“AMTC”)	Manufacture of semiconductor and smart factory solutions	100.00	100.00	100.00
The Company	Miraxia Edge Technology Corporation (“METC”)	Software and hardware integration design of semiconductor	100.00	100.00	100.00
The Company	Nuvoton Technology Corporation (“NTC”, Note 1)	Research, design, development, manufacture and marketing of Logic IC, 6-inch wafer product, test, and OEM	52.06	52.06	51.21
WIC	Winbond Electronics Corporation America (“WECA”)	Design, sales and service of semiconductor	100.00	100.00	100.00
WEHK	Winbond Electronics (Suzhou) Limited (“WECN”)	Design, development and marketing of VLSI integrated ICs	100.00	100.00	100.00
Callisto	Callisto Technology Limited (“CTL”)	Electronic commerce and investment holding	100.00	100.00	100.00
METC	Miraxia Technology Taiwan Corporation (“MTTC”)	Development of software and services for automotive and industrial control	100.00	100.00	100.00
NTC	Marketplace Management Limited (“MML”)	Investment holding	100.00	100.00	100.00
NTC	Nuvoton Technology Corporation America (“NTCA”)	Design, sales and service of semiconductor	100.00	100.00	100.00
NTC	Nuvoton Investment Holding Ltd. (“NIH”)	Investment holding	100.00	100.00	100.00
NTC	Nuvoton Electronics Technology (H.K.) Limited (“NTHK”)	Sales of semiconductor	100.00	100.00	100.00
NTC	Song Yong Investment Corporation (“SYI”)	Investment holding	100.00	100.00	100.00
NTC	Nuvoton Technology India Private Limited (“NTIPL”)	Design, sales and service of semiconductor	100.00	100.00	100.00
NTC	Nuvoton Technology Singapore Pte. Ltd. (“NTSG”)	Design, sales and service of semiconductor	100.00	100.00	100.00
NTC	Nuvoton Technology Korea Limited (“NTKL”)	Design, sales and service of semiconductor	100.00	100.00	100.00
NTC	Nuvoton Technology Holdings Japan (“NTHJ”)	Investment holding	100.00	100.00	100.00
NTC	Nuvoton Technology Germany GmbH (“NTG”)	Customer service and technical support of semiconductor	100.00	100.00	100.00
MML	Goldbond LLC (“GLLC”, Note 2)	Investment holding	-	-	100.00
GLLC	Nuvoton Electronics Technology (Shanghai) Limited (“NTSH”, Note 3)	Provide projects for sale in China and repairing, testing, consulting of software and equipment leasing business	-	-	100.00
NTSH	Song Zhi Electronics Technology (Suzhou) (“Song Zhi Suzhou”, Note 4)	Provide development of semiconductor and technology, consult service and equipment leasing business	-	-	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
NIH	Nuvoton Technology Israel Ltd. ("NTIL")	Design and service of semiconductor	100.00	100.00	100.00
NTHK	Nuvoton Electronics Technology (Shenzhen) Limited ("NTSZ")	Computer software service (except I.C. design), wholesale business for computer, supplement and software	100.00	100.00	100.00
NTHK	Nuvoton Electronics Technology (Nanjing) Limited ("NTNJ")	Provide development of semiconductor and technology, consult service and sale	100.00	100.00	100.00
NTHK	Nuvoton Electronics Technology (Shanghai) Limited ("NTSH", Note 3)	Provide projects for sale in China and repairing, testing, consulting of software and equipment leasing business	100.00	100.00	-
NTHJ	Nuvoton Technology Corporation Japan ("NTCJ")	Design, sales and service of semiconductor	100.00	100.00	100.00

(Concluded)

Note 1: The Company acquired 3,600 thousand shares of NTC in the open market in August 2024. As of March 31, 2025, the Company held 52.06% ownership interest of NTC.

Note 2: GLLC completed the liquidation and legal procedures in December 2024.

Note 3: GLLC sold 100% ownership interest of NTSH to NTHK in May 2024. The transaction was a reorganization under common control.

Note 4: Song Zhi Suzhou completed the liquidation and legal procedures in October 2024.

Other Material Accounting Policies

a. Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision (recoded in other payables) of the Company and NTC are 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.

b. 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.

c. 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 tax rate that would be applicable to expected total annual earnings.

d. Financial Instrument

Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by NTC are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of US reciprocal tariffs on material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Please refer to the consolidated financial statements for the year ended December 31, 2024, regarding the Group's material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash and deposits in banks	\$ 15,638,489	\$ 13,150,396	\$ 10,725,169
Repurchase agreements	<u>2,740,000</u>	<u>950,000</u>	<u>2,985,000</u>
	<u>\$ 18,378,489</u>	<u>\$ 14,100,396</u>	<u>\$ 13,710,169</u>

- a. The Group has time deposits pledged to secure land and building leases and customs tariff obligations which are reclassified to “other non-current assets”. The amounts were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits	\$ <u>302,158</u>	\$ <u>302,152</u>	\$ <u>301,873</u>

- b. The Group has partial time deposits which were not held for the purpose of meeting short-term cash commitments and are reclassified to “other receivables”. These partial time deposits at the end of the reporting period were as follows (refer to Note 11 to the consolidated financial statements):

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits	\$ <u>7,770</u>	\$ <u>7,662</u>	\$ <u>7,674</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets at FVTPL - current</u>			
Derivative financial assets			
Forward exchange contracts	\$ 4,656	\$ -	\$ 70
Non-derivative financial assets			
Domestic listed shares	15,672	15,467	15,197
Overseas unlisted shares	66,410	65,570	64,000
Mutual funds	<u>122,427</u>	<u>120,767</u>	<u>117,908</u>
	<u>\$ 209,165</u>	<u>\$ 201,804</u>	<u>\$ 197,175</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily measured at FVTPL			
Foreign currency warrants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,000</u>
<u>Financial liabilities at FVTPL - current</u>			
Derivative financial liabilities			
Forward exchange contracts	\$ 99,258	\$ 129,161	\$ 155,924
Swap contracts	<u>-</u>	<u>13,320</u>	<u>-</u>
	<u>\$ 99,258</u>	<u>\$ 142,481</u>	<u>\$ 155,924</u>
<u>Financial liabilities at FVTPL - non-current</u>			
Held for trading			
Redemption and put option of convertible bonds (Note 19)	<u>\$ 11,850</u>	<u>\$ -</u>	<u>\$ -</u>

- a. At the date of balance sheet, the outstanding derivative foreign exchange contracts not under hedge accounting were as follows:

	Currencies	Maturity Date	Contract Amount (In Thousands)
<u>March 31, 2025</u>			
Sell forward exchange contracts	USD to NTD	2025.04.02-2025.06.27	USD309,000/NTD10,137,816
Sell forward exchange contracts	USD to JPY	2025.04.14-2025.05.14	USD23,300/JPY3,475,710
<u>December 31, 2024</u>			
Sell forward exchange contracts	USD to NTD	2025.01.03-2025.03.21	USD197,500/NTD6,383,660
Sell forward exchange contracts	USD to JPY	2025.01.14-2025.02.14	USD27,300/JPY4,149,572
Swap contracts	USD to NTD	2025.01.03	USD15,000/NTD478,455
<u>March 31, 2024</u>			
Sell forward exchange contracts	USD to NTD	2024.04.03-2024.06.28	USD224,000/NTD7,007,078
Sell forward exchange contracts	USD to JPY	2024.04.15-2024.05.14	USD28,300/JPY4,209,533

- b. The Group entered into derivative financial instruments contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. The derivative financial instruments contracts entered into by the Group did not meet the criteria of hedge accounting; therefore, the Group did not apply hedge accounting treatment.
- c. NTC acquired 257 thousand preference shares of Autotalks Ltd. through the conversion of share warrants in September 2024. The investment in equity instruments is held for long-term strategic purposes and expected profitability. Accordingly, these preference shares were recorded in financial assets at FVTOCI.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic listed shares	\$ 8,021,765	\$ 8,402,276	\$ 12,497,738
Domestic unlisted shares	1,362,978	1,291,558	1,247,446
Overseas listed shares	345,114	-	-
Overseas unlisted shares	194,178	749,160	651,515
Beneficiary certificates	<u>1,335,145</u>	<u>1,318,257</u>	<u>1,223,101</u>
	<u>\$ 11,259,180</u>	<u>\$ 11,761,251</u>	<u>\$ 15,619,800</u>
Current	\$ 7,948,245	\$ 8,318,400	\$ 12,379,952
Non-current	<u>3,310,935</u>	<u>3,442,851</u>	<u>3,239,848</u>
	<u>\$ 11,259,180</u>	<u>\$ 11,761,251</u>	<u>\$ 15,619,800</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management determined 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.

9. ACCOUNTS RECEIVABLE

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 12,033,532	\$ 10,194,306	\$ 11,526,858
Less: Allowance for impairment loss	<u>(204,474)</u>	<u>(184,289)</u>	<u>(190,810)</u>
	<u>\$ 11,829,058</u>	<u>\$ 10,010,017</u>	<u>\$ 11,336,048</u>

The average credit period of sales of goods was 30 to 60 days. No interest was charged on accounts receivable. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually.

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

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group estimates expected credit losses based on past due days. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the overdue aging ratio and individual customer evaluation method.

March 31, 2025

	Not Overdue	Overdue under 30 Days	Overdue 31-90 Days	Overdue 91-180 Days	Overdue Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 11,783,823	\$ 225,469	\$ 14,045	\$ 465	\$ 9,730	\$ 12,033,532
Loss allowance (lifetime ECL)	(188,737)	(4,509)	(1,405)	(93)	-	(194,744)
Loss allowance (individual customer ECL)	-	-	-	-	(9,730)	(9,730)
Amortized cost	<u>\$ 11,595,086</u>	<u>\$ 220,960</u>	<u>\$ 12,640</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 11,829,058</u>

December 31, 2024

	Not Overdue	Overdue under 30 Days	Overdue 31-90 Days	Overdue 91-180 Days	Overdue Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 9,838,641	\$ 320,573	\$ 23,178	\$ 796	\$ 11,118	\$ 10,194,306
Loss allowance (lifetime ECL)	(164,977)	(6,411)	(2,318)	(159)	(694)	(174,559)
Loss allowance (individual customer ECL)	-	-	-	-	(9,730)	(9,730)
Amortized cost	<u>\$ 9,673,664</u>	<u>\$ 314,162</u>	<u>\$ 20,860</u>	<u>\$ 637</u>	<u>\$ 694</u>	<u>\$ 10,010,017</u>

March 31, 2024

	Not Overdue	Overdue under 30 Days	Overdue 31-90 Days	Overdue 91-180 Days	Overdue Over 180 Days	Total
Expected credit loss rate	0.1-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 11,174,733	\$ 330,313	\$ 11,197	\$ 4,532	\$ 6,083	\$ 11,526,858
Loss allowance (lifetime ECL)	(173,177)	(6,606)	(1,120)	(177)	-	(181,080)
Loss allowance (individual customer ECL)	-	-	-	(3,647)	(6,083)	(9,730)
Amortized cost	<u>\$ 11,001,556</u>	<u>\$ 323,707</u>	<u>\$ 10,077</u>	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ 11,336,048</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 184,289	\$ 169,488
Recognized impairment loss	18,818	19,459
Effect of exchange rate changes	<u>1,367</u>	<u>1,863</u>
Balance at March 31	<u>\$ 204,474</u>	<u>\$ 190,810</u>

10. FINANCE LEASE RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Undiscounted lease payments</u>			
Year 1	\$ -	\$ 22,610	\$ 91,130
Less: Unearned finance income	<u>-</u>	<u>(104)</u>	<u>(1,044)</u>
Finance lease receivables	<u>\$ -</u>	<u>\$ 22,506</u>	<u>\$ 90,086</u>

Refer to Note 31 to the consolidated financial statements for details of finance lease contracts.

11. OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Business tax refund receivable	\$ 537,910	\$ 498,991	\$ 501,750
Current tax assets	60,449	53,501	84,092
Interest receivable	13,500	11,424	15,534
Time deposits (Note 6)	7,770	7,662	7,674
Others	<u>120,532</u>	<u>129,106</u>	<u>145,239</u>
	<u>\$ 740,161</u>	<u>\$ 700,684</u>	<u>\$ 754,289</u>

12. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 2,845,939	\$ 2,633,126	\$ 2,911,262
Work-in-process	18,713,660	19,626,791	17,483,215
Raw materials and supplies	1,970,586	1,895,968	1,970,870
Inventories in transit	<u>9,381</u>	<u>45,278</u>	<u>26,204</u>
	<u>\$ 23,539,566</u>	<u>\$ 24,201,163</u>	<u>\$ 22,391,551</u>

The detail of the operating costs related to inventories was as follows:

	For the Three Months Ended March 31	
	2025	2024
Inventories sold	\$ 13,555,346	\$ 14,182,413
Recognition of inventory write-downs (reversed)	408,350	(380,225)
Unallocated production overhead	<u>907,153</u>	<u>757,434</u>
Operating costs	<u>\$ 14,870,849</u>	<u>\$ 14,559,622</u>

Inventory write-downs were reversed as a result of the elimination of inventories that were recognized as inventory write-downs.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	March 31, 2025	December 31, 2024	March 31, 2024
Associates that are not individually material			
Chin Xin Investment Co., Ltd. (“Chin Xin”)	\$ 5,338,113	\$ 5,240,577	\$ 8,268,554
Tower Partners Semiconductor Co., Ltd. (“TPSCo.”)	1,998,416	1,887,907	1,710,373
Theaceae Conservation Corporation (“ThCC”)	<u>264,686</u>	<u>261,944</u>	<u>282,163</u>
	<u>\$ 7,601,215</u>	<u>\$ 7,390,428</u>	<u>\$ 10,261,090</u>

As of March 31, 2025, the Company held 27,000 thousand shares of ThCC with a 15% ownership interest.

As of March 31, 2025, the Company held 182,841 thousand shares of Chin Xin with a 38% ownership interest.

As of March 31, 2025, NTCJ held 49,539 shares of TPSCo. with a 49% ownership interest.

The Group’s investments accounted for using equity method and the shares of profit or loss and other comprehensive income of those investments for the three months ended March 31, 2025 and 2024 were based on the associates’ financial statements reviewed by independent auditors.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
<u>Cost</u>						
Balance at January 1, 2025	\$ 3,523,947	\$ 67,883,419	\$ 213,161,666	\$ 9,575,124	\$ 1,378,863	\$ 295,523,019
Additions	-	145,922	345,750	71,345	312,472	875,489
Disposals	-	(5,623)	(29,579)	(36,876)	-	(72,078)
Reclassified	-	134,920	766,319	78,102	(981,364)	(2,023)
Effect of exchange rate changes	<u>105,180</u>	<u>937,557</u>	<u>1,771,554</u>	<u>159,740</u>	<u>41,647</u>	<u>3,015,678</u>
Balance at March 31, 2025	<u>\$ 3,629,127</u>	<u>\$ 69,096,195</u>	<u>\$ 216,015,710</u>	<u>\$ 9,847,435</u>	<u>\$ 751,618</u>	<u>\$ 299,340,085</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2025	\$ -	\$ 40,370,126	\$ 147,465,138	\$ 7,435,663	\$ -	\$ 195,270,927
Depreciation expense	-	613,021	2,241,259	189,142	-	3,043,422
Disposals	-	(5,623)	(29,155)	(36,864)	-	(71,642)
Reclassified	-	-	-	(2,023)	-	(2,023)
Effect of exchange rate changes	<u>-</u>	<u>845,219</u>	<u>1,705,576</u>	<u>147,975</u>	<u>-</u>	<u>2,698,770</u>
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 41,822,743</u>	<u>\$ 151,382,818</u>	<u>\$ 7,733,893</u>	<u>\$ -</u>	<u>\$ 200,939,454</u>
Carrying amount at March 31, 2025	<u>\$ 3,629,127</u>	<u>\$ 27,273,452</u>	<u>\$ 64,632,892</u>	<u>\$ 2,113,542</u>	<u>\$ 751,618</u>	<u>\$ 98,400,631</u>
Carrying amount at January 1, 2025 and December 31, 2024	<u>\$ 3,523,947</u>	<u>\$ 27,513,293</u>	<u>\$ 65,696,528</u>	<u>\$ 2,139,461</u>	<u>\$ 1,378,863</u>	<u>\$ 100,252,092</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 2,997,080	\$ 66,017,865	\$ 216,054,778	\$ 9,100,361	\$ 1,937,580	\$ 296,107,664
Additions	-	387,161	476,542	106,254	752,698	1,722,655
Disposals	-	(11,221)	(2,589,285)	(20,995)	-	(2,621,501)
Reclassified	-	823,345	201,445	95,289	(1,120,992)	(913)
Effect of exchange rate changes	(43,198)	(400,527)	(819,096)	(56,917)	(5,000)	(1,324,738)
Balance at March 31, 2024	<u>\$ 2,953,882</u>	<u>\$ 66,816,623</u>	<u>\$ 213,324,384</u>	<u>\$ 9,223,992</u>	<u>\$ 1,564,286</u>	<u>\$ 293,883,167</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	\$ -	\$ 38,671,022	\$ 148,361,182	\$ 6,927,772	\$ -	\$ 193,959,976
Depreciation expense	-	578,616	2,086,089	175,374	-	2,840,079
Disposals	-	(11,111)	(2,586,838)	(20,995)	-	(2,618,944)
Reclassified	-	-	-	(1,870)	-	(1,870)
Effect of exchange rate changes	-	(362,368)	(795,515)	(54,555)	-	(1,212,438)
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 38,876,159</u>	<u>\$ 147,064,918</u>	<u>\$ 7,025,726</u>	<u>\$ -</u>	<u>\$ 192,966,803</u>
Carrying amount at March 31, 2024	<u>\$ 2,953,882</u>	<u>\$ 27,940,464</u>	<u>\$ 66,259,466</u>	<u>\$ 2,198,266</u>	<u>\$ 1,564,286</u>	<u>\$ 100,916,364</u>

(Concluded)

- a. As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amounts of NT\$68,088,360 thousand, NT\$61,750,901 thousand and NT\$66,556,108 thousand of property, plant and equipment were pledged to secure long-term borrowings and corporate bonds.
- b. Information about capitalized interest

	For the Three Months Ended March 31	
	2025	2024
Capitalized interest amounts	\$ 31,837	\$ 87,310
Interest rates under capitalization	2.87%	2.78%

15. LEASE ARRANGEMENTS

- a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Land	\$ 1,449,625	\$ 1,480,566	\$ 1,560,351
Buildings	346,260	353,647	408,417
Machinery and equipment	106,548	103,214	112,434
Other equipment	<u>71,252</u>	<u>47,196</u>	<u>48,001</u>
	<u>\$ 1,973,685</u>	<u>\$ 1,984,623</u>	<u>\$ 2,129,203</u>

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 68,147</u>	<u>\$ 154,108</u>
Depreciation charge for right-of-use assets		
Land	\$ 28,283	\$ 28,368
Buildings	42,875	39,569
Machinery and equipment	2,866	2,957
Other equipment	<u>7,524</u>	<u>7,410</u>
	<u>\$ 81,548</u>	<u>\$ 78,304</u>
Income from the subleasing of right-of-use assets (recorded in “other income”)	<u>\$ 502</u>	<u>\$ 506</u>

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 310,974</u>	<u>\$ 287,101</u>	<u>\$ 279,759</u>
Non-current	<u>\$ 1,774,501</u>	<u>\$ 1,803,971</u>	<u>\$ 1,950,848</u>

Ranges of discount rate for lease liabilities are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	1.76%-2.60%	1.76%-2.60%	1.76%-2.60%
Buildings	0.14%-7.46%	0.14%-7.46%	0.14%-5.24%
Machinery and equipment	0.48%-0.80%	0.48%-0.80%	0.48%-0.80%
Other equipment	0.14%-5.23%	0.14%-5.23%	0.14%-5.10%

For the three months ended March 31, 2025 and 2024, the interest expense under lease liabilities amounted to NT\$12,501 thousand and NT\$12,748 thousand, respectively.

c. Material lease-in activities and terms

The Company and NTC leased lands from Science Park Bureau, and the lease term will expire in 2027, 2037 and 2043, respectively, which can be extended after the expiration of the lease periods.

NTC leased a land from Taiwan Sugar Corporation under a twenty-year term from October 2014 to September 2034, which can be extended after expiration of the lease periods. The chairman of NTC is a joint guarantor of such lease, refer to Note 31 to the consolidated financial statements.

The Group leased office spaces in the United States, China, Hong Kong, Japan, Israel, India, Korea and part in Taiwan, and the lease terms will expire between 2025 and 2032.

d. Subleases

NTC subleases its right-of-use assets for buildings under operating leases. The maturity analysis of lease payments receivable under operating subleases is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	\$ 1,975	\$ 1,975	\$ 1,505
Year 2	<u>1,481</u>	<u>1,975</u>	<u>2,006</u>
	<u>\$ 3,456</u>	<u>\$ 3,950</u>	<u>\$ 3,511</u>

To reduce the residual asset risk related to the subleased asset at the end of the relevant sublease, the lease contract between NTC and the lessee includes the receipt of the deposits and the compensation for damage due to the lack of management and maintenance.

e. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	\$ 42,006	\$ 34,242
Expenses relating to low-value asset leases	<u>\$ 190</u>	<u>\$ 142</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,365</u>	<u>\$ 1,586</u>
Total cash outflow for leases	<u>\$ 133,828</u>	<u>\$ 125,396</u>

The Group leases certain building, machinery and equipment, transportation equipment qualify as short-term leases and certain other equipment qualify as low-value lease. The Group has selected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

Lease-out arrangements under operating leases for investment properties are set out in Note 16 to the consolidated financial statements.

16. INVESTMENT PROPERTIES

	March 31, 2025	December 31, 2024	March 31, 2024
Investment properties, net	<u>\$ 1,418,452</u>	<u>\$ 1,369,827</u>	<u>\$ 1,476,797</u>

As of December 31, 2024, the fair values of investment properties held by NTC were NT\$2,397,194 thousand, and the fair values of NT\$2,197,194 thousand were evaluated by independent appraisal agencies, others were evaluated based on Level 3, a commonly used evaluation model, by NTC's management. As of March 31, 2025, NTC's management team evaluated the fair value of investment properties and determined that the fair value of the investment properties had not changed significantly.

	For the Three Months Ended March 31	
	2025	2024
<u>Cost</u>		
Balance at January 1	\$ 6,931,676	\$ 7,165,730
Effect of exchange rate changes	<u>418,628</u>	<u>(183,600)</u>
Balance at March 31	<u>7,350,304</u>	<u>6,982,130</u>
<u>Accumulated depreciation and impairment</u>		
Balance at January 1	5,561,849	5,616,730
Depreciation expense	32,940	32,807
Effect of exchange rate changes	<u>337,063</u>	<u>(144,204)</u>
Balance at March 31	<u>5,931,852</u>	<u>5,505,333</u>
Investment properties, net	<u>\$ 1,418,452</u>	<u>\$ 1,476,797</u>

The investment properties were leased out for 3 to 12 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of NTC's lease payments receivable under operating leases of investment properties is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	\$ 150,949	\$ 142,541	\$ 140,837
Year 2	148,222	140,872	140,182
Year 3	146,724	138,535	140,266
Year 4	143,642	136,042	140,288
Year 5	143,642	135,386	137,224
More than 5 years	<u>287,282</u>	<u>304,617</u>	<u>409,253</u>
	<u>\$ 1,020,461</u>	<u>\$ 997,993</u>	<u>\$ 1,108,050</u>

To reduce the residual asset risk related to the subleased asset at the end of the relevant sublease, the lease contract between NTC and the lessee includes the receipt of the deposits and the compensation for damage due to the lack of management and maintenance.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amounts of NT\$300,510 thousand, NT\$290,024 thousand and NT\$312,747 thousand of investment properties of NTC were pledged to secure long-term borrowings, respectively.

17. INTANGIBLE ASSETS

	Deferred Technical Assets	Other Intangible Assets	Carbon Credits	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 3,791,479	\$ 1,280,523	\$ 5,750	\$ 5,077,752
Additions	12,521	18,809	-	31,330
Disposals	(51,255)	-	-	(51,255)
Reclassified	11,363	(11,363)	-	-
Effect of exchange rate changes	<u>16,086</u>	<u>59,502</u>	<u>-</u>	<u>75,588</u>
Balance at March 31, 2025	<u>\$ 3,780,194</u>	<u>\$ 1,347,471</u>	<u>\$ 5,750</u>	<u>\$ 5,133,415</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2025	\$ 3,193,566	\$ 1,068,597	\$ -	\$ 4,262,163
Amortization expenses	72,770	17,103	-	89,873
Disposals	(24,773)	-	-	(24,773)
Effect of exchange rate changes	<u>7,221</u>	<u>51,743</u>	<u>-</u>	<u>58,964</u>
Balance at March 31, 2025	<u>\$ 3,248,784</u>	<u>\$ 1,137,443</u>	<u>\$ -</u>	<u>\$ 4,386,227</u>
Carrying amount at March 31, 2025	<u>\$ 531,410</u>	<u>\$ 210,028</u>	<u>\$ 5,750</u>	<u>\$ 747,188</u>
Carrying amount at January 1, 2025 and December 31, 2024	<u>\$ 597,913</u>	<u>\$ 211,926</u>	<u>\$ 5,750</u>	<u>\$ 815,589</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 20,040,063	\$ 1,299,040	\$ 5,804	\$ 21,344,907
Additions	7,369	55,380	-	62,749
Reclassified	17,918	(17,970)	-	(52)
Effect of exchange rate changes	<u>6,640</u>	<u>(26,335)</u>	<u>-</u>	<u>(19,695)</u>
Balance at March 31, 2024	<u>\$ 20,071,990</u>	<u>\$ 1,310,115</u>	<u>\$ 5,804</u>	<u>\$ 21,387,909</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2024	\$ 19,682,066	\$ 1,059,012	\$ -	\$ 20,741,078
Amortization expenses	65,423	24,777	-	90,200
Effect of exchange rate changes	<u>6,650</u>	<u>(23,240)</u>	<u>-</u>	<u>(16,590)</u>
Balance at March 31, 2024	<u>\$ 19,754,139</u>	<u>\$ 1,060,549</u>	<u>\$ -</u>	<u>\$ 20,814,688</u>
Carrying amount at March 31, 2024	<u>\$ 317,851</u>	<u>\$ 249,566</u>	<u>\$ 5,804</u>	<u>\$ 573,221</u>

The amounts of deferred technical assets were the technical transfer fees in connection with certain technical transfer agreements. The above technical assets pertained to different products or process technology. The assets were depreciated on a straight-line basis from the commencement of production or over the estimated useful lives of the assets. The estimated useful lives of technical assets were based on the economic benefits generated from the assets or the terms of the technical asset contracts.

The Company's carbon credits were purchased from the TCX platform in Taiwan and the CIX platform in Singapore, which were certified by third parties regarding forest carbon rights, etc. The carbon credits are used to offset carbon emissions to achieve a net-zero emission plan.

18. BORROWINGS

a. Short-term borrowings

	March 31, 2025		December 31, 2024		March 31, 2024	
	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount
	%		%		%	
<u>Secured borrowings</u>						
Bank loans	1.17%-1.30%	\$ 2,516,510	1.55%-1.70%	\$ 1,490,290	1.20%-1.30%	\$ 211,500
<u>Unsecured borrowings</u>						
Bank lines of credit	1.37%-1.84%	<u>3,601,720</u>	1.17%-1.25%	<u>629,700</u>	1.05%-1.93%	<u>3,411,500</u>
		<u>\$ 6,118,230</u>		<u>\$ 2,119,990</u>		<u>\$ 3,623,000</u>

On May 17, 2021, NTCJ entered into a syndicated loan with CTBC and a group of financial institutions to pay outstanding debt and enrich operating capital, and the line of credit amounted to JPY30 billion. This syndicated loan is secured by property, plant and equipment and investment properties of NTCJ; refer to Notes 14 and 16 to the consolidated financial statements. This syndicated loan also requires the Company to act as a joint guarantor and hold ownership of NTCJ with NTC by no less than 100% with maintenance and operational control as stated in the agreement. According to the financial covenants, NTCJ and the Company are required to maintain their financial ratios not lower than a specific threshold over the effective period, and there is no breach of the terms of the contract. The financial ratios mentioned above are computed based on the audited annual consolidated financial statements.

b. Long-term borrowings

	Period	Interest Rate	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings</u>					
Bank of Taiwan syndicated loan (V)	2019.09.19-2026.09.19	2.87%	\$ 25,200,000	\$ 29,400,000	\$ 33,600,000
Bank of Taiwan syndicated loan (VI) (Note 28)	2023.12.15-2030.12.15	2.43%-2.73%	7,830,000	6,300,000	6,300,000
<u>Unsecured borrowings</u>					
The Export - Import Bank of ROC	2020.08.25-2027.08.25	2.12%	714,285	857,143	1,000,000
Government preferential loan (Note 28)	2020.12.28-2028.11.15	1.38%-1.58%	<u>4,374,027</u>	<u>4,694,273</u>	<u>5,069,100</u>
			38,118,312	41,251,416	45,969,100
Less: Current portion			(9,966,699)	(9,966,699)	(9,380,787)
Less: Syndication agreement management fee			(41,641)	(45,427)	(70,284)
Less: Government loan discount (Note 28)			<u>(97,681)</u>	<u>(111,572)</u>	<u>(156,009)</u>
			<u>\$ 28,012,291</u>	<u>\$ 31,127,718</u>	<u>\$ 36,362,020</u>

1) Bank of Taiwan Syndicated Loan (V)

- a) On January 14, 2019, the Company entered into a syndicated loan, with a group of financial institutions to build up and procure equipment for its fab. The credit line amounted to NT\$42 billion. The principal will be repaid every six months from September 19, 2023 until maturity.
- b) The amounts of 12-inch building, fab facilities, machinery and equipment and related ancillary equipment pledged as collateral for bank borrowings are disclosed in Note 14 to the consolidated financial statements.
- c) The Company is required to maintain certain financial covenants, including current ratio, debt ratio, interest coverage ratio, and total equity, on June 30 and December 31 during the tenures of the loans. The Company was in compliance with the agreed financial ratio requirements. The computations of financial ratios mentioned above are done based on the annually audited and semi-annually reviewed consolidated financial statements.

2) Bank of Taiwan Syndicated Loan (VI)

- a) On April 12, 2023, the Company entered into a syndicated loan with a group of financial institutions to procure equipment and related ancillary equipment for its fab. The credit line was divided into parts A and B, which amounted to NT\$15 billion and NT\$20 billion, respectively; the total line of credit should not exceed NT\$20 billion.
- b) Part A will be repaid every month from December 15, 2026 until maturity; part B will be repaid every six months from December 15, 2026 until maturity.
- c) The amounts of 12-inch building, fab facilities, machinery and equipment and related ancillary equipment pledged as collateral for bank borrowings are disclosed in Note 14 to the consolidated financial statements.
- d) The Company is required to maintain certain financial covenants, including current ratio, debt ratio, interest coverage ratio, and total equity, on June 30 and December 31 during the tenures of the loans. The Company was in compliance with the agreed financial ratio requirements. The computations of financial ratios mentioned above are done based on the annually audited and semi-annually reviewed consolidated financial statements.

- 3) The proceeds of the unsecured borrowings from the Export-Import Bank of ROC were provided to NTC for acquiring Panasonic Semiconductor Solutions., Co., Ltd.

19. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic secured bonds	\$ 9,996,818	\$ 9,993,636	\$ 9,984,125
Overseas unsecured convertible bonds	4,783,234	-	-
Less: Current portion	<u>(9,996,818)</u>	<u>(9,993,636)</u>	<u>-</u>
	<u>\$ 4,783,234</u>	<u>\$ -</u>	<u>\$ 9,984,125</u>

a. Domestic secured bonds

On July 10, 2018, the Company was approved by the FSC to offer and issue the first secured corporate bonds of 2018, with an aggregate principal amount of NT\$10 billion. The terms of issuance, amounts and interest rate as follows:

Issuance Date	Period	Amount	Coupon Rate	Repayment and Interest Payment
2018.07.17	7 years	\$10 billion	1%	The principal will be repaid upon maturity. The interest is payable once a year at the coupon rate accrued annually on a simple basis starting from the issue date.

Refer to Note 14 to the consolidated financial statements for collateral of 12-inch Fab Manufacturing facilities on corporate bonds.

b. Overseas unsecured convertible bonds

In November 2024, the board of directors of NTC resolved to issued the 2024 First Overseas Unsecured Convertible Bonds. On January 21, 2025, NTC publicly offered five-year unsecured zero-coupon convertible bonds on the Singapore Exchange, with a total principal amount of USD 150 million and a denomination of USD 200 thousand per bond. The principal terms of the issuance are as follows:

- 1) Bondholders may request NTC to convert the bonds into ordinary shares of NTC at the conversion price of NT\$118.68 per share, at any time the day following three months after the issuance date until ten days prior to the maturity date, or five days prior to the exercise date of the put option or the issuer's call option. The conversion price will be adjusted according to the anti-dilution clause of the 2024 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of NTC. The conversion shall be calculated using a fixed exchange rate of USD 1 = NT\$32.917, divided by the conversion price per share on the conversion date.
- 2) From the day following three months after the issuance date until the maturity date, if the closing price of NTC's common shares listed on the Taiwan Stock Exchange equals or exceeds 130% of the prevailing conversion price for at least 20 trading days within any 30 consecutive business days, NTC may redeem all outstanding bonds in cash at their principal amount.
- 3) On or after the third anniversary of the issuance date, bondholders may request NTC to redeem all or part of their bonds. The repurchase price shall be the principal amount plus interest compensation calculated at an annual rate of 1.55%, compounded semiannually.
- 4) Except for the bonds that have been redeemed, repurchased, converted or bought back and cancelled by NTC in the market, all outstanding bonds shall be redeemed at maturity in U.S. dollars at their face value plus a yield calculated at an annual interest rate of 1.55%, compounded semiannually. The redemption amount will be converted into New Taiwan Dollars using the fixed exchange rate of NT\$32.917 to US\$1, and then reconverted into U.S. dollars based on the prevailing exchange rate at the time of redemption.

- 5) The effective interest rate of the convertible bonds liability component was 2.29% per annum on initial recognition.

Proceeds from issuance (less transaction costs of NT\$54,260 thousand)	\$ 4,883,290
Equity component (less transaction costs of NT\$1,253 thousand)	(112,804)
Redemption and put option derivative (recognized as financial liability at fair value through profit or loss) (less transaction costs of NT\$92 thousand)	(8,302)
Interest charged at an effective interest rate of 2.29%	<u>21,050</u>
Liability component at March 31, 2025	<u>\$ 4,783,234</u>

20. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Employee benefits	\$ 1,102,898	\$ 1,093,623	\$ 1,285,680
Decommissioning liabilities	489,495	461,360	464,877
Warranties	<u>384,828</u>	<u>415,876</u>	<u>452,718</u>
	<u>\$ 1,977,221</u>	<u>\$ 1,970,859</u>	<u>\$ 2,203,275</u>

NTC purchased the semiconductor business of Panasonic Corporation in September 2020. The expected decommissioning costs and personnel costs from shutting down some fabs were recognized as the decommissioning liabilities and employee benefits provisions.

21. RETIREMENT BENEFIT PLANS

The employee benefit expense in respect of the Group's defined benefit retirement plans was calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023, and recognized NT\$25,303 thousand and NT\$23,316 thousand for the three months ended March 31, 2025 and 2024, respectively.

22. EQUITY

a. Share capital

Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares authorized (in thousands)	<u>6,700,000</u>	<u>6,700,000</u>	<u>6,700,000</u>
Shares authorized	<u>\$ 67,000,000</u>	<u>\$ 67,000,000</u>	<u>\$ 67,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,180,000</u>
Shares issued	<u>\$ 45,000,002</u>	<u>\$ 45,000,002</u>	<u>\$ 41,800,002</u>

On May 2, 2024, the Company's board of directors resolved to issue 320,000 thousand shares with a par value of NT\$10 for capital increase and the price of the issue at premium NT\$21 per share. The issuance of shares was approved by the Financial Supervisory Commission, Taiwan, R.O.C. on June 14, 2024. The subscription date of the capital increase, which was determined by the chairman, was set on August 15, 2024. The relevant issuance costs amounted to NT\$16,608 thousand and were recognized as the deduction of capital surplus - from the issuance of share capital.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Arising from issuance of share capital	\$ 11,050,593	\$ 11,050,593	\$ 7,486,489
Arising from treasury share transactions	2,342,036	2,342,036	2,342,036
Arising from conversion of bonds	136,352	136,352	136,352
<u>May only be used to offset a deficit</u>			
Arising from changes in percentage of ownership interest in subsidiaries	211,953	153,221	154,152
Arising from share of changes in capital surplus of associates	<u>16,846</u>	<u>16,846</u>	<u>16,846</u>
	<u>\$ 13,757,780</u>	<u>\$ 13,699,048</u>	<u>\$ 10,135,875</u>

The capital surplus generated from the excess of the issuance price over the par value of share capital (including the shares issued for new capital, mergers and convertible bonds) 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 share dividends up to a certain percentage of the Company's paid-in capital. The capital surplus from share of changes in equities of subsidiaries and associates may be used to offset a deficit; however, when generated from issuance of restricted shares for employees, such capital surplus may not be used for any purpose.

c. Retained earnings and dividend policy

According to the Company's Articles of Incorporation, the Company's dividend distribution policy is as follows:

From the pre-tax net profit of the current year, before deducting remuneration of employees and remuneration of directors, no more than 1% shall be allocated as remuneration of directors and no less than 1% as remuneration of employees. The remuneration of employees may be distributed in stock or cash upon resolution of the board of directors and may be distributed to the employees of subsidiaries of the Company meeting certain criteria.

However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses, and then allocate remuneration of employees and remuneration of directors according to the percentage set forth in the preceding paragraph.

The Company purchases its shares for transferring such treasury shares, issues employee options, provides pre-emptive right for employees' subscription upon issuing new shares, issues new restricted employee shares, and distributes employee remuneration, to employees of the Company's controlling or subordinated companies who meet certain criteria, which shall be determined and resolved by the board of directors.

If the Company has pre-tax profits at the end of the current fiscal year, after paying all taxes and covering all accumulated losses, the Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company. After setting aside or reversing special reserve pursuant to applicable laws and regulations and orders of competent authorities or based on the business needs of the Company, if there is any balance, the board of directors may submit a proposal for allocation of the remaining balance and the accumulated undistributed earnings to the shareholders meeting for resolution of distributing bonuses and dividends to shareholders.

The board of directors shall be authorized to distribute the profit, the legal reserve and the capital reserve mentioned in the preceding paragraph in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, and shall report the same to the shareholders' meeting.

The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including capital and financial structure, operating status, retained earnings, industry characteristics and economic cycle. The dividends shall be distributed in a steady manner. With respect to distribution of dividends, in consideration of future operation scale and cash flow needs, no less than 30% of the remaining amount of the net profit after tax of the current year, after covering the accumulative losses and setting aside the legal reserve and the special reserve, shall be distributed to shareholders as dividends (The Company shall not issue dividends if the dividends are less than NT\$0.1.), which may be distributed in share dividend or cash dividend, and the distribution of cash dividend shall not be less than 50% of total dividends, so as to maintain continuous growth.

The Company may distribute its profit or make up its losses at the end of each half of a fiscal year. The business report, the financial statements, and the proposal for distribution of earnings or making up loss shall be prepared by and then resolved by the board of directors.

The Company, in distributing its profit according to the preceding paragraph, shall estimate and reserve employee and director remuneration and any taxes payable as well as cover any losses and set aside the legal reserve in accordance with the law; however, provided that the legal reserve amounts to the total paid-in capital, the legal reserve need not be set aside. Where the Company distributes the profit in cash, such distribution shall be resolved by the board of directors, but where the profit is distributed in the form of newly issued shares, such distribution shall be resolved by the shareholders' meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. 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.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of shareholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gain (loss) from available-for-sale financial assets, net amount of fair value below the cost of the Company's ordinary shares held by subsidiaries, etc. For the subsequent decrease in the deduction amount to shareholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of earnings and cash dividends per share for 2024 and 2023 were as follows:

	Appropriation of Earnings		Cash Dividends Per Share (NT\$)	
	For Year 2024	For Year 2023	For Year 2024	For Year 2023
Legal reserve appropriated	\$ 50,941	\$ -		
Cash dividends	<u>-</u>	<u>-</u>	\$ -	\$ -
	<u>\$ 50,941</u>	<u>\$ -</u>		

No cash dividends appropriated for 2023 were resolved by the board of directors on February 6, 2024; no legal reserve appropriated for 2023 was resolved by the shareholders on May 9, 2024.

No cash dividends appropriated for 2024 were resolved by the board of directors on February 18, 2025; the appropriation of earnings for 2024 will be resolved by the shareholders meeting to be held on May 27, 2025.

d. Other equity items

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ (906,715)	\$ (1,007,855)
Exchange differences arising on translating the financial statements of foreign operations	<u>377,561</u>	<u>30,801</u>
Balance at March 31	<u>\$ (529,154)</u>	<u>\$ (977,054)</u>

The exchange differences arising on translation of foreign operation's net assets from its functional currency to the Group's presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

2) Unrealized gains (losses) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 5,874,120	\$ 13,893,178
Unrealized gains (losses) on revaluation of financial assets at FVTOCI	(669,463)	(329,059)
Share of unrealized gains (losses) on revaluation of financial assets at FVTOCI of associates accounted for using equity method	<u>107,128</u>	<u>(572,156)</u>
Balance at March 31	<u>\$ 5,311,785</u>	<u>\$ 12,991,963</u>

Unrealized gains (losses) on financial assets at FVTOCI represents the cumulative gains or losses arising from the fair value measurement on financial assets at FVTOCI that are recognized in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

e. Non-controlling interests

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 7,507,933	\$ 8,163,361
Share attributable to non-controlling interests		
Profit for the period	104,225	199,586
Exchange differences on translation of the financial statements of foreign operations	247,059	(46,513)
Unrealized gains (losses) on financial assets measured at FVTOCI	(249,445)	34,879
Income tax related to items that will not be reclassified	37,868	-
Cash dividends issued by subsidiaries to non-controlling interests	(80,484)	(614,432)
Changes in ownership interests in subsidiaries	<u>54,072</u>	<u>10</u>
Balance at March 31	<u>\$ 7,621,228</u>	<u>\$ 7,736,891</u>

23. REVENUE

Refer to Note 38 to the consolidated financial statements for the Group's revenue.

24. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION, AND AMORTIZATION

	For the Three Months Ended March 31, 2025			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Short-term employee benefits	<u>\$ 1,112,458</u>	<u>\$ 2,967,540</u>	<u>\$ -</u>	<u>\$ 4,079,998</u>
Post-employment benefits	<u>\$ 51,208</u>	<u>\$ 180,798</u>	<u>\$ -</u>	<u>\$ 232,006</u>
Depreciation	<u>\$ 2,827,599</u>	<u>\$ 296,211</u>	<u>\$ 34,100</u>	<u>\$ 3,157,910</u>
Amortization	<u>\$ 3,558</u>	<u>\$ 86,315</u>	<u>\$ 3,786</u>	<u>\$ 93,659</u>

	For the Three Months Ended March 31, 2024			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Short-term employee benefits	<u>\$ 1,075,940</u>	<u>\$ 2,796,164</u>	<u>\$ -</u>	<u>\$ 3,872,104</u>
Post-employment benefits	<u>\$ 50,490</u>	<u>\$ 160,883</u>	<u>\$ -</u>	<u>\$ 211,373</u>
Depreciation	<u>\$ 2,656,999</u>	<u>\$ 260,110</u>	<u>\$ 34,559</u>	<u>\$ 2,951,668</u>
Amortization	<u>\$ 1,297</u>	<u>\$ 88,903</u>	<u>\$ 10,536</u>	<u>\$ 100,736</u>

The remuneration policies of the Company were as follows:

a. Directors:

In accordance with the Article 22 of the Company's Articles of Incorporation, the distribution of the remuneration of directors shall be appropriated at the rates no more than 1% of net profit before income tax before deducting remuneration to employees and directors. The Remuneration Committee will recommend remuneration to directors in accordance with the Company's Articles of Incorporation, the internal Rules for Remuneration of Directors and Performance Assessment of The Board of Directors, board members' self-assessment results, and annual profit deduct the accumulative losses. The remuneration was resolved by the board of directors and reported to the shareholders' meeting.

b. Managers:

The remuneration of the managers, which depends on responsibilities and performance of individuals to encourage managers to take responsibilities and achieve performance, shall be competitive to attract external talent and stabilize internal talent. The managers have the responsibilities for operating performance, the encouragement shall be taken both short-term and long-term performance into account.

c. Employees:

Employees' compensation, including fixed and variable compensation, was taken both internal fairness and external competitiveness into consideration. The Company gives bonus immediately and shares operating performance with the employees to attract, encourage and retain the talent. In accordance with the Articles of Incorporation, it stipulates distribution of the compensation of employees at the rates no less than 1% of net profit before income tax before deducting remuneration to employees and directors. The remuneration of employees may be distributed in shares or cash upon resolution of the board of directors and reported to the shareholders' meeting. Personal salary is determined by responsibilities and professional skills. Bonus and compensation are in relation to individual's performance and contribution. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Company plans to amend its Articles of Incorporation at the 2025 shareholders' meeting to stipulate that no less than 3% of the employee compensation should be allocated to non-executive employees.

There was no estimation of employees' compensation and remuneration of the directors for the three months ended March 31, 2025 and 2024, due to a net loss before income tax of the Company.

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

The compensation to employees and remuneration to the directors of 2024 were approved by the Company's board of directors on March 14, 2025, were as below: (There was no employees' compensation and remuneration of the directors in 2023 due to a net loss before income tax.)

	For the Year Ended December 31, 2024	
	Amounts	Rate
Employees' compensation in cash	\$ <u>13,400</u>	2%
Remuneration of directors	\$ <u>6,700</u>	1%

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2024.

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

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax benefit were as follows:

	For the Three Months Ended March 31	
	2025	2024
Current income tax (benefit) expense		
Current tax expense	\$ 192,878	\$ 42,754
Adjustment for prior years	157	(277)
Deferred income tax		
Change in current year	<u>(351,933)</u>	<u>(204,280)</u>
Income tax benefit recognized in profit or loss	<u>\$ (158,898)</u>	<u>\$ (161,803)</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2025	2024
Deferred income tax		
Change in current year	<u>\$ 79,000</u>	<u>\$ -</u>
Income tax benefit recognized in other comprehensive income	<u>\$ 79,000</u>	<u>\$ -</u>

c. The tax returns of the Company and NTC through 2023 and 2022 have been assessed and approved by the tax authorities, respectively.

d. Pillar Two Income Tax Act

Some of the subsidiaries of the Company are incorporated in Japan, where the regional Pillar Two income tax legislation has come into effect. Under the legislation, the Company's Japanese subsidiaries are required to pay a top-up tax in Japan on the profits of each of their subsidiaries that are taxed below the effective tax rate of 15%. As of March 31, 2025, the Group has no material current tax exposure from countries that have enforced the Pillar Two income tax legislation. However, the Group will continue to assess the potential impact of the Pillar Two income tax legislation on its future financial performance.

26. LOSSES PER SHARE

	For the Three Months Ended March 31					
	2025			2024		
	Amounts (Numerator)		Losses Per Share (NT\$)	Amounts (Numerator)		Losses Per Share (NT\$)
	Net Loss After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Loss After Income Tax (Attributable to Owners of the Parent)	Net Loss After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Loss After Income Tax (Attributable to Owners of the Parent)
Basic losses per share						
Net loss attributed to ordinary shareholders	\$ (1,091,142)	4,500,000	<u>\$ (0.24)</u>	\$ (464,347)	4,180,000	<u>\$ (0.11)</u>
Effect of dilutive potential ordinary shares						
Employees' compensation	-	-		-	-	
Diluted losses per share						
Net loss attributed to ordinary shareholders	<u>\$ (1,091,142)</u>	<u>4,500,000</u>	<u>\$ (0.24)</u>	<u>\$ (464,347)</u>	<u>4,180,000</u>	<u>\$ (0.11)</u>

The Company may settle the compensation or bonuses paid to employees by cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonuses will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share (EPS), if the shares have a dilutive effect. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the number of shares to be distributed to employees is resolved in the following year.

For the three months ended March 31, 2025 and 2024, the Company had a loss. If the effects of the compensation or bonuses paid to employees in 2024 were included in the computation of diluted EPS, there would be an anti-dilutive effect; therefore, the compensation or bonuses paid to employees were excluded from the computation of diluted losses per share.

27. SHARE-BASED PAYMENT ARRANGEMENTS

The Company was approved by the FSC on June 14, 2024 to issue 320,000 thousand shares for cash capital increase. The board of directors resolved to retain 10% of the issued shares for employees' subscription (including NTC's employees). The number of shares retained for employees' subscriptions was confirmed on August 11, 2024. The fair value of such share options subscribed for by the Company's employees on the grant date was measured using the Black-Scholes Option Pricing Model and amounted to NT\$60,712 thousand, which was recorded as compensation costs with a corresponding increase in capital surplus.

a. The Company's share-based payment agreements were as follows:

Agreement	Grant Date	Number of Shares Confirmed on Grant Date	Vesting Conditions
Cash capital increase reserved for employee share options	2024.8.11	31,954 thousand shares	Vested immediately

- b. The fair value of share options acquired by employees on grant day, August 11, 2024, was measured using the Black-Scholes Option Pricing Model. Relevant information is as follows:

Share Price (NT\$)	Exercise Price (NT\$)	Expected Price Volatility	Expected Vesting Period	Risk-free Interest Rate	Fair Value Per Share (NT\$)
\$22.90	\$21	29.87%	2 days	1.27%	\$1.9

28. GOVERNMENT GRANTS

The Company received government preferential loans of NT\$5,131,600 thousand at a below-market interest rate. It will be used for the purchase of machinery and equipment and for supporting working capital. The first installment will be made in the 36th-37th month of the principal, and each month thereafter, the principal will be repaid in 48-49 equal installments. The Company also received Part A of Bank of Taiwan Syndicated Loan (VI) of NT\$1,770,000 thousand at a below-market interest rate. The total fair value of the loans was estimated by using the prevailing market interest rates. The total difference between the proceeds and the fair value of the loans is the benefit derived from the below-market rate of interest which has been recognized as deferred revenue. The deferred revenue will be recognized as other income over time. For the three months ended March 31, 2025 and 2024, the other income under government grants were NT\$13,891 thousand and NT\$14,394 thousand, respectively. The interest expense under loans were NT\$41,544 thousand and NT\$36,256 thousand, respectively.

Additionally, the Company applied for the “IC Design Summit Grant Program” from the Ministry of Economic Affairs’ Industrial Technology Department, which was approved in September 2024. The total approved grant was NT\$555,500 thousand, with the grant program starting from April 1, 2024 to September 30, 2027. As of March 31, 2025, a total of NT\$81,086 thousand has been received and recognized as other income under government grants. The Company has established a dedicated account for the grant, and monthly withdrawals must be based on the expenses summary report, with the withdrawal amount not exceeding the actual expenses incurred. The dedicated account for the grant will be closed once the project is completed. Starting from April 1, 2025, each grant installment (with a six-month period) will be disbursed by the Ministry of Economic Affairs after the actual expense report has been reviewed.

Additionally, the Company participated in the Industrial Development Administration, Ministry of Economic Affairs’ “Post-Pandemic Low Carbon Transformation Grant Program” to collaborate with 13 suppliers and outsourcing manufacturers to develop a carbon reduction plan. The grant program started from September 1, 2023 to August 31, 2025, with annual progress reviews. The Ministry of Economic Affairs will allocate the grant after reviewing the actual expenses summary report. As of March 31, 2025, a total of NT\$6,635 thousand has been received and recognized as other income under government grants.

29. CAPITAL MANAGEMENT

The Group’s capital management objective is to ensure it has the necessary financial resources and operational plan so that it can cope with the next twelve months working capital requirements, capital expenditures, research and development activities, debt repayments and dividends payments.

30. FINANCIAL INSTRUMENT

a. Fair value of financial instruments

1) Valuation techniques and assumptions used in fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stock and mutual funds).
- The fair values of derivative foreign exchange contracts are measured using quoted middle and discount rates of foreign exchange contracts matching the foreign exchange rate on the maturity date of the contracts.
- Domestic and overseas unlisted equity instrument at FVTPL and FVTOCI were all measured based on Level 3. Fair values of the above equity instruments were determined using discounted cash flow of income approach and comparable listed company approach, refer to strike price of similar business at active market, implied value multiple of the price and relevant information. Significant unobservable inputs included PE ratio, value multiple and market liquidity discount.
- The put options and redemption options of the overseas convertible bonds issued by NTC are derivative instruments for which there is no market price available for reference. NTC assesses the fair value using a binomial tree convertible bond valuation model. The significant unobservable input used is the stock price volatility. As the stock price volatility increases, the fair value of these derivative instruments will change. As of March 31, 2025, the stock price volatility applied was 42.70%.

2) Fair value measurements recognized in the consolidated balance sheets

The fair value of financial instruments is grouped into Levels 1 to 3 based on the degree to observability of inputs:

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

3) Fair value of financial instruments that are not measured at fair value

Fair value hierarchy as of March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Financial liabilities at amortized cost				
Bonds payable (secured)	\$ -	\$ 9,996,818	\$ -	\$ 9,996,818
Bonds payable (unsecured)	-	4,783,234	-	4,783,234
	<u>\$ -</u>	<u>\$ 14,780,052</u>	<u>\$ -</u>	<u>\$ 14,780,052</u>

Fair value hierarchy as of December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Financial liabilities at amortized cost				
Bonds payable (secured)	\$ _____	\$ 9,993,636	\$ _____	\$ 9,993,636

Fair value hierarchy as of March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Financial liabilities at amortized cost				
Bonds payable (secured)	\$ _____	\$ 9,984,125	\$ _____	\$ 9,984,125

4) Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy as of March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 4,656	\$ -	\$ 4,656
Non-derivative financial assets				
Domestic listed securities	15,672	-	-	15,672
Overseas unlisted securities	-	-	66,410	66,410
Mutual funds	122,427	-	-	122,427
	<u>\$ 138,099</u>	<u>\$ 4,656</u>	<u>\$ 66,410</u>	<u>\$ 209,165</u>

Financial assets at FVTOCI

Equity securities				
Domestic and overseas listed securities	\$ 8,366,879	\$ -	\$ -	\$ 8,366,879
Domestic and overseas unlisted securities	-	31,200	1,525,956	1,557,156
Beneficiary certificates	-	-	1,335,145	1,335,145
	<u>\$ 8,366,879</u>	<u>\$ 31,200</u>	<u>\$ 2,861,101</u>	<u>\$ 11,259,180</u>

Financial liabilities

Financial liabilities at FVTPL

Derivative financial liabilities	\$ _____	\$ 99,258	\$ 11,850	\$ 111,108
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Fair value hierarchy as of December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>Financial assets at FVTPL</u>				
Non-derivative financial assets				
Domestic listed securities	\$ 15,467	\$ -	\$ -	\$ 15,467
Overseas unlisted securities	-	-	65,570	65,570
Mutual funds	<u>120,767</u>	<u>-</u>	<u>-</u>	<u>120,767</u>
	<u>\$ 136,234</u>	<u>\$ -</u>	<u>\$ 65,570</u>	<u>\$ 201,804</u>
<u>Financial assets at FVTOCI</u>				
Equity securities				
Domestic listed securities	\$ 8,402,276	\$ -	\$ -	\$ 8,402,276
Domestic and overseas unlisted securities	-	29,400	2,011,318	2,040,718
Beneficiary certificates	<u>-</u>	<u>-</u>	<u>1,318,257</u>	<u>1,318,257</u>
	<u>\$ 8,402,276</u>	<u>\$ 29,400</u>	<u>\$ 3,329,575</u>	<u>\$ 11,761,251</u>
<u>Financial liabilities</u>				
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 142,481</u>	<u>\$ -</u>	<u>\$ 142,481</u>

Fair value hierarchy as of March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 70	\$ 80,000	\$ 80,070
Non-derivative financial assets				
Domestic listed securities	15,197	-	-	15,197
Overseas unlisted securities	-	-	64,000	64,000
Mutual funds	<u>117,908</u>	<u>-</u>	<u>-</u>	<u>117,908</u>
	<u>\$ 133,105</u>	<u>\$ 70</u>	<u>\$ 144,000</u>	<u>\$ 277,175</u>
<u>Financial assets at FVTOCI</u>				
Equity securities				
Domestic listed securities	\$ 12,497,738	\$ -	\$ -	\$ 12,497,738
Domestic and overseas unlisted securities	-	24,460	1,874,501	1,898,961
Beneficiary certificates	<u>-</u>	<u>-</u>	<u>1,223,101</u>	<u>1,223,101</u>
	<u>\$ 12,497,738</u>	<u>\$ 24,460</u>	<u>\$ 3,097,602</u>	<u>\$ 15,619,800</u>
<u>Financial liabilities</u>				
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 155,924</u>	<u>\$ -</u>	<u>\$ 155,924</u>

5) Reconciliation of Level 3 fair value measurements of financial instruments

The financial assets measured at Level 3 fair value were non-derivative financial assets classified as financial assets at FVTPL and equity investments classified as financial assets at FVTOCI. Reconciliations for the three months ended March 31, 2025 and 2024 were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 3,395,145	\$ 3,097,755
Recognized in other comprehensive income	(481,061)	101,217
Recognized in profit or loss	-	3,237
Effect of exchange rate changes	<u>13,427</u>	<u>39,393</u>
Balance at March 31	<u>\$ 2,927,511</u>	<u>\$ 3,241,602</u>

The financial liabilities measured at Level 3 fair value were the put options and redemption options of overseas convertible bonds classified as financial liabilities at FVTPL. Reconciliations for the three months ended March 31, 2025 was as follows:

	For the Three Months Ended March 31, 2025
Balance at January 1	\$ -
Additions	8,302
Recognized in profit or loss	<u>3,548</u>
Balance at March 31	<u>\$ 11,850</u>

b. Categories of financial instruments

Fair values of financial assets and liabilities were summarized as follows:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>						
Measured at amortized cost						
Cash and cash equivalents	\$ 18,378,489	\$ 18,378,489	\$ 14,100,396	\$ 14,100,396	\$ 13,710,169	\$ 13,710,169
Accounts receivable (included related parties)	11,855,172	11,855,172	10,038,346	10,038,346	11,386,817	11,386,817
Finance lease receivables (current)	-	-	22,506	22,506	90,086	90,086
Other receivables	740,161	740,161	700,684	700,684	754,289	754,289
Refundable deposits (recorded in other non-current assets)	489,056	489,056	485,859	485,859	598,374	598,374
Financial assets at FVTPL (current and non-current)	209,165	209,165	201,804	201,804	277,175	277,175
Financial assets at FVTOCI (current and non-current)	11,259,180	11,259,180	11,761,251	11,761,251	15,619,800	15,619,800

(Continued)

	March 31, 2025		December 31, 2024		March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial liabilities</u>						
Measured at amortized cost						
Short-term borrowings	\$ 6,118,230	\$ 6,118,230	\$ 2,119,990	\$ 2,119,990	\$ 3,623,000	\$ 3,623,000
Notes and accounts payable (included related parties)	7,045,454	7,045,454	7,061,317	7,061,317	6,517,613	6,517,613
Payable on equipment and other payables	9,278,659	9,278,659	10,234,795	10,234,795	10,868,182	10,868,182
Bonds payable (included current portion)	14,780,052	14,780,052	9,993,636	9,993,636	9,984,125	9,984,125
Long-term borrowings (included current portion)	37,978,990	37,978,990	41,094,417	41,094,417	45,742,807	45,742,807
Guarantee deposits (recorded in other non-current liabilities)	228,872	228,872	395,140	395,140	1,844,190	1,844,190
Financial liabilities at FVTPL (current and non-current)	111,108	111,108	142,481	142,481	155,924	155,924
						(Concluded)

c. Financial risk management objectives and policies

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, and use of financial derivatives. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses forward foreign exchange contracts to hedge the foreign currency risk on export.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group uses forward foreign exchange contracts to hedge the exchange rate risk within approved policy parameters utilizing forward foreign exchange contracts.

The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period and an increase in net income and equity if New Taiwan dollars strengthen by 1% against foreign currencies. For a 1% weakening of New Taiwan dollars against U.S. dollars, there would be impact on net loss with an decrease in the amounts of NT\$124,925 thousand and NT\$67,274 thousand for the three months ended March 31, 2025 and 2024, respectively.

b) Interest rate risk

The Group's interest rate risk arises primarily from floating rate borrowings.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Cash flow interest rate risk			
Financial assets	\$ 8,413	\$ 8,413	\$ 8,413
Financial liabilities	41,436,542	43,371,406	46,892,100

The sensitivity analyses below were determined based on the Group's exposure to interest rates for fair value of variable-rate derivatives instruments at the end of the reporting period. If interest rates had been higher by 100 basis points, the Group's cash outflows would have increased by NT\$103,570 thousand and NT\$117,209 thousand for the three months ended March 31, 2025 and 2024, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual accounts receivables at the end of the reporting period to ensure that adequate impairment losses are recognized for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group has enough operating capital to comply with loan covenants; liquidity risk is low.

The Group's non-derivative financial liabilities and their agreed repayment period were as follows:

	March 31, 2025			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	\$ 16,324,113	\$ 228,872	\$ -	\$ 16,552,985
Lease liabilities	362,878	261,772	1,783,528	2,408,178
Variable interest rate liabilities	13,284,929	18,814,188	9,337,425	41,436,542
Fixed interest rate liabilities	<u>12,800,000</u>	<u>-</u>	<u>5,334,035</u>	<u>18,134,035</u>
	<u>\$ 42,771,920</u>	<u>\$ 19,304,832</u>	<u>\$ 16,454,988</u>	<u>\$ 78,531,740</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	<u>\$ 624,650</u>	<u>\$ 502,310</u>	<u>\$ 1,281,218</u>

	December 31, 2024			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	\$ 17,296,112	\$ 395,140	\$ -	\$ 17,691,252
Lease liabilities	332,371	270,273	1,810,682	2,413,326
Variable interest rate liabilities	12,086,689	22,829,321	8,455,396	43,371,406
Fixed interest rate liabilities	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
	<u>\$ 39,715,172</u>	<u>\$ 23,494,734</u>	<u>\$ 10,266,078</u>	<u>\$ 73,475,984</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	<u>\$ 602,644</u>	<u>\$ 509,747</u>	<u>\$ 1,300,935</u>

	March 31, 2024			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	\$ 17,385,795	\$ 1,844,190	\$ -	\$ 19,229,985
Lease liabilities	315,990	284,707	1,954,141	2,554,838
Variable interest rate liabilities	10,303,787	9,966,699	26,621,614	46,892,100
Fixed interest rate liabilities	<u>2,700,000</u>	<u>10,000,000</u>	<u>-</u>	<u>12,700,000</u>
	<u>\$ 30,705,572</u>	<u>\$ 22,095,596</u>	<u>\$ 28,575,755</u>	<u>\$ 81,376,923</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	<u>\$ 600,697</u>	<u>\$ 553,850</u>	<u>\$ 1,400,291</u>

31. RELATED PARTY TRANSACTIONS

- a. The names and relationships of related parties are as follows:

Related Party	Relationship with the Group
Walsin Lihwa Corporation (“Walsin Lihwa”)	Investor that exercises significant influence over the Group
ThCC	Associate
Chin Xin	Associate
TPSCo.	Associate
Nyquest Technology Co., Ltd. (“Nyquest”)	Related party in substance
Walton Advanced Engineering Inc. (“Walton”)	Related party in substance

(Continued)

Related Party	Relationship with the Group
Walton Advanced Engineering Ltd. (Suzhou) (“Walton (Suzhou)”)	Related party in substance
Chin Cherng Construction Co., Ltd. (“Chin Cherng”)	Related party in substance
Walsin Technology Corporation (“Walsin Technology”)	Related party in substance
Waltech Advanced Engineering (Suzhou) Ltd. (“Waltech (Suzhou)”)	Related party in substance
Taiwan Cement Corporation (“Taiwan Cement”)	Related party in substance
United Industrial Gases Co., Ltd. (“United Industrial Gases”)	Related party in substance
Walsin (Nanjing) Development Co., Ltd. (“Walsin (Nanjing) Development”)	Related party in substance
Infopower Technologies Private Limited	Related party in substance

(Concluded)

b. Operating activities

	For the Three Months Ended March 31	
	2025	2024
1) Operating revenue		
Associate	\$ 64,004	\$ 58,995
Related party in substance	<u>23,073</u>	<u>29,517</u>
	<u>\$ 87,077</u>	<u>\$ 88,512</u>

Price and terms were determined in accordance with mutual agreements.

	For the Three Months Ended March 31	
	2025	2024
2) Purchases of goods		
Associate		
TPSCo.	<u>\$ 985,214</u>	<u>\$ 724,337</u>

Price and terms were determined in accordance with mutual agreements.

	For the Three Months Ended March 31	
	2025	2024
3) Manufacturing expenses		
Related party in substance	\$ 1,116,290	\$ 1,302,398
Associate	<u>437,608</u>	<u>410,397</u>
	<u>\$ 1,553,898</u>	<u>\$ 1,712,795</u>

		For the Three Months Ended March 31	
		2025	2024
4) Operating expenses			
Associate		\$ 69,855	\$ 65,354
Related party in substance		7,711	18,642
Investor that exercises significant influence over the Group		<u>3,406</u>	<u>2,473</u>
		<u>\$ 80,972</u>	<u>\$ 86,469</u>
5) Other income and expenses			
Related party in substance		\$ 1,714	\$ 2,392
Associate		<u>-</u>	<u>102</u>
		<u>\$ 1,714</u>	<u>\$ 2,494</u>
	March 31, 2025	December 31, 2024	March 31, 2024
6) Accounts receivable			
Associate	\$ 24,171	\$ 24,349	\$ 20,877
Related party in substance	<u>1,943</u>	<u>3,980</u>	<u>29,892</u>
	<u>\$ 26,114</u>	<u>\$ 28,329</u>	<u>\$ 50,769</u>
7) Accounts payable			
Related party in substance	\$ 959,917	\$ 1,056,797	\$ 1,085,889
Associate	<u>502,047</u>	<u>497,798</u>	<u>297,943</u>
	<u>\$ 1,461,964</u>	<u>\$ 1,554,595</u>	<u>\$ 1,383,832</u>
8) Other receivables and other current assets			
Associate	\$ 34,702	\$ 34,235	\$ 36,759
Related party in substance	800	1,089	3,220
Investor that exercises significant influence over the Group	<u>20</u>	<u>-</u>	<u>1,277</u>
	<u>\$ 35,522</u>	<u>\$ 35,324</u>	<u>\$ 41,256</u>
9) Other payables and other current liabilities			
Related party in substance	\$ 321,144	\$ 369,785	\$ 263,965
Associate	161,621	196,709	267,974
Investor that exercises significant influence over the Group	<u>1,915</u>	<u>1,449</u>	<u>1,723</u>
	<u>\$ 484,680</u>	<u>\$ 567,943</u>	<u>\$ 533,662</u>

	March 31, 2025	December 31, 2024	March 31, 2024
10) Refundable deposits (recorded in “other non-current assets”)			
Related party in substance	\$ 1,722	\$ 1,722	\$ 1,722
Investor that exercises significant influence over the Group	<u>203</u>	<u>203</u>	<u>203</u>
	<u>\$ 1,925</u>	<u>\$ 1,925</u>	<u>\$ 1,925</u>
11) Guarantee deposits (recorded in “other non-current liabilities”)			
Related party in substance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,800</u>

The Group’s transactions with the related party were conducted in accordance with bilateral contracts, covering transaction price and payment terms.

c. Disposal of property, plant and equipment

	Disposal Price For the Three Months Ended March 31		Gain (Loss) on Disposal For the Three Months Ended March 31	
	2025	2024	2025	2024
Associate	\$ -	\$ 489	\$ -	\$ 489
Related party in substance	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
	<u>\$ -</u>	<u>\$ 491</u>	<u>\$ -</u>	<u>\$ 491</u>

The prices of the above transactions were determined based on the acquisition cost of the machinery equipment and reference to the recent quoted market price.

d. Lease arrangements - the Group is lessee

	For the Three Months Ended March 31	
	2025	2024
1) Acquisition of right of use assets		
Investor that exercises significant influence over the Group	\$ 9,025	\$ -
Related party in substance	<u>-</u>	<u>30,315</u>
	<u>\$ 9,025</u>	<u>\$ 30,315</u>

	March 31, 2025	December 31, 2024	March 31, 2024
2) Lease liabilities			
Related party in substance	\$ 18,965	\$ 19,827	\$ 29,743
Investor that exercises significant influence over the Group	<u>8,304</u>	<u>-</u>	<u>-</u>
	<u>\$ 27,269</u>	<u>\$ 19,827</u>	<u>\$ 29,743</u>
		For the Three Months Ended March 31	
		2025	2024
3) Interest expense			
Related party in substance		\$ 147	\$ 223
Investor that exercises significant influence over the Group		<u>50</u>	<u>-</u>
		<u>\$ 197</u>	<u>\$ 223</u>

e. Lease arrangements - the Group is lessor/sublease arrangements

Lease arrangements - sublease arrangement under operating leases

NTC subleased its right-of-use asset to TPSCo. under operating lease with lease term of 12 years, and the rental is based on similar asset's market rental rates and fixed lease payments are received monthly.

	March 31, 2025	December 31, 2024	March 31, 2024
1) Operating lease receivables			
Associate			
TPSCo.	<u>\$ 13,167</u>	<u>\$ 12,410</u>	<u>\$ 12,505</u>
2) Future lease payment receivables			
Associate			
TPSCo.	<u>\$ 1,005,491</u>	<u>\$ 981,545</u>	<u>\$ 1,091,340</u>
		For the Three Months Ended March 31	
		2025	2024
3) Lease income			
Associate			
TPSCo.		<u>\$ 34,771</u>	<u>\$ 34,183</u>

Lease arrangements under finance leases

NTCJ leased out equipment and intangible assets to its associate company, TPSCo., under finance leases with 3-year lease term from the second quarter of 2022. The net investment in leases was NT\$277,390 thousand at the inception of the lease and the contract has average implicit interest rate of approximately 1.85% per year. The rental is based on similar asset's market rental rates and the fixed lease payment of JPY107,719 thousand is received quarterly.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the balance of finance lease receivables were NT\$0 thousand, NT\$22,506 thousand and NT\$90,086 thousand, respectively. No impairment loss was recognized as of December 31, 2024 and March 31, 2024. The amounts of interest income under finance leases for the three months ended March 31, 2025 and 2024 were NT\$110 thousand and NT\$520 thousand, respectively.

f. Guarantee

Acquisition of guarantee

The chairman of NTC is a joint guarantor of the land-leasing from Taiwan Sugar Corporation. Refer to Note 15 to the consolidated financial statements.

g. Compensation of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term employment benefits	\$ 125,091	\$ 113,715
Post-employment benefits	3,140	2,639
Termination benefits	<u>-</u>	<u>3,265</u>
	<u>\$ 128,231</u>	<u>\$ 119,619</u>

The remuneration of directors and key management personnel was suggested by the remuneration committee having regard to the performance of individuals and market trends; additionally the remuneration was resolved by the board of directors.

32. PLEDGED AND COLLATERALIZED ASSETS

Refer to Notes 6, 14 and 16 to the consolidated financial statements.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingent liabilities and unrecognized commitments of the Group as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

- a. Amounts available under unused letters of credit were as follows:

	For the Three Months Ended March 31	
	2025	2024
USD	\$ -	\$ 904
JPY	\$ 515,524	\$ 228,000

- b. Unrecognized commitments were as follows:

March 31, 2025

Acquisition of property, plant and equipment \$ 1,811,266

- c. On March 7, 2025, the board of directors of NTC resolved to sell all of its 4,189,825 preferred shares in Autotalks. The transaction will be settled within five business days after the fulfillment of the conditions precedent as stipulated in the agreement, or on such other date as mutually agreed upon by both parties.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed.

The significant assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)	Foreign Currencies (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>									
Monetary items									
USD	\$ 501,346	33.205	\$ 16,647,210	\$ 341,580	32.785	\$ 11,198,694	\$ 378,638	32.00	\$ 12,116,417
USD	37,315	149.10	1,239,055	44,195	156.19	1,448,921	63,880	151.30	2,044,168
		(Note 2)			(Note 2)			(Note 2)	
EUR	2,281	35.97	82,046	3,134	34.14	107,009	3,498	34.46	120,545
JPY	3,165,381	0.2227	704,930	4,077,263	0.2099	855,817	3,778,172	0.2115	799,083
RMB	16,708	4.573	76,404	30,696	4.478	137,457	46,015	4.408	202,834
ILS	14,005	8.9552	125,421	15,225	8.9682	136,544	11,274	8.6973	98,050
SGD	1,319	0.746	32,666	731	0.736	17,638	170	0.741	4,038
		(Note 3)			(Note 3)			(Note 3)	
<u>Financial liabilities</u>									
Monetary items									
USD	125,124	33.205	4,154,742	153,973	32.785	5,048,005	168,406	32.00	5,389,008
USD	23,938	149.10	794,853	21,598	156.19	708,105	28,170	151.30	901,439
		(Note 2)			(Note 2)			(Note 2)	
USD	934	7.2611	31,027	749	7.3213	24,561	720	7.2595	23,053
		(Note 4)			(Note 4)			(Note 4)	
EUR	2,416	35.97	86,896	2,319	34.14	79,174	3,227	34.46	111,186
JPY	2,791,964	0.2227	621,770	4,425,259	0.2099	928,862	3,482,189	0.2115	736,483
ILS	17,263	8.9552	154,597	21,228	8.9682	190,380	15,230	8.6973	132,460

Note 1: Except as otherwise noted, exchange rate represents the number of New Taiwan dollars for which one unit of foreign currency could be exchanged.

Note 2: The exchange rate represents the number of JPY for which one U.S. dollar could be exchanged.

Note 3: The exchange rate represents the number of U.S. dollar for which one SGD could be exchanged.

Note 4: The exchange rate represents the number of RMB for which one U.S. dollar could be exchanged.

For the three months ended March 31, 2025 and 2024, refer to the consolidated statements of comprehensive income for details on realized and unrealized net foreign exchange profit (loss). It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

36. OTHER ITEMS: NONE

37. ADDITIONAL DISCLOSURE

- a. Following are the additional disclosures for material transactions, which the major transactions of parent and subsidiaries and their balances have been fully eliminated when preparing the consolidated financial report.:

Number	Item	Index
1)	Financings provided	None
2)	Endorsements/guarantees provided	Table 1
3)	Significant marketable securities held (excluding investments in subsidiaries and associates)	Table 2
4)	Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital	Table 3
5)	Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital	Table 4
6)	Intercompany relationships and significant intercompany transactions	Table 7

- b. Information on investments: Refer to Table 5 to the consolidated financial statements attached.
- c. Information on investment in mainland China

Number	Item	Index
1)	The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits (losses) of investee, ending balance, amount received as dividends from the investee, and the limitation on investee.	Table 6

Number	Item	Index
2)	Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports.	Table 6
	a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.	
	b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.	
	c) The amount of property transactions and the amount of the resultant gains or losses.	
	d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.	
	e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.	
	f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.	

38. SEGMENT INFORMATION

a. Basic information about operating segment

1) Classification of operating segments

The Group's reportable segments under IFRS 8 "Operating Segments" and IAS 34 "Interim Financial Reporting" was as follows:

a) Segment of Customized Memory Solution product

The Customized Memory Solution product segment engages mainly in the manufacturing, selling, researching, designing and after-sales service of Mobile RAM and Specialty DRAM.

b) Segment of Flash Memory product

The Flash Memory product segment engages mainly in the manufacturing, selling, researching, designing and after-sales service of Flash Memory product.

c) Segment of Logic IC product

The Logic IC product segment engages mainly in the manufacturing, selling, researching, designing and after-sales service of Logic IC product.

2) Principles of measuring reportable segments, profit, assets and liabilities

The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Group's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by segment managers and is the basis for assessment of segment performance. Individual segment assets are disclosed as zero since those measures are not reviewed by the chief operating decision maker. Major liabilities are arranged based on the capital cost and deployment of the whole company, which are not controlled by individual segment managers.

b. Segment revenues and operating results

The following was an analysis of the Group's revenue from continuing operations by reportable segments.

	Segment Revenue		Segment Profit and Loss	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2025	2024	2025	2024
Customized Memory Solution product	\$ 4,775,234	\$ 5,190,892	\$ (1,384,384)	\$ (1,067,155)
Flash Memory product	6,414,747	6,091,856	1,582,282	1,628,662
Logic IC product	<u>8,304,575</u>	<u>8,417,135</u>	<u>1,235,575</u>	<u>1,352,044</u>
Total of segment revenue	19,494,556	19,699,883	1,433,473	1,913,551
Other revenue	<u>498,061</u>	<u>421,468</u>	498,061	421,468
Operating revenue	<u>\$ 19,992,617</u>	<u>\$ 20,121,351</u>		
Unallocated expenditure				
Administrative and supporting expenses			(1,217,647)	(1,150,422)
Sales and other common expenses			<u>(1,679,254)</u>	<u>(1,371,234)</u>
Loss from operations			<u>(965,367)</u>	<u>(186,637)</u>
Non-operating income and expenses				
Interest income			100,573	81,863
Dividend income			735	633
Other income			104,870	72,597
Share of profit (loss) of associates			(12,272)	(75,840)
Gains (losses) on disposal of property, plant and equipment			638	124,799
Gains (losses) on disposal of intangible assets			1,153	-
Gains (losses) on foreign exchange			126,871	311,003
Gains (losses) on financial instruments at fair value through profit or loss			(96,220)	(351,289)
Interest expense			(325,751)	(285,186)
Other expenses			<u>(81,045)</u>	<u>(118,507)</u>
Loss before income tax			<u>\$ (1,145,815)</u>	<u>\$ (426,564)</u>

TABLE 1

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	WEC	NTCJ	NTC’s indirect subsidiary with 100% ownership	\$ 15,304,302 (Note 1)	\$ 6,681,000 (Note 3)	\$ 6,681,000 (Note 3)	\$ 2,516,510	\$ -	7.39	\$ 45,217,152 (Note 5)	Y	N	N
1	NTC	NTCJ	Subsidiary	15,899,393 (Note 2)	2,830,425 (Note 4)	2,830,425 (Note 4)	486,045	-	17.80	15,899,393 (Note 6)	Y	N	N

- Note 1: WEC’s maximum amount endorsed are limited to 30% of the net equity in latest financial statements of WEC or 150% of the net value of the endorsee company, whichever is lower. WEC’s limitation of maximum endorse amount as described are not limited to subsidiaries that directly or indirectly hold 100% of voting shares.
- Note 2: NTC’s maximum amount endorsed are limited to 20% of the net equity in latest financial statements of NTC or the net value of the endorsee company, whichever is lower. NTC’s limitation of maximum endorse amount as described are not limited to subsidiaries that directly or indirectly hold more than 50% of voting shares.
- Note 3: The ending balance is approved by the boards of directors of WEC.
- Note 4: The ending balance is approved by the boards of directors of NTC.
- Note 5: WEC’s total maximum amount endorsed are limited to 50% of the net equity in the latest financial statements of WEC.
- Note 6: NTC’s maximum amount endorsed are based on the net equity in the latest financial statements of NTC.

TABLE 2

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Held Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
WEC	<u>Shares</u> Walsin Lihwa Corporation	The investee’s chairman are relatives within the second degree of relationship of WEC’s chairman. As WEC’s corporate director, the investee held 22.11% ownership interest in WEC.	Current financial assets at FVTOCI	247,527,493	\$ 5,693,132	6	\$ 5,693,132	
	Hannstar Display Corporation	The investee’s chairman are relatives within the second degree of relationship of WEC’s chairman.	"	150,000,210	1,135,502	5	1,135,502	
	Walsin Technology Corporation	The investee’s chairman are relatives within the second degree of relationship of WEC’s chairman.	"	5,300,117	458,460	1	458,460	
	Walton Advanced Engineering Inc.	The investee’s chairman are relatives within the second degree of relationship of WEC’s chairman. WEC as the investee’s director.	"	50,062,641	660,827	10	660,827	
	<u>Shares</u> CHIA-HO Green Energy Corporation	WEC’s chairman as a director of the investee’s parent company	Non-current financial assets at FVTOCI	55,500,000	553,702	15	553,702	
WECA	<u>Beneficiary certificates</u> JVP VIII, L.P.	None	Non-current financial assets at FVTOCI	-	USD 23,066	7	USD 23,066	
	JVP X Funds	None	"	-	USD 17,143	8	USD 17,143	
WECJ	<u>Shares</u> Progress Technologies Group Inc.	None	Non-current financial assets at FVTOCI	512,800	JPY 774,841	6	JPY 774,841	
NTC	<u>Shares</u> United Industrial Gases Co., Ltd.	The held company as the investee’s director	Non-current financial assets at FVTOCI	8,800,000	651,200	4	651,200	
	Autotalks Ltd. - Preference E. and E-1 Share	None	"	4,189,825	182,519	9	182,519	

Note 1: Significant marketable securities refer to related parties securities or securities amounted to NT\$100 million.

Note 2: Refer to Tables 5 and 6 for information of investment in subsidiaries, investments in associates and investment in mainland China.

TABLE 3

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
WEC	WEHK	Direct subsidiary with 100% ownership	Sales	\$ 2,414,513	22	Net 90 days from invoice date	N/A	N/A	\$ 646,062	11	
	WECJ	Direct subsidiary with 100% ownership	Sales	649,021	6	Net 90 days from invoice date	N/A	N/A	378,659	7	
	WECN	Indirect subsidiary with 100% ownership	Sales	487,854	4	Net 90 days from invoice date	N/A	N/A	-	-	
	WECA	Indirect subsidiary with 100% ownership	Sales	437,706	4	Net 90 days from invoice date	N/A	N/A	168,924	3	
NTC	NTHK	NTC's direct subsidiary with 100% ownership	Sales	2,240,709	43	Net 50 days from invoice date	N/A	N/A	1,539,238	51	
	NTCJ	NTC's indirect subsidiary with 100% ownership	Sales	237,386	5	Net 8 days end of the month	N/A	N/A	157,906	5	
	NTSG	NTC's direct subsidiary with 100% ownership	Purchases	145,066	6	Net 8 days end of the month	N/A	N/A	(57,595)	(3)	
	NTCJ	NTC's indirect subsidiary with 100% ownership	Purchases	1,282,491	57	Net 8 days end of the month	N/A	N/A	(484,975)	(24)	
NTSG	NTCJ	NTC's indirect subsidiary with 100% ownership	Sales	USD 19,402	57	Net 10 days end of the month	N/A	N/A	USD 7,828	48	
NTCJ	NTSG	NTC's direct subsidiary with 100% ownership	Sales	JPY 2,791,768	14	Net 10 days end of the month	N/A	N/A	JPY 869,455	6	
	NTHK	NTC's direct subsidiary with 100% ownership	Sales	JPY 2,615,134	13	Net 10 days end of the month	N/A	N/A	JPY 1,339,298	10	
	TPSCo.	Associate	Purchases	JPY 4,573,029	43	Net 10 days end of the month	N/A	N/A	JPY (2,254,363)	(35)	

TABLE 4

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
WEC	WEHK	Direct subsidiary with 100% ownership	\$ 646,062	15.97	\$ -	-	\$ 512,727	\$ -
	WECJ	Direct subsidiary with 100% ownership	378,659	6.02	-	-	-	-
	WECA	Indirect subsidiary with 100% ownership	168,924	8.98	-	-	-	-
	NTC	Direct subsidiary with 52.06% ownership	122,994	(Note)	-	-	-	-
WECA	WEC	Parent company	USD 6,030	(Note)	-	-	USD 2,063	-
NTC	NTHK	NTC's direct subsidiary with 100% ownership	1,539,238	6.15	-	-	693,154	-
	NTCJ	NTC's indirect subsidiary with 100% ownership	157,906	7.02	-	-	155,587	-
NTSG	NTCJ	NTC's indirect subsidiary with 100% ownership	USD 7,828	11.71	-	-	USD 7,828	-
NTCJ	NTSG	NTC's direct subsidiary with 100% ownership	JPY 869,455	10.36	-	-	JPY 869,455	-
	NTHK	NTC's direct subsidiary with 100% ownership	JPY 1,339,298	8.17	-	-	JPY 1,339,298	-
	NTC	Parent company	JPY 2,177,705	13.68	-	-	JPY 2,177,704	-
NTIL	NTC	Parent company	ILS 13,070	(Note)	-	-	ILS 13,070	-

Note: Other receivables are not applicable to calculation of turnover rate.

TABLE 5

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
WEC	NTC	Taiwan	Research, design, development, manufacture and marketing of Logic IC, 6-inch wafer product, test, and OEM	\$ 4,730,738	\$ 4,730,738	218,554,635	52.06	\$ 8,249,101	\$ 217,435	\$ 113,353	
	WIC	British Virgin Islands	Investment holding	2,758,517	2,758,517	87,960,000	100.00	2,181,932	1,918	1,918	
	WEHK	Hong Kong	Sales of semiconductor and investment holding	278,158	278,158	71,150,000	100.00	947,882	24,526	24,526	
	METC	Japan	Software and hardware integration design of semiconductor	167,660	167,660	4,000	100.00	386,138	36,020	36,020	
	AMTC	Japan	Manufacture of semiconductor and smart factory solutions	237,052	237,052	4,000	100.00	380,667	21,877	21,877	
	WECJ	Japan	Research, development, sales and after-sales service of semiconductor	190,070	190,070	2,970	100.00	373,782	(9,828)	(9,828)	
	WEIL	India	Sale and service of semiconductor	133,617	133,617	27,998,400	99.99	136,502	(239)	(239)	
	Callisto	Hong Kong	Electronic commerce and investment holding	156,292	156,292	40,000,000	100.00	78,837	94	94	
	WTL	Israel	Design and service of semiconductor	21,242	21,242	100,000	100.00	107,914	4,004	4,004	
	WEG	Germany	Marketing service of semiconductor	28,679	28,679	850,000	100.00	32,030	123	123	
	Chin Xin	Taiwan	Investment holding	1,874,825	1,874,825	182,840,999	38.00	5,338,113	(17,929)	(6,758)	
	ThCC	Taiwan	Agriculture and forestry botanic conservation	270,000	270,000	27,000,000	15.00	264,686	(617)	(92)	
WIC	WECA	United States of America	Design, sales and service of semiconductor	1,683,207	1,683,207	3,067	100.00	2,224,789	1,918	1,918	
Callisto	CTL	Hong Kong	Electronic commerce and investment holding	30,895 USD 1,000	30,895 USD 1,000	1,000,000	100.00	33,573 USD 1,011	- USD -	- USD -	
METC	MTTC	Taiwan	Development of software and services for automotive and industrial control	3,000	3,000	300,000	100.00	2,569	(30)	(30)	
NTC	NTHK	Hong Kong	Sales of semiconductor	427,092	427,092	107,400,000	100.00	879,384	10,578	10,578	
	MML	British Virgin Islands	Investment holding	274,987	274,987	8,897,789	100.00	90,593	1,154	1,154	
	NIH	British Virgin Islands	Investment holding	515,251	515,251	15,633,161	100.00	472,043	16,253	16,253	
	SYI	Taiwan	Investment holding	38,500	38,500	3,850,000	100.00	93,455	(20)	(20)	
	NTIPL	India	Design, sales and service of semiconductor	30,211	30,211	600,000	100.00	23,190	95	95	
	NTCA	United States of America	Design, sales and service of semiconductor	190,862	190,862	60,500	100.00	254,385	3,741	3,741	
	NTSG	Singapore	Design, sales and service of semiconductor	1,319,054	1,319,054	45,100,000	100.00	2,272,573	14,558	14,558	
	NTKL	Korea	Design, sales and service of semiconductor	67,611	67,611	280,000	100.00	51,408	891	891	
	NTHJ	Japan	Investment holding	5,927,849	5,927,849	100	100.00	7,944,288	(161,604)	(161,604)	
	NTG	Germany	Customer service and technical support of semiconductor	67,980	67,980	2,000,000	100.00	70,890	449	449	
NIH	NTIL	Israel	Design and service of semiconductor	46,905	46,905	1,000	100.00	471,218	16,303	16,303	
NTHJ	NTCJ	Japan	Design, sales and service of semiconductor	111,520	111,520	9,480	100.00	10,202,868	(161,651)	(161,651)	
NTCJ	TPSCo.	Japan	Foundry and sales of semiconductor	1,708,037	1,708,037	49,539	49.00	1,998,416	8,258	(5,422)	(Note 1)

Note 1: NTCJ’s share of profit (loss) includes downstream and upstream transactions.

Note 2: Refer to Table 6 for information on investment in mainland China.

TABLE 6

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars and Foreign Dollars)

1. Information on any investee company in mainland China, main businesses and procedures, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

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 March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025
					Outward	Inward						
WECN	Design, development and marketing of VLSI integrated ICs	\$ 276,435 (USD 9,000)	Through investing in WEHK in the third area, which then invested in the investee in mainland China indirectly	\$ 276,435 (USD 9,000)	\$ -	\$ -	\$ 276,435 (USD 9,000)	\$ (326)	100.00	\$ (326)	\$ 354,201	\$ 35,880
NTSH	Provide projects for sale in China and repairing, testing, consulting of software and equipment leasing business	68,036 (USD 2,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	68,036 (USD 2,000)	-	-	68,036 (USD 2,000)	653	52.06	340	52,987	-
NTSZ	Computer software service (except I.C. design), wholesale business for computer, supplement and software	197,670 (USD 6,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	197,670 (USD 6,000)	-	-	197,670 (USD 6,000)	1,249	52.06	650	132,233	-
NTNJ	Provide development of semiconductor and technology, consult service and sale	28,800 (USD 900) (Note 2)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	- (Note 2)	-	-	- (Note 2)	(484)	52.06	(252)	11,952	-

Note 1: The gain or loss on investment for the three months ended March 31, 2025 was recognized on the basis of the financial statements reviewed by the auditor.

Note 2: NTHK directly injected the capital in NTNJ.

2. Information on any investee company in mainland China, main businesses and procedures, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
WEC	\$ 276,435 (USD9,000)	\$ 276,435 (USD9,000)	\$ 58,833,319
NTC	282,135 (USD8,500) (Note 3)	282,135 (USD8,500) (Note 3)	9,539,636

Note 3: Through investing amounts of Winbond Electronics (Nanjing) Ltd. which has completed the cancellation and liquidation process in May 2023 was NT\$16,429 thousand (USD 500 thousand).

Note 4: Upper limit on the amount of 60% of the investee’s net carrying amount.

3. Refer to Table 3 for significant transactions with the investee in mainland China directly and indirectly through investing in companies in the third area.
4. Handling endorsement, guarantee and collateral to the investee in mainland China directly and indirectly through investing in companies in the third area: None.
5. Financing of funds to investee in mainland China directly and indirectly through investing in companies in the third area: None.
6. Other transactions with significant influence on profit or loss for the period or financial performance: None.

TABLE 7

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars)**

No.	Company Name	Counterparty	Nature of Relationship	Transaction Details			Percentage of Consolidated Operating Revenue or Total Assets (%)
				Financial Statement Account	Amount	Terms (Note 1)	
0	WEC	WEHK	Transactions between parent company and subsidiaries	Operating revenue	\$ 2,414,513	-	12
		WEHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	646,062	-	-
		WECA	Transactions between parent company and subsidiaries	Operating revenue	437,706	-	2
		WECA	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	168,924	-	-
		WECA	Transactions between parent company and subsidiaries	Operating expenses	198,178	-	1
		WECA	Transactions between parent company and subsidiaries	Other payables	200,237	-	-
		WECJ	Transactions between parent company and subsidiaries	Operating revenue	649,021	-	3
		WECJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	378,659	-	-
		WTL	Transactions between parent company and subsidiaries	Operating expenses	111,026	-	1
		WECN	Transactions between parent company and subsidiaries	Operating revenue	487,854	-	2
		NTC	Transactions between parent company and subsidiaries	Other receivables	122,994	-	-
1	NTC	NTHK	Transactions between parent company and subsidiaries	Operating revenue	2,240,709	-	11
		NTHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	1,539,238	-	1
		NTCJ	Transactions between parent company and subsidiaries	Operating revenue	237,386	-	1
		NTCJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	157,906	-	-
		NTSG	Transactions between parent company and subsidiaries	Operating costs	145,066	-	1
		NTCJ	Transactions between parent company and subsidiaries	Operating costs	1,282,491	-	6
		NTCJ	Transactions between parent company and subsidiaries	Accounts payable due to related parties	484,975	-	-
		NTIL	Transactions between parent company and subsidiaries	Operating expenses	350,112	-	2
		NTIL	Transactions between parent company and subsidiaries	Other payables	117,570	-	-
		NTCA	Transactions between parent company and subsidiaries	Operating expenses	113,126	-	1
2	NTCJ	NTSG	Transactions between subsidiaries	Operating revenue	600,395	-	3
		NTSG	Transactions between subsidiaries	Accounts receivable due from related parties	193,628	-	-
		NTHK	Transactions between subsidiaries	Operating revenue	569,063	-	3
		NTHK	Transactions between subsidiaries	Accounts receivable due from related parties	298,262	-	-
3	NTSG	NTCJ	Transactions between subsidiaries	Operating revenue	638,062	-	3
		NTCJ	Transactions between subsidiaries	Accounts receivable due from related parties	259,934	-	-

Note 1: There is no significant difference between the sales conditions of parent-subsidary sales and general sales, and the rest of the transactions have no similar transactions to follow, thus the transactions between the two parties are based on the agreement.

Note 2: Significant intercompany transactions refer to transactions amounted to NT\$100 million.