

**Winbond Electronics Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025 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, 2026 and 2025, 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, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Ker-Chang Wu and Wen-Hsiang Chen.

Ker-Chang Wu Wen-Hsiang Chen

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 5, 2026

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, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 25,520,648	11	\$ 15,733,774	8	\$ 18,378,489	10
Current financial assets at fair value through profit or loss (Note 7)	216,612	-	196,442	-	209,165	-
Current financial assets at fair value through other comprehensive income (Note 8)	12,115,766	5	13,150,290	7	7,948,245	4
Current financial assets for hedging (Notes 4 and 9)	23,136,726	10	-	-	-	-
Notes and accounts receivable, net (Note 10)	21,975,650	10	16,038,146	8	11,829,058	7
Accounts receivable due from related parties, net (Note 30)	39,140	-	33,008	-	26,114	-
Other receivables (Notes 11 and 30)	766,525	-	678,355	-	740,161	1
Inventories (Note 12)	25,232,457	11	25,758,040	14	23,539,566	13
Other current assets (Note 30)	1,638,411	1	1,603,074	1	1,713,233	1
Total current assets	<u>110,641,935</u>	<u>48</u>	<u>73,191,129</u>	<u>38</u>	<u>64,384,031</u>	<u>36</u>
NON-CURRENT ASSETS						
Non-current financial assets at fair value through profit or loss (Note 7)	249,931	-	248,357	-	-	-
Non-current financial assets at fair value through other comprehensive income (Note 8)	3,051,283	1	2,985,536	2	3,310,935	2
Investments accounted for using equity method (Note 13)	16,739,659	7	16,031,734	8	7,601,215	4
Property, plant and equipment (Note 14)	93,643,099	41	93,800,188	49	98,400,631	54
Right-of-use assets (Notes 15 and 30)	1,762,864	1	1,997,192	1	1,973,685	1
Investment properties (Note 16)	1,156,613	1	1,188,544	1	1,418,452	1
Intangible assets (Note 17)	792,358	-	864,491	-	747,188	-
Deferred income tax assets (Note 4)	473,508	-	599,652	-	2,100,033	1
Other non-current assets (Notes 6 and 30)	1,302,438	1	1,285,244	1	1,365,901	1
Total non-current assets	<u>119,171,753</u>	<u>52</u>	<u>119,000,938</u>	<u>62</u>	<u>116,918,040</u>	<u>64</u>
TOTAL	<u>\$ 229,813,688</u>	<u>100</u>	<u>\$ 192,192,067</u>	<u>100</u>	<u>\$ 181,302,071</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 5,251,103	2	\$ 2,739,451	1	\$ 6,118,230	3
Current financial liabilities at fair value through profit or loss (Note 7)	172,356	-	135,470	-	99,258	-
Notes and accounts payable	7,073,906	3	6,906,840	4	5,583,490	3
Accounts payable due to related parties (Note 30)	1,354,850	1	1,316,751	1	1,461,964	1
Payables on machinery and equipment	830,098	1	1,067,378	-	1,326,206	1
Other payables (Note 30)	14,248,273	6	9,459,694	5	7,952,453	5
Current tax liabilities (Note 4)	2,608,351	1	206,028	-	425,814	-
Lease liabilities - current (Notes 15 and 30)	283,587	-	297,218	-	310,974	-
Long-term borrowings and bonds payable - current portion (Notes 18 and 19)	42,062,673	18	22,991,607	12	19,963,517	11
Other current liabilities (Note 30)	1,161,051	1	1,494,787	1	1,617,168	1
Total current liabilities	<u>75,046,248</u>	<u>33</u>	<u>46,615,224</u>	<u>24</u>	<u>44,859,074</u>	<u>25</u>
NON-CURRENT LIABILITIES						
Non-current financial liabilities at fair value through profit or loss (Note 7)	-	-	10,277	-	11,850	-
Bonds payable (Note 19)	4,892,959	2	4,865,294	3	4,783,234	3
Long-term borrowings (Notes 18 and 27)	22,148,521	10	21,533,637	11	28,012,291	15
Provisions - non-current (Note 20)	1,619,812	1	1,628,075	1	1,977,221	1
Lease liabilities - non-current (Notes 15 and 30)	1,590,770	1	1,809,324	1	1,774,501	1
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,105,256	-	1,135,838	1	1,315,357	1
Other non-current liabilities	516,603	-	464,267	-	513,011	-
Total non-current liabilities	<u>31,873,921</u>	<u>14</u>	<u>31,446,712</u>	<u>17</u>	<u>38,387,465</u>	<u>21</u>
Total liabilities	<u>106,920,169</u>	<u>47</u>	<u>78,061,936</u>	<u>41</u>	<u>83,246,539</u>	<u>46</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)						
Share capital	45,000,002	20	45,000,002	23	45,000,002	25
Capital surplus	14,592,830	6	13,751,860	7	13,757,780	7
Retained earnings						
Legal reserve	4,823,815	2	4,823,815	3	4,772,874	3
Unappropriated earnings	35,070,208	15	26,869,003	14	22,121,017	12
Exchange differences on translation of the financial statements of foreign operations	(1,170,801)	-	(1,264,774)	(1)	(529,154)	-
Unrealized gains on financial assets measured at fair value through other comprehensive income	18,363,813	8	18,756,061	10	5,311,785	3
Losses on hedging instruments (Note 4)	(28,925)	-	-	-	-	-
Total equity attributable to owners of the parent	<u>116,650,942</u>	<u>51</u>	<u>107,935,967</u>	<u>56</u>	<u>90,434,304</u>	<u>50</u>
NON-CONTROLLING INTERESTS (Note 22)	<u>6,242,577</u>	<u>2</u>	<u>6,194,164</u>	<u>3</u>	<u>7,621,228</u>	<u>4</u>
Total equity	<u>122,893,519</u>	<u>53</u>	<u>114,130,131</u>	<u>59</u>	<u>98,055,532</u>	<u>54</u>
TOTAL	<u>\$ 229,813,688</u>	<u>100</u>	<u>\$ 192,192,067</u>	<u>100</u>	<u>\$ 181,302,071</u>	<u>100</u>

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$ 38,253,064	100	\$ 19,992,617	100
OPERATING COSTS (Notes 12 and 30)	<u>17,838,062</u>	<u>47</u>	<u>14,870,849</u>	<u>74</u>
GROSS PROFIT	<u>20,415,002</u>	<u>53</u>	<u>5,121,768</u>	<u>26</u>
OPERATING EXPENSES (Note 30)				
Selling expenses	794,828	2	573,444	3
General and administrative expenses	1,723,844	4	1,217,647	6
Research and development expenses	5,226,206	14	4,277,226	22
Expected credit (gain) loss (Note 10)	<u>119,630</u>	<u>-</u>	<u>18,818</u>	<u>-</u>
Total operating expenses	<u>7,864,508</u>	<u>20</u>	<u>6,087,135</u>	<u>31</u>
INCOME (LOSS) FROM OPERATIONS	<u>12,550,494</u>	<u>33</u>	<u>(965,367)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	97,028	-	100,573	-
Dividend income	739	-	735	-
Other income (Notes 15, 27 and 30)	336,283	1	104,870	1
Share of profit (loss) of associates	9,256	-	(12,272)	-
Gains (losses) on disposal of property, plant and equipment	140	-	638	-
Gains (losses) on disposal of intangible assets	(375)	-	1,153	-
Gains (losses) on foreign exchange (Note 33)	431,649	1	126,871	1
Gains (losses) on financial instruments at fair value through profit or loss	(328,008)	(1)	(96,220)	(1)
Interest expense (Notes 15, 27 and 30)	(349,581)	(1)	(325,751)	(2)
Other expenses (Note 30)	<u>(59,201)</u>	<u>-</u>	<u>(81,045)</u>	<u>-</u>
Total non-operating income and expenses	<u>137,930</u>	<u>-</u>	<u>(180,448)</u>	<u>(1)</u>
INCOME (LOSS) BEFORE INCOME TAX	12,688,424	33	(1,145,815)	(6)
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 25)	<u>2,570,746</u>	<u>6</u>	<u>(158,898)</u>	<u>(1)</u>
NET INCOME (LOSS)	<u>10,117,678</u>	<u>27</u>	<u>(986,917)</u>	<u>(5)</u>

(Continued)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	\$ (743,157)	(2)	\$ (960,040)	(5)
Gains (losses) on hedging instruments	(28,925)	-	-	-
Share of other comprehensive income (loss) of associates accounted for using equity method	699,761	2	107,128	1
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>127,061</u>	<u>-</u>	<u>624,620</u>	<u>3</u>
Other comprehensive income (loss)	<u>54,740</u>	<u>-</u>	<u>(149,292)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 10,172,418</u>	<u>27</u>	<u>\$ (1,136,209)</u>	<u>(6)</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the parent	\$ 10,114,310	26	\$ (1,091,142)	(5)
Non-controlling interests	<u>3,368</u>	<u>-</u>	<u>104,225</u>	<u>-</u>
	<u>\$ 10,117,678</u>	<u>26</u>	<u>\$ (986,917)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the parent	\$ 10,124,005	27	\$ (1,275,916)	(7)
Non-controlling interests	<u>48,413</u>	<u>-</u>	<u>139,707</u>	<u>1</u>
	<u>\$ 10,172,418</u>	<u>27</u>	<u>\$ (1,136,209)</u>	<u>(6)</u>
EARNINGS (LOSSES) PER SHARE (Note 26)				
Basic	<u>\$ 2.25</u>		<u>\$ (0.24)</u>	
Diluted	<u>\$ 2.25</u>		<u>\$ (0.24)</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										
	Share Capital	Capital Surplus	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Gains (Losses) on Hedging Instruments	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Unappropriated Earnings		Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income					
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	
BALANCE, JANUARY 1, 2026	\$ 45,000,002	\$ 13,751,860	\$ 4,823,815	\$ 26,869,003	\$ (1,264,774)	\$ 18,756,061	\$ -	\$ 107,935,967	\$ 6,194,164	\$ 114,130,131	
Appropriation of 2025 earnings Cash dividends	-	-	-	(2,250,000)	-	-	-	(2,250,000)	-	(2,250,000)	
Net income (loss) for the three months ended March 31, 2026	-	-	-	10,114,310	-	-	-	10,114,310	3,368	10,117,678	
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	93,973	(55,353)	(28,925)	9,695	45,045	54,740	
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	10,114,310	93,973	(55,353)	(28,925)	10,124,005	48,413	10,172,418	
Changes in equity of associates accounted for using equity method	-	958	-	-	-	-	-	958	-	958	
Equity component of convertible bonds issued	-	840,012	-	-	-	-	-	840,012	-	840,012	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	336,895	-	(336,895)	-	-	-	-	
BALANCE, MARCH 31, 2026	\$ 45,000,002	\$ 14,592,830	\$ 4,823,815	\$ 35,070,208	\$ (1,170,801)	\$ 18,363,813	\$ (28,925)	\$ 116,650,942	\$ 6,242,577	\$ 122,893,519	

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	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 12,688,424	\$ (1,145,815)
Adjustments for:		
Depreciation expense	2,988,514	3,157,910
Amortization expense	100,577	96,658
Expected credit (gain) loss recognized on accounts receivable	119,630	18,818
Interest expense	349,581	325,751
Interest income	(97,028)	(100,573)
Dividend income	(739)	(735)
Share of (profit) loss of associates	(9,256)	12,272
(Gains) losses on disposal of property, plant and equipment	(140)	(638)
(Gains) losses on disposal of intangible assets	375	(1,153)
(Gains) on lease modification	(759)	(949)
Other income under government grants	(33,903)	(43,665)
Others	(261,329)	-
Changes in operating assets and liabilities		
(Increase) decrease in financial assets and liabilities at fair value through profit or loss	24,869	(44,642)
(Increase) decrease in notes and accounts receivable	(6,088,427)	(1,847,541)
(Increase) decrease in accounts receivable due from related parties	(6,132)	2,215
(Increase) decrease in other receivables	(71,998)	(27,962)
(Increase) decrease in inventories	525,583	661,597
(Increase) decrease in other current assets	(51,954)	136,215
(Increase) decrease in other non-current assets	(1,441)	(25,694)
Increase (decrease) in notes and accounts payable	194,052	170,552
Increase (decrease) in accounts payable due to related parties	38,099	(92,631)
Increase (decrease) in other payables	2,552,514	(291,722)
Increase (decrease) in other current liabilities	(304,913)	(175,301)
Increase (decrease) in other non-current liabilities	(23,614)	(145,563)
Cash flows generated by (used in) operations	12,630,585	637,404
Interest received	85,176	98,382
Dividends received	739	735
Interest paid	(330,401)	(293,465)
Income taxes paid	(20,318)	(50,375)
Net cash flows generated by (used in) operating activities	<u>12,365,781</u>	<u>392,681</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of financial assets at fair value through other comprehensive income	(99,613)	(445,382)
Proceeds from disposal of financial assets at fair value through other comprehensive income	340,984	-
Acquisitions of financial assets for hedging	(23,165,651)	-

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WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
Acquisitions of property, plant and equipment	\$ (2,916,222)	\$ (1,581,948)
Proceeds from disposal of property, plant and equipment	283	1,074
(Increase) decrease in refundable deposits	(20,037)	(6,468)
(Increase) decrease in other receivables - time deposits	-	(108)
Acquisitions of intangible assets	(58,450)	(36,363)
Recovery of contingent consideration from disposal of financial assets	261,329	-
(Increase) decrease in finance lease receivables	<u>-</u>	<u>23,989</u>
Net cash flows generated by (used in) investing activities	<u>(25,657,377)</u>	<u>(2,045,206)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	2,511,153	3,784,150
Proceeds from long-term borrowings	1,080,000	1,530,000
Repayments of long-term borrowings	(4,520,246)	(4,663,104)
Proceeds from issuance of bonds payable	23,931,958	4,883,290
Repayments of lease liabilities	(80,070)	(77,701)
Increase (decrease) in guarantee deposits	<u>39,984</u>	<u>-</u>
Net cash flows generated by (used in) financing activities	<u>22,962,779</u>	<u>5,456,635</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>115,691</u>	<u>473,983</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,786,874	4,278,093
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>15,733,774</u>	<u>14,100,396</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 25,520,648</u>	<u>\$ 18,378,489</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, 2026 AND 2025 (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 listed 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, 2026.

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)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies:

Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

- 1) The amendments to the application guidance of classification of financial assets

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

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

- b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, 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.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 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.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except for the following, refer to the summary of material accounting policies of the consolidated financial statements for the year ended December 31, 2025.

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 measured at fair value 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, 2026	December 31, 2025	March 31, 2025
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 marketing 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	52.78	52.78	52.06
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", Note 2)	Electronic commerce and investment holding	-	-	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership		
			March 31, 2026	December 31, 2025	March 31, 2025
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”, Note 3)	Investment holding	-	-	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
NTC	Nuvoton Technology Corporation Japan (“NTCJ”, Note 4)	Design, sales and service of semiconductor	24	24	-
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”)	Provide projects for sale in China and repairing, testing, consulting of software and equipment leasing business	100.00	100.00	100.00
NTHJ	Nuvoton Technology Corporation Japan (“NTCJ”, Note 4)	Design, sales and service of semiconductor	76.00	76.00	100.00

(Concluded)

Note 1: The Company acquired 3,000 thousand shares of NTC in the open market in April 2025. As of March 31, 2026, the Company held 52.78% ownership interest of NTC.

Note 2: CTL completed the liquidation and legal procedures in July 2025.

Note 3: MML completed the liquidation and legal procedures in September 2025.

Note 4: NTC originally held 100% ownership interest of NTCJ through NTHJ. In September 2025, NTCJ completed a cash capital injection that was fully subscribed by NTC, resulting in NTC acquiring a 24% equity interest in NTCJ and reducing NTHJ’s ownership interest in NTCJ to 76%.

Other Material Accounting Policies

a. Hedge accounting

The Company designates certain hedging instruments (foreign currency bank deposits) as cash flow hedges to mitigate foreign exchange risk arising from certain forecast transactions.

Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

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.

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 as well as armed conflicts in the Middle East and the surrounding region. The estimates and underlying assumptions are reviewed on an ongoing basis. Please refer to the consolidated financial statements for the year ended December 31, 2025, regarding the Group's material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash and deposits in banks	\$ 24,965,648	\$ 14,918,774	\$ 15,638,489
Repurchase agreements	<u>555,000</u>	<u>815,000</u>	<u>2,740,000</u>
	<u>\$ 25,520,648</u>	<u>\$ 15,733,774</u>	<u>\$ 18,378,489</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, 2026	December 31, 2025	March 31, 2025
Time deposits	<u>\$ 323,221</u>	<u>\$ 303,168</u>	<u>\$ 302,158</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, 2026	December 31, 2025	March 31, 2025
Time deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,770</u>

- c. As of March 31, 2026, the amount of foreign currency bank deposits of NT\$23,136,726 thousand is designated as a hedging instrument to hedge exchange rate risks and are classified as financial assets for hedging, refer to Note 9 to the consolidated financial statements.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets at FVTPL - current</u>			
Derivative financial assets			
Forward exchange contracts	\$ 1,561	\$ 744	\$ 4,656
Redemption and put option of convertible bonds (Note 19)	16,752	-	-
Non-derivative financial assets			
Domestic listed shares	15,703	15,466	15,672
Overseas unlisted shares	63,990	62,860	66,410
Mutual funds	<u>118,606</u>	<u>117,372</u>	<u>122,427</u>
	<u>\$ 216,612</u>	<u>\$ 196,442</u>	<u>\$ 209,165</u>

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets at FVTPL - non-current</u>			
Derivative financial assets			
Redemption and put option of convertible bonds (Note 19)	\$ 1,574	\$ -	\$ -
Non-derivative financial assets			
Overseas unlisted shares	<u>248,357</u>	<u>248,357</u>	<u>-</u>
	<u>\$ 249,931</u>	<u>\$ 248,357</u>	<u>\$ -</u>
<u>Financial liabilities at FVTPL - current</u>			
Derivative financial liabilities			
Forward exchange contracts	<u>\$ 172,356</u>	<u>\$ 135,470</u>	<u>\$ 99,258</u>
<u>Financial liabilities at FVTPL - non-current</u>			
Derivative financial liabilities			
Redemption and put option of convertible bonds (Note 19)	<u>\$ -</u>	<u>\$ 10,277</u>	<u>\$ 11,850</u> (Concluded)

- 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, 2026</u>			
Sell forward exchange contracts	USD to NTD	2026.04.01-2026.07.16	USD792,300/NTD25,111,018
Sell forward exchange contracts	USD to JPY	2026.04.14-2026.06.12	USD35,000/JPY5,491,603
<u>December 31, 2025</u>			
Sell forward exchange contracts	USD to NTD	2026.01.02-2026.04.10	USD448,000/NTD13,914,618
Sell forward exchange contracts	USD to JPY	2026.01.14-2026.02.13	USD25,400/JPY3,917,087
<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

- 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.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity Instruments at FVTOCI

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic listed shares	\$ 12,187,360	\$ 13,211,365	\$ 8,021,765
Domestic unlisted shares	1,465,428	1,456,352	1,362,978
Overseas listed shares	275,547	250,630	345,114
Overseas unlisted shares	11,912	12,342	194,178
Beneficiary certificates	<u>1,226,802</u>	<u>1,205,137</u>	<u>1,335,145</u>
	<u>\$ 15,167,049</u>	<u>\$ 16,135,826</u>	<u>\$ 11,259,180</u>
Current	\$ 12,115,766	\$ 13,150,290	\$ 7,948,245
Non-current	<u>3,051,283</u>	<u>2,985,536</u>	<u>3,310,935</u>
	<u>\$ 15,167,049</u>	<u>\$ 16,135,826</u>	<u>\$ 11,259,180</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 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.

For the three months ended March 31, 2026, the Group has disposed part of its equity investment. The unrealized gains and losses on financial assets at fair value through other comprehensive income of NT\$288,421 thousand was realized and transferred to retained earnings, refer to Note 22 to the consolidated financial statements.

9. FINANCIAL ASSETS FOR HEDGING

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets for hedging - current</u>			
Cash flow hedges			
Hedging of foreign currency deposits	<u>\$ 23,136,726</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash flow hedges</u>			

The Company uses foreign currency bank deposits to hedge exchange rate risks arising from a portion of highly probable forecast transactions (capital expenditures). Based on economic relationships between the hedging instrument and the hedged item, the Company has determined that the value changes of the foreign currency bank deposits and the hedged forecast transactions move in opposite directions due to exchange rate fluctuations. Hedge ineffectiveness mainly arises from the impact of counterparty credit risk on the fair value of the foreign currency bank deposits. No other sources of hedge ineffectiveness occurred within the hedging relationship during the hedging period. For information regarding the gains or losses on the fair value changes of the hedging instruments, the impact of the hedged items on profit or loss, and the amounts transferred to the initial carrying amount of the hedged items, refer to Note 22 to the consolidated financial statements.

March 31, 2026

Hedging Instrument/Hedged Items	Notional Amount	Line Item in Balance Sheet	Carrying Amount	
			Asset	Liability
Cash flow hedges				
Hedging of foreign currency deposits/forecast purchase of equipment	NTD23,136,726/ USD723,136	Financial assets for hedging - current	<u>\$ 23,136,726</u>	<u>\$ _____</u>

For the three months ended March 31, 2026

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedges					
Forecast purchase of equipment	<u>\$ (28,925)</u>	<u>\$ _____</u>	-	<u>\$ _____</u>	<u>\$ _____</u>

10. NOTES AND ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Notes receivable</u>	\$ 2,762	\$ -	\$ -
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	22,400,057	16,343,216	12,033,532
Less: Allowance for impairment loss	<u>(427,169)</u>	<u>(305,070)</u>	<u>(204,474)</u>
	<u>\$ 21,975,650</u>	<u>\$ 16,038,146</u>	<u>\$ 11,829,058</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 notes and accounts receivable based on the overdue aging ratio and individual customer evaluation method.

March 31, 2026

	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	\$ 21,996,645	\$ 352,568	\$ 42,783	\$ 784	\$ 10,039	\$ 22,402,819
Loss allowance (lifetime ECL)	(405,644)	(7,051)	(4,278)	(157)	-	(417,130)
Loss allowance (individual customer ECL)	-	-	-	-	(10,039)	(10,039)
Amortized cost	<u>\$ 21,591,001</u>	<u>\$ 345,517</u>	<u>\$ 38,505</u>	<u>\$ 627</u>	<u>\$ -</u>	<u>\$ 21,975,650</u>

December 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	\$ 16,118,273	\$ 199,452	\$ 15,506	\$ 124	\$ 9,861	\$ 16,343,216
Loss allowance (lifetime ECL)	(289,644)	(3,989)	(1,551)	(25)	-	(295,209)
Loss allowance (individual customer ECL)	-	-	-	-	(9,861)	(9,861)
Amortized cost	<u>\$ 15,828,629</u>	<u>\$ 195,463</u>	<u>\$ 13,955</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ 16,038,146</u>

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>

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

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ 305,070	\$ 184,289
Recognized impairment loss	119,630	18,818
Effect of exchange rate changes	<u>2,469</u>	<u>1,367</u>
Balance at March 31	<u>\$ 427,169</u>	<u>\$ 204,474</u>

11. OTHER RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Business tax refund receivable	\$ 555,692	\$ 497,099	\$ 537,910
Government grants receivable	57,054	36,722	20,792
Current tax assets	47,220	63,233	60,449
Interest receivable	20,077	8,278	13,500
Time deposits (Note 6)	-	-	7,770
Others	<u>86,482</u>	<u>73,023</u>	<u>99,740</u>
	<u>\$ 766,525</u>	<u>\$ 678,355</u>	<u>\$ 740,161</u>

12. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	\$ 3,642,639	\$ 3,043,706	\$ 2,845,939
Work-in-process	19,531,071	20,803,392	18,713,660
Raw materials and supplies	2,058,034	1,902,751	1,970,586
Inventories in transit	<u>713</u>	<u>8,191</u>	<u>9,381</u>
	<u>\$ 25,232,457</u>	<u>\$ 25,758,040</u>	<u>\$ 23,539,566</u>

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

	For the Three Months Ended March 31	
	2026	2025
Inventories sold	\$ 17,971,901	\$ 13,555,346
Recognition of inventory write-downs (reversed)	(255,643)	408,350
Unallocated production overhead	<u>121,804</u>	<u>907,153</u>
Operating costs	<u>\$ 17,838,062</u>	<u>\$ 14,870,849</u>

For the three months ended March 31, 2026, inventory write-downs have been reversed as a result of increased selling prices in markets and the elimination of inventories that were recognized as inventory write-downs.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	March 31, 2026	December 31, 2025	March 31, 2025
Associates that are not individually material			
Chin Xin Investment Co., Ltd. (“Chin Xin”)	\$ 14,446,560	\$ 13,762,433	\$ 5,338,113
Tower Partners Semiconductor Co., Ltd. (“TPSCo.”)	1,866,859	1,858,891	1,998,416
Theaceae Conservation Corporation (“ThCC”)	<u>426,240</u>	<u>410,410</u>	<u>264,686</u>
	<u>\$ 16,739,659</u>	<u>\$ 16,031,734</u>	<u>\$ 7,601,215</u>

As of March 31, 2026, the Company held 27,000 thousand shares of ThCC with a 15% ownership interest.

As of March 31, 2026, the Company held 182,841 thousand shares of Chin Xin with a 38% ownership interest.

As of March 31, 2026, NTCJ held 49,539 shares of TPSCo. with a 49% ownership interest.

For the three months ended March 31, 2026, the associates have disposed part of its equity investments. The unrealized gain and loss on financial assets at fair value through other comprehensive income of NT\$48,474 thousand was realized and transferred to retained earnings, refer to Note 22 to the consolidated financial statements.

The Group’s investments accounted for using equity method and the share of profit or loss and other comprehensive income of those investments for the three months ended March 31, 2026 and 2025 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, 2026	\$ 3,446,578	\$ 68,253,133	\$ 214,731,664	\$ 9,642,600	\$ 1,816,138	\$ 297,890,113
Additions	-	64,477	1,949,915	51,702	651,428	2,717,522
Disposals	-	(14,224)	(163,057)	(24,419)	-	(201,700)
Reclassified	-	235,811	189,239	52,813	(477,863)	-
Effect of exchange rate changes	<u>(1,053)</u>	<u>(16,917)</u>	<u>(36,384)</u>	<u>1,537</u>	<u>998</u>	<u>(51,819)</u>
Balance at March 31, 2026	<u>\$ 3,445,525</u>	<u>\$ 68,522,280</u>	<u>\$ 216,671,377</u>	<u>\$ 9,724,233</u>	<u>\$ 1,990,701</u>	<u>\$ 300,354,116</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2026	\$ -	\$ 42,153,021	\$ 154,123,048	\$ 7,813,856	\$ -	\$ 204,089,925
Depreciation expense	-	628,621	2,066,113	180,119	-	2,874,853
Disposals	-	(14,207)	(163,052)	(24,298)	-	(201,557)
Effect of exchange rate changes	<u>-</u>	<u>(15,440)</u>	<u>(34,870)</u>	<u>(1,894)</u>	<u>-</u>	<u>(52,204)</u>
Balance at March 31, 2026	<u>\$ -</u>	<u>\$ 42,751,995</u>	<u>\$ 155,991,239</u>	<u>\$ 7,967,783</u>	<u>\$ -</u>	<u>\$ 206,711,017</u>
Carrying amount at March 31, 2026	<u>\$ 3,445,525</u>	<u>\$ 25,770,285</u>	<u>\$ 60,680,138</u>	<u>\$ 1,756,450</u>	<u>\$ 1,990,701</u>	<u>\$ 93,643,099</u>
Carrying amount at January 1, 2026 and December 31, 2025	<u>\$ 3,446,578</u>	<u>\$ 26,100,112</u>	<u>\$ 60,608,616</u>	<u>\$ 1,828,744</u>	<u>\$ 1,816,138</u>	<u>\$ 93,800,188</u>

(Continued)

	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	105,180	937,557	1,771,554	159,740	41,647	3,015,678
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	-	845,219	1,705,576	147,975	-	2,698,770
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>

(Concluded)

- a. As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amounts of NT\$63,578,675 thousand, NT\$65,408,395 thousand and NT\$68,088,360 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	
	2026	2025
Capitalized interest amounts	\$ 38,580	\$ 31,837
Interest rates under capitalization	2.98%	2.87%

15. LEASE ARRANGEMENTS

- a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Land	\$ 1,162,454	\$ 1,364,777	\$ 1,449,625
Buildings	399,483	434,359	346,260
Machinery and equipment	85,269	88,065	106,548
Other equipment	115,658	109,991	71,252
	<u>\$ 1,762,864</u>	<u>\$ 1,997,192</u>	<u>\$ 1,973,685</u>

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	<u>\$ 78,512</u>	<u>\$ 68,147</u>
Depreciation charge for right-of-use assets		
Land	\$ 26,120	\$ 28,283
Buildings	42,538	42,875
Machinery and equipment	2,679	2,866
Other equipment	<u>11,451</u>	<u>7,524</u>
	<u>\$ 82,788</u>	<u>\$ 81,548</u>
Income from the subleasing of right-of-use assets (recorded in “other income”)	<u>\$ 525</u>	<u>\$ 502</u>

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Current	<u>\$ 283,587</u>	<u>\$ 297,218</u>	<u>\$ 310,974</u>
Non-current	<u>\$ 1,590,770</u>	<u>\$ 1,809,324</u>	<u>\$ 1,774,501</u>

Ranges of discount rate for lease liabilities are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1.76%-2.65%	1.76%-2.60%	1.76%-2.60%
Buildings	0.14%-6.53%	0.14%-6.53%	0.14%-7.46%
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%-5.23%

For the three months ended March 31, 2026 and 2025, the interest expense under lease liabilities amounted to NT\$9,779 thousand and NT\$12,501 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 30 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 2026 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, 2026	December 31, 2025	March 31, 2025
Year 1	\$ 1,975	\$ 1,975	\$ 1,975
Year 2	<u>1,975</u>	<u>1,975</u>	<u>1,481</u>
	<u>\$ 3,950</u>	<u>\$ 3,950</u>	<u>\$ 3,456</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	
	2026	2025
Expenses relating to short-term leases	<u>\$ 32,044</u>	<u>\$ 42,006</u>
Expenses relating to low-value asset leases	<u>\$ 504</u>	<u>\$ 190</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 2,960</u>	<u>\$ 1,365</u>
Total cash outflow for leases	<u>\$ 125,916</u>	<u>\$ 133,828</u>

The Group leases certain building, machinery and equipment, transportation equipment that 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, 2026	December 31, 2025	March 31, 2025
Investment properties, net	<u>\$ 1,156,613</u>	<u>\$ 1,188,544</u>	<u>\$ 1,418,452</u>

As of December 31, 2025, the fair values of investment properties held by NTC were NT\$2,276,354 thousand, and the fair values of NT\$2,076,354 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, 2026, 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	
	2026	2025
<u>Cost</u>		
Balance at January 1	\$ 6,636,013	\$ 6,931,676
Effect of exchange rate changes	<u>(6,717)</u>	<u>418,628</u>
Balance at March 31	<u>6,629,296</u>	<u>7,350,304</u>
<u>Accumulated depreciation and impairment</u>		
Balance at January 1	5,447,469	5,561,849
Depreciation expense	30,873	32,940
Effect of exchange rate changes	<u>(5,659)</u>	<u>337,063</u>
Balance at March 31	<u>5,472,683</u>	<u>5,931,852</u>
Investment properties, net	<u>\$ 1,156,613</u>	<u>\$ 1,418,452</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, 2026	December 31, 2025	March 31, 2025
Year 1	\$ 134,994	\$ 135,025	\$ 150,949
Year 2	131,764	132,678	148,222
Year 3	129,323	129,516	146,724
Year 4	129,323	129,516	143,642
Year 5	129,323	129,516	143,642
More than 5 years	<u>140,098</u>	<u>161,895</u>	<u>287,282</u>
	<u>\$ 794,825</u>	<u>\$ 818,146</u>	<u>\$ 1,020,461</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, 2026, December 31, 2025 and March 31, 2025, the carrying amounts of NT\$268,073 thousand, NT\$275,263 thousand and NT\$300,510 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, 2026	\$ 3,985,347	\$ 1,157,144	\$ 5,707	\$ 5,148,198
Additions	8,678	5,798	-	14,476
Disposals	-	(1,606)	-	(1,606)
Effect of exchange rate changes	<u>8,977</u>	<u>(1,012)</u>	<u>-</u>	<u>7,965</u>
Balance at March 31, 2026	<u>\$ 4,003,002</u>	<u>\$ 1,160,324</u>	<u>\$ 5,707</u>	<u>\$ 5,169,033</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2026	\$ 3,369,549	\$ 914,158	\$ -	\$ 4,283,707
Amortization expenses	67,269	22,836	-	90,105
Disposals	-	(1,231)	-	(1,231)
Effect of exchange rate changes	<u>5,027</u>	<u>(933)</u>	<u>-</u>	<u>4,094</u>
Balance at March 31, 2026	<u>\$ 3,441,845</u>	<u>\$ 934,830</u>	<u>\$ -</u>	<u>\$ 4,376,675</u>
Carrying amount at March 31, 2026	<u>\$ 561,157</u>	<u>\$ 225,494</u>	<u>\$ 5,707</u>	<u>\$ 792,358</u>
Carrying amount at January 1, 2026 and December 31, 2025	<u>\$ 615,798</u>	<u>\$ 242,986</u>	<u>\$ 5,707</u>	<u>\$ 864,491</u>
<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>

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 amortized on a straight-line basis from the commencement of production or over the estimated useful lives of the assets. The estimated useful lives of deferred 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, 2026		December 31, 2025		March 31, 2025	
	Interest Rate %	Amount	Interest Rate %	Amount	Interest Rate %	Amount
<u>Secured borrowings</u>						
Bank loans	1.77%-2.51%	\$ 842,100	1.45%	\$ 301,200	1.17%-1.30%	\$ 2,516,510
<u>Unsecured borrowings</u>						
Bank lines of credit	1.72%-4.52%	<u>4,409,003</u>	1.48%-4.59%	<u>2,438,251</u>	1.37%-1.84%	<u>3,601,720</u>
		<u>\$ 5,251,103</u>		<u>\$ 2,739,451</u>		<u>\$ 6,118,230</u>

On May 17, 2021, NTCJ entered into a syndicated loan with CTBC and a group of financial institutions to pay outstanding debt and strengthen working capital, and the line of credit amounted to JPY30 billion. The syndicated loan was 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, the Company and NTCJ are required to maintain their financial ratios not lower than a specific threshold over the effective period, on June 30 and December 31, and there has been no breach of the covenants. The financial ratios mentioned above are computed based on the Company's annual audited and semi-annually reviewed consolidated financial statements, and on NTCJ's annual audited individual financial statements.

b. Long-term borrowings

	Period	Interest Rate	March 31, 2026	December 31, 2025	March 31, 2025
<u>Secured borrowings</u>					
Bank of Taiwan syndicated loan (V)	2019.09.19-2026.09.19	2.87%	\$ 16,800,000	\$ 21,000,000	\$ 25,200,000
Bank of Taiwan syndicated loan (VI) (Note 27)	2023.12.15-2030.12.15	2.43%-2.73%	16,340,000	15,260,000	7,830,000
CTBC bank syndicated loan	2025.07.16-2032.07.16	2.80%	5,000,000	5,000,000	-
<u>Unsecured borrowings</u>					
The Export - Import Bank of ROC	2020.08.25-2027.08.25	-	-	-	714,285
Government preferential loan (Note 27)	2020.12.28-2028.11.15	1.38%-1.88%	<u>3,093,042</u>	<u>3,413,288</u>	<u>4,374,027</u>
			41,233,042	44,673,288	38,118,312
Less: Current portion			(18,953,975)	(22,991,607)	(9,966,699)
Less: Syndication agreement management fee			(79,007)	(86,731)	(41,641)
Less: Government loan discount (Note 27)			<u>(51,539)</u>	<u>(61,313)</u>	<u>(97,681)</u>
			<u>\$ 22,148,521</u>	<u>\$ 21,533,637</u>	<u>\$ 28,012,291</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 semi-annual and annual financial covenants, including current ratio, debt ratio, interest coverage ratio, and total equity 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 determined based on the annual audited and semi-annual 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 semi-annual and annual financial covenants, including current ratio, debt ratio, interest coverage ratio, and total equity 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 determined based on the annual audited and semi-annual reviewed consolidated financial statements.

3) CTBC Bank Syndicated Loan

- a) On May 8, 2025, the Company entered into a syndicated loan with a group of financial institutions to repay outstanding financial borrowings and to strengthen medium-term working capital. The credit line amounted to NT\$25 billion. The principal will be repaid every six months from July 16, 2028 until maturity.
 - b) The amounts of 12-inch building 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 semi-annual and annual financial covenants, including current ratio, debt ratio, interest coverage ratio, and total equity 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 determined based on the annual audited and semi-annual reviewed consolidated financial statements.
- 4) The proceeds of the unsecured borrowings from the Export-Import Bank of ROC were provided to NTC for acquiring Panasonic Semiconductor Solutions Co., Ltd. NTC made an early full repayment of the loan in September 2025.

19. BONDS PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic secured bonds	\$ -	\$ -	\$ 9,996,818
Overseas unsecured convertible bonds	28,001,657	4,865,294	4,783,234
Less: Current portion	<u>(23,108,698)</u>	<u>-</u>	<u>(9,996,818)</u>
	<u>\$ 4,892,959</u>	<u>\$ 4,865,294</u>	<u>\$ 4,783,234</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. The bonds were fully repaid upon maturity on July 17, 2025.

b. Overseas unsecured convertible bonds

In November 2024, the board of directors of NTC resolved to issue 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 from 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 number of shares to be issued upon conversion is determined using a fixed exchange rate of USD1=NT\$32.917, divided by the conversion price per share on the conversion date. Since NTC distributed cash dividends in August 2025, the conversion price should be adjusted according to the issuance and conversion measures, so the conversion price has been adjusted to NT\$118.02 since August 3, 2025.
- 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 USD1, 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>130,775</u>
Liability component at March 31, 2026	<u>\$ 4,892,959</u>

c. Overseas unsecured convertible bonds

In February 2026, the board of directors of the Company resolved to issue the Fourth Overseas Unsecured Convertible Bonds. On March 31, 2026, the Company publicly offered one-year unsecured zero-coupon convertible bonds on the Singapore Exchange, with a total principal amount of USD 750 million and a denomination of USD 200 thousand per bond. The principal terms of the issuance are as follows:

- 1) Bondholders may request the Company to convert the bonds into ordinary shares of the Company at the conversion price of NT\$109.45 per share, at any time from 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 Fourth Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Company. The number of shares to be issued upon conversion is determined using a fixed exchange rate of USD1=NT\$32.027, divided by the conversion price per share on the conversion date. As the cash dividend was resolved by the Board of Directors on February 10, 2026 and the ex-dividend date was set for March 27, 2026, the record date for the distribution was April 4, 2026. The conversion price should be adjusted according to the issuance and conversion measures, so the conversion price has been adjusted to NT\$108.94 since April 4, 2026. This conversion price adjustment is an event after the reporting period and is disclosed in this quarterly financial report.
- 2) From the day following three months after the issuance date until the maturity date, if the closing price of the Company's common shares listed on the Taiwan Stock Exchange equals or exceeds 120% of the prevailing conversion price for at least 20 trading days within any 30 consecutive business days, the Company may redeem all outstanding bonds in cash at their principal amount plus interest compensation calculated at an annual rate of -1.5%, compounded semiannually.
- 3) Except for the bonds that have been redeemed, repurchased, converted or bought back and cancelled by the Company 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 -1.5%, compounded semiannually. The redemption amount will be converted into New Taiwan Dollars using the fixed exchange rate of NT\$32.027 to USD1, and then reconverted into U.S. dollars based on the prevailing exchange rate at the time of redemption.

- 4) The effective interest rate of the convertible bonds liability component was 2.39% per annum on initial recognition.

Proceeds from issuance (less transaction costs of NT\$88,292 thousand)	\$ 23,931,958
Equity component (less transaction costs of NT\$3,099 thousand)	(840,012)
Redemption and put option derivative (recognized as financial asset at fair value through profit or loss) (less transaction costs of NT\$62 thousand)	<u>16,752</u>
Liability component at March 31, 2026	<u>\$ 23,108,698</u>

20. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Non-current</u>			
Employee benefits	\$ 785,531	\$ 840,728	\$ 1,102,898
Decommissioning liabilities	434,083	436,740	489,495
Warranties	<u>400,198</u>	<u>350,607</u>	<u>384,828</u>
	<u>\$ 1,619,812</u>	<u>\$ 1,628,075</u>	<u>\$ 1,977,221</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, 2025 and 2024, and recognized NT\$25,460 thousand and NT\$25,303 thousand for the three months ended March 31, 2026 and 2025, respectively.

22. EQUITY

- a. Share capital

Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
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>4,500,000</u>
Shares issued	<u>\$ 45,000,002</u>	<u>\$ 45,000,002</u>	<u>\$ 45,000,002</u>

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Arising from issuance of share capital	\$ 11,050,593	\$ 11,050,593	\$ 11,050,593
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 (2)	206,371	206,371	211,953
Arising from share of changes in capital surplus of associates	17,466	16,508	16,846
<u>May not be used for any purpose (3)</u>			
Equity component of convertible bonds	<u>840,012</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,592,830</u>	<u>\$ 13,751,860</u>	<u>\$ 13,757,780</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.
- 3) Such category is transitional in nature, as the convertible bonds remain within the exercise period and the nature of the associated equity has not yet been finalized. Accordingly, these funds shall not be applied to any other purposes prior to final determination.

c. Retained earnings and dividend policy

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

Based on the Company's pre-tax 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. No less than 3% of the employee remuneration shall be allocated as remuneration for rank-and-file 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 negative balance of the other components of shareholders' equity, such as the accumulated balance of foreign currency translation reserve, unrealized valuation gain (loss) from financial assets at FVTOCI, gains (losses) on hedging instruments, 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 negative balance reverses.

The appropriations of earnings and cash dividends per share for 2025 and 2024 were as follows:

	Appropriation of Earnings		Cash Dividends Per Share (NT\$)	
	For Year 2025	For Year 2024	For Year 2025	For Year 2024
Legal reserve appropriated	\$ 370,778	\$ 50,941		
Cash dividends	<u>2,250,000</u>	<u>-</u>	\$ 0.5	\$ -
	<u>\$ 2,620,778</u>	<u>\$ 50,941</u>		

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

The cash dividends appropriated for 2025 were resolved by the board of directors on February 10, 2026; the appropriation of earnings for 2025 will be resolved by the shareholders meeting to be held on May 29, 2026.

d. Other equity items

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

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ (1,264,774)	\$ (906,715)
Exchange differences arising on translating the financial statements of foreign operations	<u>93,973</u>	<u>377,561</u>
Balance at March 31	<u>\$ (1,170,801)</u>	<u>\$ (529,154)</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	
	2026	2025
Balance at January 1	\$ 18,756,061	\$ 5,874,120
Unrealized gains (losses) on revaluation of financial assets at FVTOCI	(755,114)	(710,595)
Share of unrealized gains (losses) on revaluation of financial assets at FVTOCI of associates accounted for using equity method	699,761	107,128
Income tax related to items that will not be reclassified	-	41,132
Disposal of investments in equity instruments designated at FVTOCI	<u>(336,895)</u>	<u>-</u>
Balance at March 31	<u>\$ 18,363,813</u>	<u>\$ 5,311,785</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.

3) Gains (losses) on hedging instruments - cash flow hedges

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ -	\$ -
Recognized during the period		
Gains (losses) on changes in the fair value of hedging instruments		
Foreign currency risk - foreign currency deposits	<u>(28,925)</u>	<u>-</u>
Balance at March 31	<u>\$ (28,925)</u>	<u>\$ -</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ 6,194,164	\$ 7,507,933
Share attributable to non-controlling interests		
Profit for the period	3,368	104,225
Exchange differences on translation of the financial statements of foreign operations	33,088	247,059
Unrealized gains (losses) on financial assets measured at FVTOCI	11,957	(249,445)
Income tax related to items that will not be reclassified	-	37,868
Cash dividends issued by subsidiaries to non-controlling interests	-	(80,484)
Changes in ownership interests in subsidiaries	<u>-</u>	<u>54,072</u>
Balance at March 31	<u>\$ 6,242,577</u>	<u>\$ 7,621,228</u>

23. REVENUE

Refer to Note 37 to the consolidated financial statements for the Group's revenue.

24. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION, AND AMORTIZATION

	For the Three Months Ended March 31, 2026			Total
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Expenses and Losses	
Short-term employee benefits	\$ 2,500,196	\$ 4,610,983	\$ -	\$ 7,111,179
Post-employment benefits	\$ 52,865	\$ 173,205	\$ -	\$ 226,070
Depreciation	\$ 2,664,331	\$ 292,553	\$ 31,630	\$ 2,988,514
Amortization	\$ 8,248	\$ 81,857	\$ 7,724	\$ 97,829

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

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 after deducting 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 compensation 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 amended its Articles of Incorporation at the 2025 shareholders' meeting to

stipulate that no less than 3% of the employees' remuneration shall be allocated as remuneration for rank-and-file employees.

For the three months ended March 31, 2026, the employees' compensation and remuneration of directors were as follows: (There was no estimation of employees' compensation and remuneration of the directors for the three months ended March 31, 2025, due to a net loss before income tax of the Company.)

	For the Three Months Ended March 31, 2026	
	Amounts	Accrual Rate
Employees' compensation	<u>\$ 257,311</u>	2%
Remuneration of directors	<u>\$ 128,656</u>	1%

If there is a change in the proposed amounts after the annual 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 2025 and 2024 were approved by the Company's board of directors on March 10, 2026, and March 14, 2025, respectively, are as below:

	For the Year Ended December 31			
	2025		2024	
	Amounts	Rate	Amounts	Rate
Employees' compensation in cash	<u>\$ 102,949</u>	2%	<u>\$ 13,400</u>	2%
Remuneration of directors	<u>\$ 51,475</u>	1%	<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 financial statements for the years ended December 31, 2025 and 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 expense (benefit) were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current income tax expense (benefit)		
Current tax expense	\$ 2,438,780	\$ 192,878
Adjustment for prior years	404	157
Deferred income tax		
Change in current period	<u>131,562</u>	<u>(351,933)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 2,570,746</u>	<u>\$ (158,898)</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred income tax		
Change in current year	\$ <u>-</u>	\$ <u>79,000</u>
Income tax benefit recognized in other comprehensive income	\$ <u>-</u>	\$ <u>79,000</u>

c. The tax returns of the Company and NTC through 2024 and 2023 have been assessed and approved by the tax authorities, respectively.

d. Pillar Two Income Tax Act

As of March 31, 2026, the Group has no material tax exposure related to the Pillar Two income tax legislation.

26. EARNINGS (LOSSES) PER SHARE

	For the Three Months Ended March 31					
	2026		2025			
	Amounts (Numerator) Net Income After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Earnings Per Share (NT\$) Net Income After Income Tax (Attributable to Owners of the Parent)	Amounts (Numerator) Net Loss After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Losses Per Share (NT\$) Net Loss After Income Tax (Attributable to Owners of the Parent)
Basic earnings (losses) per share						
Net income (loss) attributable to ordinary shareholders	\$ 10,114,310	4,500,000	\$ <u>2.25</u>	\$ (1,091,142)	4,500,000	\$ <u>(0.24)</u>
Effect of dilutive potential ordinary shares						
Employees' compensation	-	3,623		-	-	
Diluted earnings (losses) per share						
Net income (loss) attributable to ordinary shareholders	\$ <u>10,114,310</u>	<u>4,503,623</u>	\$ <u>2.25</u>	\$ <u>(1,091,142)</u>	<u>4,500,000</u>	\$ <u>(0.24)</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, 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. GOVERNMENT GRANTS

The Company received government preferential loans of NT\$5,131,600 thousand at a below-market interest rates. These loans will be used for the purchase of machinery and equipment and to support 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 rates. The total fair value of the loans was estimated by using the prevailing market interest rates. The difference between the proceeds and the fair value of the loans is the benefit derived from the below-market interest rates 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, 2026 and 2025, the other income under government grants were NT\$9,774 thousand and NT\$13,891 thousand, respectively. The interest expense under loans were NT\$33,750 thousand and NT\$41,544 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. 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. As of March 31, 2026, a total of NT\$191,306 thousand has been recognized as other income under government grant.

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 approved a total grant of NT\$18,800 thousand, including equipment purchases and research and development expenses. The government grant related to equipment purchases is recognized as deferred revenue. The deferred revenue is recognized as other income over the useful lives of the related equipment. As of March 31, 2026, a total of NT\$15,619 thousand has been recognized as other income under government grants.

28. CAPITAL MANAGEMENT

The Group’s capital management objective is to ensure it maintains sufficient financial resources and operating 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.

29. 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 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, 2026 and 2025, the stock price volatility applied was 54.48% and 42.70%, respectively.
- The put options and redemption options of the overseas convertible bonds issued by the Company are derivative instruments for which there is no market price available for reference. The Company 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, 2026, the stock price volatility applied was 70.91%.

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, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Financial liabilities at amortized cost				
Bonds payable (unsecured)	\$ _____	\$ _____	\$ 28,001,657	\$ 28,001,657

Fair value hierarchy as of December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
Financial liabilities at amortized cost				
Bonds payable (unsecured)	\$ _____	\$ _____	\$ 4,865,294	\$ 4,865,294

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)	<u>-</u>	<u>-</u>	<u>4,783,234</u>	<u>4,783,234</u>
	<u>\$ -</u>	<u>\$ 9,996,818</u>	<u>\$ 4,783,234</u>	<u>\$ 14,780,052</u>

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

Fair value hierarchy as of March 31, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 1,561	\$ 18,326	\$ 19,887
Non-derivative financial assets				
Domestic listed securities	15,703	-	-	15,703
Overseas unlisted securities	-	-	312,347	312,347
Mutual funds	<u>118,606</u>	<u>-</u>	<u>-</u>	<u>118,606</u>
	<u>\$ 134,309</u>	<u>\$ 1,561</u>	<u>\$ 330,673</u>	<u>\$ 466,543</u>
<u>Financial assets at FVTOCI</u>				
Equity securities				
Domestic and overseas listed securities	\$ 12,462,907	\$ -	\$ -	\$ 12,462,907
Domestic and overseas unlisted securities	-	38,500	1,438,840	1,477,340
Beneficiary certificates	<u>-</u>	<u>-</u>	<u>1,226,802</u>	<u>1,226,802</u>
	<u>\$ 12,462,907</u>	<u>\$ 38,500</u>	<u>\$ 2,665,642</u>	<u>\$ 15,167,049</u>
<u>Financial liabilities</u>				
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 172,356</u>	<u>\$ -</u>	<u>\$ 172,356</u>

Fair value hierarchy as of December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 744	\$ -	\$ 744
Non-derivative financial assets				
Domestic listed securities	15,466	-	-	15,466
Overseas unlisted securities	-	-	311,217	311,217
Mutual funds	<u>117,372</u>	<u>-</u>	<u>-</u>	<u>117,372</u>
	<u>\$ 132,838</u>	<u>\$ 744</u>	<u>\$ 311,217</u>	<u>\$ 444,799</u>

Financial assets at FVTOCI

Equity securities				
Domestic and overseas listed securities	\$ 13,461,995	\$ -	\$ -	\$ 13,461,995
Domestic and overseas unlisted securities	-	35,780	1,432,914	1,468,694
Beneficiary certificates	<u>-</u>	<u>-</u>	<u>1,205,137</u>	<u>1,205,137</u>
	<u>\$ 13,461,995</u>	<u>\$ 35,780</u>	<u>\$ 2,638,051</u>	<u>\$ 16,135,826</u>

Financial liabilities

Financial liabilities at FVTPL

Derivative financial liabilities	<u>\$ -</u>	<u>\$ 135,470</u>	<u>\$ 10,277</u>	<u>\$ 145,747</u>
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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	<u>122,427</u>	<u>-</u>	<u>-</u>	<u>122,427</u>
	<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	<u>-</u>	<u>-</u>	<u>1,335,145</u>	<u>1,335,145</u>
	<u>\$ 8,366,879</u>	<u>\$ 31,200</u>	<u>\$ 2,861,101</u>	<u>\$ 11,259,180</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>				
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ _____	\$ 99,258	\$ 11,850	\$ 111,108 (Concluded)

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

The financial assets and liabilities measured at Level 3 fair value include non-derivative financial assets classified as financial assets at FVTPL, the put options and redemption options of overseas convertible bonds classified as financial instruments at FVTPL and equity investments classified as financial assets at FVTOCI. Reconciliations for the three months ended March 31, 2026 and 2025, are as follows:

	For the Three Months Ended March 31	
	2026	2025
Balance at January 1	\$ 2,938,991	\$ 3,395,145
Additions	16,752	(8,302)
Recognized in other comprehensive income	11,241	(481,061)
Recognized in profit or loss	11,851	(3,548)
Effect of exchange rate changes	<u>17,480</u>	<u>13,427</u>
Balance at March 31	<u>\$ 2,996,315</u>	<u>\$ 2,915,661</u>

b. Categories of financial instruments

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

	<u>March 31, 2026</u>		<u>December 31, 2025</u>		<u>March 31, 2025</u>	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>						
Measured at amortized cost						
Cash and cash equivalents	\$ 25,520,648	\$ 25,520,648	\$ 15,733,774	\$ 15,733,774	\$ 18,378,489	\$ 18,378,489
Notes and accounts receivable (included related parties)	22,014,790	22,014,790	16,071,154	16,071,154	11,855,172	11,855,172
Other receivables	766,525	766,525	678,355	678,355	740,161	740,161
Refundable deposits (recorded in other non-current assets)	510,051	510,051	489,994	489,994	489,056	489,056
Financial assets for hedging	23,136,726	23,136,726	-	-	-	-
Financial assets at FVTPL (current and non-current)	466,543	466,543	444,799	444,799	209,165	209,165
Financial assets at FVTOCI (current and non-current)	15,167,049	15,167,049	16,135,826	16,135,826	11,259,180	11,259,180
<u>Financial liabilities</u>						
Measured at amortized cost						
Short-term borrowings	5,251,103	5,251,103	2,739,451	2,739,451	6,118,230	6,118,230
Notes and accounts payable (included related parties)	8,428,756	8,428,756	8,223,591	8,223,591	7,045,454	7,045,454
Payable on equipment and other payables	15,078,371	15,078,371	10,527,072	10,527,072	9,278,659	9,278,659
Bonds payable (included current portion)	28,001,657	28,001,657	4,865,294	4,865,294	14,780,052	14,780,052
Long-term borrowings (included current portion)	41,102,496	41,102,496	44,525,244	44,525,244	37,978,990	37,978,990
Guarantee deposits (recorded in other current liabilities and other non-current liabilities)	360,198	360,198	938,151	938,151	1,200,330	1,200,330
Financial liabilities at FVTPL (current and non-current)	172,356	172,356	145,747	145,747	111,108	111,108

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

Substantially all the Group's sales are denominated in U.S. dollar, and more than half of its capital expenditures are in currencies other than NT dollar, primarily U.S. dollar and Japanese yen. As a result, any significant adverse fluctuations in the exchange rate of NT dollar against these currencies, in particular a weakening of U.S. dollar against NT dollar, would negatively affect the Group's revenue and operating profit when expressed in NT dollars. 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 of foreign currency risk focuses on monetary items denominated in foreign currencies as of the end of the reporting period. It estimates the potential adverse impact resulting from exchange rate fluctuations. Based on a sensitivity analysis performed on the Group's total monetary assets and liabilities for the three months ended March 31, 2026 and 2025, a hypothetical adverse foreign currency exchange rate change of 1% would have decreased (increased) its net income (loss) by NT\$451,424 thousand and NT\$130,963 thousand respectively. The amounts did not consider the impact of hedge contracts and hedged item.

b) Interest rate risk

The Group's interest rate risk arises primarily from floating rate deposits and 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, 2026	December 31, 2025	March 31, 2025
Cash flow interest rate risk			
Financial assets	\$ 2,700	\$ 2,700	\$ 8,413
Financial liabilities	46,441,503	47,412,739	41,436,542

The sensitivity analyses below were determined based on the Group's exposure to interest rates for cash flow 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\$116,097 thousand and NT\$103,570 thousand for the three months ended March 31, 2026 and 2025, 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 amounts of each individual accounts receivable 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, 2026			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	\$ 23,616,045	\$ 251,280	\$ -	\$ 23,867,325
Lease liabilities	320,865	269,592	1,531,134	2,121,591
Variable interest rate liabilities	24,162,435	3,837,454	18,441,614	46,441,503
Fixed interest rate liabilities	<u>23,702,588</u>	<u>-</u>	<u>5,334,035</u>	<u>29,036,623</u>
	<u>\$ 71,801,933</u>	<u>\$ 4,358,326</u>	<u>\$ 25,306,783</u>	<u>\$101,467,042</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>\$ 590,457</u>	<u>\$ 564,472</u>	<u>\$ 966,662</u>

	December 31, 2025			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	\$ 19,481,715	\$ 207,099	\$ -	\$ 19,688,814
Lease liabilities	346,118	289,877	1,781,475	2,417,470
Variable interest rate liabilities	25,731,058	3,737,954	17,943,727	47,412,739
Fixed interest rate liabilities	<u>-</u>	<u>-</u>	<u>5,334,035</u>	<u>5,334,035</u>
	<u>\$ 45,558,891</u>	<u>\$ 4,234,930</u>	<u>\$ 25,059,237</u>	<u>\$ 74,853,058</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	\$ 635,995	\$ 598,202	\$ 1,183,273

	March 31, 2025			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	\$ 17,295,571	\$ 228,872	\$ -	\$ 17,524,443
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>\$ 43,743,378</u>	<u>\$ 19,304,832</u>	<u>\$ 16,454,988</u>	<u>\$ 79,503,198</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	\$ 624,650	\$ 502,310	\$ 1,281,218

30. RELATED PARTY TRANSACTIONS

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

<u>Related Party</u>	<u>Relationship with the Group</u>
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
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

(Continued)

<u>Related Party</u>	<u>Relationship with the Group</u>
Walsin (Nanjing) Development Co., Ltd. (“Walsin (Nanjing) Development”)	Related party in substance
Infopower Technologies Private Limited	Related party in substance
Energy Helper TCC Corporation (“Energy Helper TCC”)	Related party in substance
Su, Yuan-Mou	Chairman of NTC
	(Concluded)

b. Operating activities

	<u>For the Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
1) Operating revenue		
Associate	\$ 55,321	\$ 64,004
Related party in substance	<u>20,176</u>	<u>23,073</u>
	<u>\$ 75,497</u>	<u>\$ 87,077</u>

Price and terms were determined in accordance with mutual agreements.

	<u>For the Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
2) Purchases of goods		
Associate TPSCo.	<u>\$ 1,066,838</u>	<u>\$ 985,214</u>

Price and terms were determined in accordance with mutual agreements.

	<u>For the Three Months Ended March 31</u>	
	<u>2026</u>	<u>2025</u>
3) Manufacturing expenses		
Related party in substance	\$ 1,225,414	\$ 1,116,290
Associate	<u>391,751</u>	<u>437,608</u>
	<u>\$ 1,617,165</u>	<u>\$ 1,553,898</u>
4) Operating expenses		
Associate	\$ 60,991	\$ 69,855
Investor that exercises significant influence over the Group	3,798	3,406
Related party in substance	<u>1,881</u>	<u>7,711</u>
	<u>\$ 66,670</u>	<u>\$ 80,972</u>

		For the Three Months Ended March 31	
		2026	2025
5) Other income and expenses			
Related party in substance		\$ 1,827	\$ 1,714
Associate		<u>60</u>	<u>-</u>
		<u>\$ 1,887</u>	<u>\$ 1,714</u>
		December 31,	
	March 31, 2026	2025	March 31, 2025
6) Accounts receivable			
Associate	\$ 21,022	\$ 27,953	\$ 24,171
Related party in substance	<u>18,118</u>	<u>5,055</u>	<u>1,943</u>
	<u>\$ 39,140</u>	<u>\$ 33,008</u>	<u>\$ 26,114</u>
7) Accounts payable			
Related party in substance	\$ 901,636	\$ 905,578	\$ 959,917
Associate	<u>453,214</u>	<u>411,173</u>	<u>502,047</u>
	<u>\$ 1,354,850</u>	<u>\$ 1,316,751</u>	<u>\$ 1,461,964</u>
8) Other receivables and other current assets			
Associate	\$ 6,513	\$ 6,437	\$ 34,702
Related party in substance	6,963	4,971	800
Investor that exercises significant influence over the Group	<u>20</u>	<u>-</u>	<u>20</u>
	<u>\$ 13,496</u>	<u>\$ 11,408</u>	<u>\$ 35,522</u>
9) Other payables and other current liabilities			
Associate	\$ 103,352	\$ 144,903	\$ 161,621
Related party in substance	39,337	147,023	321,144
Investor that exercises significant influence over the Group	<u>2,358</u>	<u>2,123</u>	<u>1,915</u>
	<u>\$ 145,047</u>	<u>\$ 294,049</u>	<u>\$ 484,680</u>
10) Refundable deposits (recorded in “other non-current assets”)			
Related party in substance	\$ 33,830	\$ 33,830	\$ 1,722
Investor that exercises significant influence over the Group	<u>203</u>	<u>203</u>	<u>203</u>
	<u>\$ 34,033</u>	<u>\$ 34,033</u>	<u>\$ 1,925</u>

c. Lease arrangements - the Group is lessee

		For the Three Months Ended March 31	
		2026	2025
1) Acquisition of right of use assets			
Investor that exercises significant influence over the Group		\$ <u> -</u>	\$ <u> 9,025</u>
	March 31, 2026	December 31, 2025	March 31, 2025
2) Lease liabilities			
Related party in substance	\$ 13,910	\$ 14,809	\$ 18,965
Investor that exercises significant influence over the Group	<u> 5,376</u>	<u> 6,115</u>	<u> 8,304</u>
	<u>\$ 19,286</u>	<u>\$ 20,924</u>	<u>\$ 27,269</u>

		For the Three Months Ended March 31	
		2026	2025
3) Interest expense			
Related party in substance		\$ 111	\$ 147
Investor that exercises significant influence over the Group		<u> 33</u>	<u> 50</u>
		<u>\$ 144</u>	<u>\$ 197</u>

d. Lease arrangements - sublease arrangements

Lease arrangements - sublease arrangement under operating leases

NTC subleased its right-of-use assets 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, 2026	December 31, 2025	March 31, 2025
1) Operating lease receivables				
Associate				
TPSCo.		\$ <u>11,855</u>	\$ <u>11,872</u>	\$ <u>13,167</u>
2) Future lease payment receivables				
Associate				
TPSCo.		\$ <u>786,712</u>	\$ <u>809,475</u>	\$ <u>1,005,491</u>

	For the Three Months Ended March 31	
	2026	2025
3) Lease income		
Associate TPSCo.	<u>\$ 32,508</u>	<u>\$ 34,771</u>

e. 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.

f. Compensation of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employment benefits	\$ 132,876	\$ 125,091
Post-employment benefits	<u>5,103</u>	<u>3,140</u>
	<u>\$ 137,979</u>	<u>\$ 128,231</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.

31. PLEDGED AND COLLATERALIZED ASSETS

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

32. 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:

	March 31, 2026	December 31, 2025	March 31, 2025
USD	<u>\$ 2,000</u>	<u>\$ 155</u>	<u>\$ -</u>
JPY	<u>\$ 156,500</u>	<u>\$ -</u>	<u>\$ 515,524</u>

b. Unrecognized commitments were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant and equipment	<u>\$ 33,167,551</u>	<u>\$ 11,716,282</u>	<u>\$ 1,811,266</u>

c. TPSCo. is currently a joint venture owned 49% by NTCJ (a subsidiary of NTC) and 51% by Tower Semiconductor Ltd. (“Tower”), with operations spanning 12-inch and 8-inch wafer foundry services. On March 25, 2026, the Board of Directors of NTC resolved to enter into a strategic business restructuring and terminate the joint venture arrangement with Tower; upon completion of the restructuring, Tower will acquire the 12-inch wafer fab and related business, while the 8-inch wafer fab and related business will be retained by TPSCo. as it becomes a wholly-owned subsidiary of NTCJ. As consideration for the transaction, NTCJ shall pay Tower USD25,000 thousand on the closing date, which is expected to occur on April 1, 2027, subject to the satisfaction of customary closing conditions and required regulatory approvals.

33. 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, 2026			December 31, 2025			March 31, 2025		
	Foreign Currency (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)	Foreign Currency (In Thousands)	Exchange Rate (Note 1)	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>									
Monetary items									
USD	\$ 1,606,260	31.995	\$ 51,392,274	\$ 568,421	31.43	\$ 17,865,463	\$ 501,346	33.205	\$ 16,647,210
USD	85,275	159.58	2,728,389	76,281	156.52	2,397,503	37,315	149.10	1,239,055
		(Note 2)			(Note 2)			(Note 2)	
USD	999	3.1635	31,965	1,167	3.1802	36,669	432	3.7079	14,334
		(Note 3)			(Note 3)			(Note 3)	
EUR	5,342	36.71	196,097	2,798	36.90	103,235	2,281	35.97	82,046
JPY	3,094,600	0.2005	620,467	3,825,508	0.2008	768,162	3,165,381	0.2227	704,930
RMB	57,493	4.629	266,135	30,587	4.496	137,518	16,708	4.573	76,404
ILS	7,801	10.1138	78,897	14,422	9.883	142,531	14,005	8.9552	125,421
Non-monetary items									
EUR	7,000	36.71	256,967	7,000	36.90	258,297	-	-	-
<u>Financial liabilities</u>									
Monetary items									
USD	217,729	31.995	6,966,246	174,409	31.43	5,481,666	125,124	33.205	4,154,742
USD	49,802	159.58	1,593,421	45,556	156.52	1,431,839	23,938	149.10	794,853
		(Note 2)			(Note 2)			(Note 2)	
USD	940	6.9119	30,073	737	6.9907	23,162	934	7.2611	31,027
		(Note 4)			(Note 4)			(Note 4)	
EUR	28,509	36.71	1,046,547	2,716	36.90	100,229	2,416	35.97	86,896
JPY	3,052,840	0.2005	612,094	3,143,859	0.2008	631,287	2,791,964	0.2227	621,770
ILS	18,950	10.1138	191,658	25,932	9.883	256,286	17,263	8.9552	154,597

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 ILS for which one U.S. dollar 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, 2026 and 2025, refer to the consolidated statements of comprehensive income for details on realized and unrealized net foreign exchange gain (loss). It is impractical to disclose net foreign exchange gain (loss) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

35. OTHER ITEMS: NONE

36. 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	Table 1
2)	Endorsements/guarantees provided	Table 2
3)	Significant marketable securities held (excluding investments in subsidiaries and associates)	Table 3
4)	Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital	Table 4
5)	Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital	Table 5
6)	Intercompany relationships and significant intercompany transactions.	Table 8

- b. Information on investments: Refer to Table 6 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 7
2)	<p>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.</p> <p>a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.</p> <p>b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.</p> <p>c) The amount of property transactions and the amount of the resultant gains or losses.</p> <p>d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.</p> <p>e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.</p> <p>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.</p>	Table 7

37. 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" were 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 results represent the profit or loss of 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 March 31		For the Three Months Ended March 31	
	2026	2025	2026	2025
Customized Memory Solution product	\$ 17,839,816	\$ 4,775,234	\$ 8,695,101	\$ (1,384,384)
Flash Memory product	12,082,857	6,414,747	5,442,663	1,582,282
Logic IC product	<u>7,884,453</u>	<u>8,304,575</u>	<u>815,071</u>	<u>1,235,575</u>
Total of segment revenue	37,807,126	19,494,556	14,952,835	1,433,473
Other revenue	<u>445,938</u>	<u>498,061</u>	445,938	498,061
Operating revenue	<u>\$ 38,253,064</u>	<u>\$ 19,992,617</u>		
Unallocated expenditure				
Administrative and supporting expenses			(1,723,844)	(1,217,647)
Sales and other common expenses			<u>(1,124,435)</u>	<u>(1,679,254)</u>
Income (loss) from operations			<u>12,550,494</u>	<u>(965,367)</u>
Non-operating income and expenses				
Interest income			97,028	100,573
Dividend income			739	735
Other income			336,283	104,870
Share of profit (loss) of associates			9,256	(12,272)
Gains (losses) on disposal of property, plant and equipment			140	638
Gains (losses) on disposal of intangible assets			(375)	1,153
Gains (losses) on foreign exchange			431,649	126,871
Gains (losses) on financial instruments at fair value through profit or loss			(328,008)	(96,220)
Interest expense			(349,581)	(325,751)
Other expenses			<u>(59,201)</u>	<u>(81,045)</u>
Income (loss) before income tax			<u>\$ 12,688,424</u>	<u>\$ (1,145,815)</u>

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
 FOR THE THREE MONTHS ENDED MARCH 31, 2026
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 1)	Ending Balance (Note 1)	Amount Actually Drawn	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
1	NTSZ	NTNJ	Other receivables - related parties	Yes	\$ 69,435	\$ 69,435	\$ 13,887	3%	The need for short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$ 270,392	\$ 270,392

Note 1: The maximum balance for the period and ending balance represent the amounts approved by the board of directors of NTSZ.

Note 2: The aggregate amount available for lending to others by NTSZ shall not exceed the net worth of NTSZ nor 40% of the net worth of NTC as shown in its latest financial statements, and shall be limited to the lower of the two.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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	\$ 13,857,903 (Note 1)	\$ 15,639,000 (Note 3)	\$ 15,639,000 (Note 3)	\$ 300,750	\$ -	13.41	\$ 58,325,471 (Note 5)	Y	N	N
1	NTC	NTCJ	Subsidiary	2,644,073 (Note 2)	2,642,775 (Note 4)	2,642,775 (Note 4)	951,159	-	19.99	13,220,365 (Note 6)	Y	N	N

Note 1: WEC's maximum amount endorsed is 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 amount endorsed as described are not limited to subsidiaries that directly or indirectly hold 100% of voting shares.

Note 2: NTC's maximum amount endorsed is 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 amount endorsed 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 is limited to 50% of the net equity in the latest financial statements of WEC.

Note 6: NTC's maximum amount endorsed is based on the net equity in the latest financial statements of NTC.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

MARCH 31, 2026

(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, 2026				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
WEC	<u>Shares</u> Walsin Lihwa Corporation	The investee's chairman is a relative within the second degree of relationship of WEC's chairman. The investee as a corporate director of WEC.	Current financial assets at FVTOCI	270,000,782	\$ 8,140,523	6	\$ 8,140,523	
	Hannstar Display Corporation	The investee's chairman is a relative within the second degree of relationship of WEC's chairman.	"	150,000,210	1,194,002	5	1,194,002	
	Walsin Technology Corporation	The investee's chairman is a relative within the second degree of relationship of WEC's chairman.	"	5,300,117	620,114	1	620,114	
	Walton Advanced Engineering Inc.	The investee's chairman is a relative within the second degree of relationship of WEC's chairman. WEC serves as the investee's director.	"	45,062,641	2,160,754	9	2,160,754	
	<u>Shares</u> IQM Quantum Computers	None	Non-current financial assets at FVTPL	14,741	248,357	1	248,357	
	<u>Shares</u> CHIA-HO Green Energy Corporation	WEC's chairman serves as a director of the investee's parent company	Non-current financial assets at FVTOCI	55,500,000	553,877	15	553,877	
	Kai-Hong Energy Co., Ltd	WEC serves as the investee's supervisor	"	12,698,800	114,951	7	114,951	
WECA	<u>Beneficiary certificates</u> JVP VIII, L.P.	None	Non-current financial assets at FVTOCI	-	USD 20,829	7	USD 20,829	
	JVP X Funds	None	"	-	USD 17,514	8	USD 17,514	
WECJ	<u>Shares</u> Progress Technologies Group Inc.	None	Non-current financial assets at FVTOCI	512,800	JPY 687,152	7	JPY 687,152	
NTC	<u>Shares</u> United Industrial Gases Co., Ltd.	NTC serves as the investee's director	Non-current financial assets at FVTOCI	8,800,000	686,400	4	686,400	

Note 1: Significant marketable securities refer to securities with a carrying amount to NT\$100 million.

Note 2: Refer to Tables 6 and 7 for information of investment in subsidiaries, investments in associates and investment in mainland China.

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, 2026

(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	\$ 10,864,055	37	Net 90 days from invoice date	N/A	N/A	\$ 4,467,911	28	
	WECJ	Direct subsidiary with 100% ownership	Sales	1,386,955	5	Net 90 days from invoice date	N/A	N/A	865,484	5	
	WECN	Indirect subsidiary with 100% ownership	Sales	1,244,797	4	Net 90 days from invoice date	N/A	N/A	-	-	
	WECA	Indirect subsidiary with 100% ownership	Sales	460,526	2	Net 90 days from invoice date	N/A	N/A	215,123	1	
NTC	NTHK	NTC's direct subsidiary with 100% ownership	Sales	1,809,576	36	Net 50 days from invoice date	N/A	N/A	1,324,157	41	
	NTCJ	NTC's indirect subsidiary with 100% ownership	Sales	218,708	4	Net 8 days end of the month	N/A	N/A	273,077	8	
	NTCJ	NTC's indirect subsidiary with 100% ownership	Purchases	1,018,125	46	Net 8 days end of the month	N/A	N/A	(443,974)	(22)	
NTSG	NTCJ	NTC's indirect subsidiary with 100% ownership	Sales	USD 12,112	56	Net 10 days end of the month	N/A	N/A	USD 5,227	49	
NTCJ	NTSG	NTC's direct subsidiary with 100% ownership	Sales	JPY 2,240,020	12	Net 10 days end of the month	N/A	N/A	JPY 904,778	7	
	NTHK	NTC's direct subsidiary with 100% ownership	Sales	JPY 4,262,340	23	Net 10 days end of the month	N/A	N/A	JPY 2,276,742	17	
	TPSCo.	Associate	Purchases	JPY 5,295,809	56	Net 10 days end of the month	N/A	N/A	JPY (2,260,420)	(41)	

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, 2026

(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	\$ 4,467,911	12.85	\$ -	-	\$ 1,471,732	\$ -
	WECJ	Direct subsidiary with 100% ownership	865,484	7.22	-	-	-	-
	WECA	Indirect subsidiary with 100% ownership	215,123	9.95	-	-	-	-
WECA	WEC	Parent company	USD 6,374	(Note)	-	-	USD 2,000	-
NTC	NTHK	NTC's direct subsidiary with 100% ownership	1,324,157	5.6	-	-	572,645	-
	NTCJ	NTC's indirect subsidiary with 100% ownership	273,077	5.35	-	-	247,425	-
NTSG	NTCJ	NTC's indirect subsidiary with 100% ownership	USD 5,227	9.67	-	-	USD 5,227	-
NTCJ	NTSG	NTC's direct subsidiary with 100% ownership	JPY 904,778	10.73	-	-	JPY 904,778	-
	NTHK	NTC's direct subsidiary with 100% ownership	JPY 2,276,742	8.76	-	-	JPY 2,276,742	-
	NTC	Parent company	JPY 2,214,332	11.58	-	-	JPY 2,214,332	-
NTIL	NTC	Parent company	ILS 13,895	(Note)	-	-	ILS 13,895	-

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

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, 2026
(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, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
WEC	NTC	Taiwan	Research, design, development, manufacture and marketing of Logic IC, 6-inch wafer product, test, and OEM	\$ 4,909,793	\$ 4,909,793	221,554,635	52.78	\$ 6,943,625	\$ 7,134	\$ 3,895	
	WIC	British Virgin Islands	Investment holding	2,758,517	2,758,517	87,960,000	100.00	2,093,013	7,826	7,826	
	WEHK	Hong Kong	Sales of semiconductor and investment holding	278,158	278,158	71,150,000	100.00	1,251,197	118,215	118,215	
	METC	Japan	Software and hardware integration design of semiconductor	167,660	167,660	4,000	100.00	378,739	6,821	6,821	
	AMTC	Japan	Manufacture of semiconductor and smart factory solutions	237,052	237,052	4,000	100.00	396,528	12,049	12,049	
	WECJ	Japan	Research, development, sales and after-sales service of semiconductor	190,070	190,070	2,970	100.00	380,793	10,219	10,219	
	WEIL	India	Sales and service of semiconductor	133,617	133,617	27,998,400	99.99	125,037	210	210	
	Callisto	Hong Kong	Electronic commerce and investment holding	156,292	156,292	40,000,000	100.00	78,377	492	492	
	WTL	Israel	Design and marketing service of semiconductor	21,242	21,242	100,000	100.00	144,597	5,453	5,453	
	WEG	Germany	Marketing service of semiconductor	28,679	28,679	850,000	100.00	33,299	(60)	(60)	
	Chin Xin	Taiwan	Investment holding	1,874,825	1,874,825	182,840,999	38.00	14,446,560	394	149	
	ThCC	Taiwan	Agriculture and forestry botanic conservation	270,000	270,000	27,000,000	15.00	426,240	(1,962)	(911)	
	WIC	WECA	United States of America	Design, sales and service of semiconductor	1,683,207	1,683,207	3,067	100.00	2,136,001	7,811	7,811
METC	MTTC	Taiwan	Development of software and services for automotive and industrial control	3,000	3,000	300,000	100.00	2,415	(129)	(129)	
NTC	NTHK	Hong Kong	Sales of semiconductor	427,092	427,092	107,399,999	100.00	984,383	20,381	20,381	
	NIH	British Virgin Islands	Investment holding	515,251	515,251	15,633,161	100.00	609,795	20,436	20,436	
	SYI	Taiwan	Investment holding	38,500	38,500	3,850,000	100.00	93,290	(17)	(17)	
	NTIPL	India	Design, sales and service of semiconductor	30,211	30,211	600,000	100.00	20,460	71	71	
	NTCA	United States of America	Design, sales and service of semiconductor	190,862	190,862	60,500	100.00	262,960	2,144	2,144	
	NTSG	Singapore	Design, sales and service of semiconductor	1,319,054	1,319,054	45,100,000	100.00	2,382,238	(2,060)	(2,060)	
	NTKL	Korea	Design, sales and service of semiconductor	67,611	67,611	280,000	100.00	51,508	978	978	
	NTHJ	Japan	Investment holding	5,927,849	5,927,849	100	100.00	5,228,665	(423,812)	(423,812)	
	NTG	Germany	Customer service and technical support of semiconductor	67,980	67,980	2,000,000	100.00	73,643	206	206	
	NTCJ	Japan	Design, sales and service of semiconductor	3,067,500	3,067,500	3,000	24.00	2,266,042	(557,660)	(133,838)	
NIH	NTIL	Israel	Design and service of semiconductor	46,905	46,905	1,000	100.00	609,090	20,475	20,475	
NTHJ	NTCJ	Japan	Design, sales and service of semiconductor	111,520	111,520	9,480	76.00	5,397,944	(557,660)	(423,822)	
NTCJ	TPSCo.	Japan	Foundry and sales of semiconductor	1,708,037	1,708,037	49,539	49.00	1,866,859	30,887	10,018	Note 1

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

Note 2: Refer to Table 7 for information on investment in mainland China.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026
					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)	\$ 7,138	100.00	\$ 7,138	\$ 376,702	\$ 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)	564	52.78	298	55,280	-
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)	2,443	52.78	1,289	138,990	-
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)	1,604	52.78	847	14,355	-

Note 1: The gain or loss on investment for the three months ended March 31, 2026 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, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
WEC	\$276,435 (USD9,000)	\$276,435 (USD9,000)	\$ 73,736,111
NTC	\$265,706 (USD8,000)	\$265,706 (USD8,000)	7,932,219

Note 3: Upper limit on the amount of 60% of the investee's net carrying amount.

- Refer to Table 4 for significant transactions with the investee in mainland China directly and indirectly through investing in companies in the third area.
- Handling endorsement, guarantee and collateral to the investee in mainland China directly and indirectly through investing in companies in the third area: None.
- Refer to Table 1 for financing of funds to investee in mainland China directly and indirectly through investing in companies in the third area.
- Other transactions with significant influence on profit or loss for the period or financial performance: None.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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	\$ 10,864,055	-	28
		WEHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	4,467,911	-	2
		WECA	Transactions between parent company and subsidiaries	Operating revenue	460,526	-	1
		WECA	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	215,123	-	-
		WECA	Transactions between parent company and subsidiaries	Operating expenses	204,374	-	1
		WECA	Transactions between parent company and subsidiaries	Other payables	203,941	-	-
		WECJ	Transactions between parent company and subsidiaries	Operating revenue	1,386,955	-	4
		WECJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	865,484	-	-
		WTL	Transactions between parent company and subsidiaries	Operating expenses	146,464	-	-
		WECN	Transactions between parent company and subsidiaries	Operating revenue	1,244,797	-	3
1	NTC	NTHK	Transactions between parent company and subsidiaries	Operating revenue	1,809,576	-	5
		NTHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	1,324,157	-	1
		NTCJ	Transactions between parent company and subsidiaries	Operating revenue	218,708	-	1
		NTCJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	273,077	-	-
		NTCJ	Transactions between parent company and subsidiaries	Operating costs	1,018,125	-	3
		NTCJ	Transactions between parent company and subsidiaries	Accounts payable due to related parties	443,974	-	-
		NTIL	Transactions between parent company and subsidiaries	Operating expenses	420,280	-	1
		NTIL	Transactions between parent company and subsidiaries	Other payables	140,532	-	-
		NTCA	Transactions between parent company and subsidiaries	Operating expenses	107,313	-	-
		2	NTCJ	NTSG	Transactions between subsidiaries	Operating revenue	451,615
NTSG	Transactions between subsidiaries			Accounts receivable due from related parties	181,408	-	-
NTHK	Transactions between subsidiaries			Operating revenue	858,619	-	2
NTHK	Transactions between subsidiaries			Accounts receivable due from related parties	456,487	-	-
3	NTSG	NTCJ	Transactions between subsidiaries	Operating revenue	383,277	-	1
		NTCJ	Transactions between subsidiaries	Accounts receivable due from related parties	167,236	-	-

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.