Winbond Electronics Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 and Independent Auditors’ Review Report

Deloitte.

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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 June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, 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 June 30, 2026 and 2025, its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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

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Taipei, Taiwan
Republic of China

August 6, 2026

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

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

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 43,014,862	15	$ 15,733,774	8	$ 20,317,197	11
Current financial assets at fair value through profit or loss (Note 7)	311,249	-	196,442	-	574,453	-
Current financial assets at fair value through other comprehensive income (Note 8)	18,992,410	6	13,150,290	7	7,943,573	4
Current financial assets for hedging (Notes 4 and 9)	18,811,415	6	-	-	-	-
Notes and accounts receivable, net (Note 10)	37,391,756	13	16,038,146	8	11,832,811	7
Accounts receivable due from related parties, net (Note 30)	46,905	-	33,008	-	22,537	-
Other receivables (Notes 11 and 30)	1,028,003	-	678,355	-	976,825	1
Inventories (Note 12)	25,787,221	9	25,758,040	14	21,628,915	12
Other current assets (Note 30)	1,780,964	1	1,603,074	1	1,678,404	1
Total current assets	147,164,785	50	73,191,129	38	64,974,715	36
NON-CURRENT ASSETS						
Non-current financial assets at fair value through profit or loss (Note 7)	592,788	-	248,357	-	-	-
Non-current financial assets at fair value through other comprehensive income (Note 8)	2,828,440	1	2,985,536	2	2,831,676	2
Investments accounted for using equity method (Note 13)	33,250,076	11	16,031,734	8	7,624,979	4
Property, plant and equipment (Note 14)	103,647,372	35	93,800,188	49	96,602,990	54
Right-of-use assets (Notes 15 and 30)	1,768,268	1	1,997,192	1	1,866,666	1
Investment properties (Note 16)	1,103,084	1	1,188,544	1	1,264,082	1
Intangible assets (Note 17)	960,229	-	864,491	-	803,756	-
Deferred income tax assets (Note 4)	373,821	-	599,652	-	2,338,181	1
Other non-current assets (Notes 6 and 30)	1,345,456	1	1,285,244	1	1,265,534	1
Total non-current assets	145,869,534	50	119,000,938	62	114,597,864	64
TOTAL	$ 293,034,319	100	$ 192,192,067	100	$ 179,572,579	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	$ 3,023,703	1	$ 2,739,451	1	$ 3,254,400	2
Current financial liabilities at fair value through profit or loss (Note 7)	68,667	-	135,470	-	5,321	-
Accounts payable	7,991,150	3	6,906,840	4	6,126,360	3
Accounts payable due to related parties (Note 30)	1,487,262	1	1,316,751	1	1,297,451	1
Payables on machinery and equipment	8,573,306	3	1,067,378	-	1,604,970	1
Other payables (Note 30)	17,907,063	6	9,459,694	5	7,854,098	4
Current tax liabilities (Note 4)	8,226,043	3	206,028	-	326,792	-
Lease liabilities - current (Notes 15 and 30)	293,061	-	297,218	-	284,197	-
Long-term borrowings and bonds payable - current portion (Notes 18 and 19)	43,085,137	15	22,991,607	12	19,966,699	11
Other current liabilities (Note 30)	1,449,024	-	1,494,787	1	1,310,721	1
Total current liabilities	92,104,416	32	46,615,224	24	42,031,009	23
NON-CURRENT LIABILITIES						
Non-current financial liabilities at fair value through profit or loss (Note 7)	-	-	10,277	-	5,833	-
Bonds payable (Note 19)	1,082,572	-	4,865,294	3	4,810,433	3
Long-term borrowings (Notes 18 and 27)	21,449,070	7	21,533,637	11	33,265,816	18
Provisions - non-current (Note 20)	1,604,290	1	1,628,075	1	1,764,961	1
Deferred tax liabilities (Note 4)	150,053	-	76,652	-	60,042	-
Lease liabilities - non-current (Notes 15 and 30)	1,592,118	1	1,809,324	1	1,694,740	1
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,069,005	-	1,135,838	1	1,242,717	1
Other non-current liabilities	440,278	-	387,615	-	393,420	-
Total non-current liabilities	27,387,386	9	31,446,712	17	43,237,962	24
Total liabilities	119,491,802	41	78,061,936	41	85,268,971	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)						
Share capital	45,000,002	15	45,000,002	23	45,000,002	25
Capital surplus	15,974,646	5	13,751,860	7	13,757,786	8
Retained earnings						
Legal reserve	5,194,593	2	4,823,815	3	4,823,815	3
Unappropriated earnings	59,016,462	20	26,869,003	14	20,449,425	11
Exchange differences on translation of the financial statements of foreign operations	(1,264,642)	-	(1,264,774)	(1)	(1,562,813)	(1)
Unrealized gains on financial assets measured at fair value through other comprehensive income	41,202,514	14	18,756,061	10	5,194,528	3
Losses on hedging instruments (Note 4)	(113,947)	-	-	-	-	-
Total equity attributable to owners of the parent	165,009,628	56	107,935,967	56	87,662,743	49
NON-CONTROLLING INTERESTS (Note 22)	8,532,889	3	6,194,164	3	6,640,865	4
Total equity	173,542,517	59	114,130,131	59	94,303,608	53
TOTAL	$ 293,034,319	100	$ 192,192,067	100	$ 179,572,579	100

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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	$ 59,843,265	100	$ 21,017,957	100	$ 98,096,329	100	$ 41,010,574	100
OPERATING COSTS (Notes 12 and 30)	20,197,985	34	16,255,341	77	38,036,047	38	31,126,190	76
GROSS PROFIT	39,645,280	66	4,762,616	23	60,060,282	62	9,884,384	24
OPERATING EXPENSES (Note 30)								
Selling expenses	1,155,328	2	577,031	3	1,950,156	2	1,150,475	3
General and administrative expenses	2,675,024	4	1,086,731	5	4,398,868	5	2,304,378	5
Research and development expenses	6,509,088	11	4,368,927	21	11,735,294	12	8,646,153	21
Expected credit (gain) loss (Note 10)	326,504	1	24,949	-	446,134	-	43,767	-
Total operating expenses	10,665,944	18	6,057,638	29	18,530,452	19	12,144,773	29
INCOME (LOSS) FROM OPERATIONS	28,979,336	48	(1,295,022)	(6)	41,529,830	43	(2,260,389)	(5)
NON-OPERATING INCOME AND EXPENSES								
Interest income	353,361	1	103,366	-	450,389	-	203,939	1
Dividend income (Note 30)	190,442	-	184,685	1	191,181	-	185,420	-
Other income (Notes 27 and 30)	197,196	1	87,935	-	533,479	1	192,805	-
Share of profit (loss) of associates	163,282	-	55,196	-	172,538	-	42,924	-
Gains (losses) on disposal of property, plant and equipment	701	-	(1,348)	-	841	-	(710)	-
Gains (losses) on disposal of intangible assets	-	-	(80)	-	(375)	-	1,073	-
Gains (losses) on foreign exchange (Note 33)	41,805	-	(1,562,452)	(7)	473,454	1	(1,435,581)	(3)
Gains (losses) on financial instruments at fair value through profit or loss	564,796	1	1,042,103	5	236,788	-	945,883	2
Interest expense (Notes 15, 27 and 30)	(418,537)	(1)	(349,236)	(2)	(768,118)	(1)	(674,987)	(2)
Other expenses (Note 30)	(53,976)	-	(83,751)	-	(113,177)	-	(164,796)	-
Total non-operating income and expenses	1,039,070	2	(523,582)	(3)	1,177,000	1	(704,030)	(2)
INCOME (LOSS) BEFORE INCOME TAX	30,018,406	50	(1,818,604)	(9)	42,706,830	44	(2,964,419)	(7)
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 25)	5,819,507	10	(187,620)	(1)	8,390,253	9	(346,518)	(1)
NET INCOME (LOSS)	24,198,899	40	(1,630,984)	(8)	34,316,577	35	(2,617,901)	(6)

(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 June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	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	$ 6,428,248	11	$ (539,362)	(3)	$ 5,685,091	6	$ (1,499,402)	(4)
Losses on hedging instruments	(149,635)	-	-	-	(178,560)	-	-	-
Share of other comprehensive income of associates accounted for using equity method	16,440,414	27	141,114	1	17,140,175	17	248,242	1
Income tax related to items that will not be reclassified	-	-	3,000	-	-	-	82,000	-
Components of other comprehensive loss that will be reclassified to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	(155,797)	-	(1,547,950)	(7)	(28,736)	-	(923,330)	(2)
Other comprehensive income (loss)	22,563,230	38	(1,943,198)	(9)	22,617,970	23	(2,092,490)	(5)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 46,762,129	78	$ (3,574,182)	(17)	$ 56,934,547	58	$ (4,710,391)	(11)
NET INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the parent	$ 24,317,032	40	$ (1,312,433)	(6)	$ 34,431,342	35	$ (2,403,575)	(6)
Non-controlling interests	(118,133)	-	(318,551)	(2)	(114,765)	-	(214,326)	-
	$ 24,198,899	40	$ (1,630,984)	(8)	$ 34,316,577	35	$ (2,617,901)	(6)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the parent	$ 46,912,257	78	$ (2,707,343)	(13)	$ 57,036,262	58	$ (3,983,259)	(9)
Non-controlling interests	(150,128)	-	(866,839)	(4)	(101,715)	-	(727,132)	(2)
	$ 46,762,129	78	$ (3,574,182)	(17)	$ 56,934,547	58	$ (4,710,391)	(11)
EARNINGS (LOSSES) PER SHARE (Note 26)								
Basic	$ 5.40		$ (0.29)		$ 7.65		$ (0.53)	
Diluted	$ 5.40		$ (0.29)		$ 7.64		$ (0.53)	

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									
			Retained Earnings		Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Gains (Losses) on Hedging Instruments	Total	Non-controlling Interests	Total Equity
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
Appropriation of 2024 earnings										
Legal reserve appropriated	-	-	50,941	(50,941)	-	-	-	-	-	-
Net loss for the six months ended June 30, 2025	-	-	-	(2,403,575)	-	-	-	(2,403,575)	(214,326)	(2,617,901)
Other comprehensive loss for the six months ended June 30, 2025	-	-	-	-	(656,098)	(923,586)	-	(1,579,684)	(512,806)	(2,092,490)
Total comprehensive loss for the six months ended June 30, 2025	-	-	-	(2,403,575)	(656,098)	(923,586)	-	(3,983,259)	(727,132)	(4,710,391)
Adjustments of the difference between the carrying amount and consideration in disposal or acquisition of interests in subsidiaries	-	-	-	(64,224)	-	-	-	(64,224)	(114,831)	(179,055)
Changes in ownership interests in subsidiaries	-	58,852	-	-	-	-	-	58,852	54,179	113,031
Changes in equity of associates accounted for using equity method	-	(114)	-	-	-	-	-	(114)	-	(114)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	(243,994)	-	243,994	-	-	-	-
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(79,284)	(79,284)
BALANCE, JUNE 30, 2025	$ 45,000,002	$ 13,757,786	$ 4,823,815	$ 20,449,425	$ (1,562,813)	$ 5,194,528	$ -	$ 87,662,743	$ 6,640,865	$ 94,303,608
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										
Legal reserve appropriated	-	-	370,778	(370,778)	-	-	-	-	-	-
Cash dividends	-	-	-	(2,250,000)	-	-	-	(2,250,000)	-	(2,250,000)
Total appropriation of earnings	-	-	370,778	(2,620,778)	-	-	-	(2,250,000)	-	(2,250,000)
Net income (loss) for the six months ended June 30, 2026	-	-	-	34,431,342	-	-	-	34,431,342	(114,765)	34,316,577
Other comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	132	22,783,348	(178,560)	22,604,920	13,050	22,617,970
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	34,431,342	132	22,783,348	(178,560)	57,036,262	(101,715)	56,934,547
Changes in ownership interests in subsidiaries	-	1,381,816	-	-	-	-	-	1,381,816	2,440,440	3,822,256
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 (Notes 8 and 13)	-	-	-	336,895	-	(336,895)	-	-	-	-
Basis adjustment to gain (loss) on hedging instruments	-	-	-	-	-	-	64,613	64,613	-	64,613
BALANCE, JUNE 30, 2026	$ 45,000,002	$ 15,974,646	$ 5,194,593	$ 59,016,462	$ (1,264,642)	$ 41,202,514	$ (113,947)	$ 165,009,628	$ 8,532,889	$ 173,542,517

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 Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 42,706,830	$ (2,964,419)
Adjustments for:		
Depreciation expense	5,981,974	6,282,354
Amortization expense	313,557	182,872
Expected credit (gain) loss recognized on accounts receivable	446,134	43,767
Interest expense	768,118	674,987
Interest income	(450,389)	(203,939)
Dividend income	(191,181)	(185,420)
Share of (profit) loss of associates	(172,538)	(42,924)
(Gains) losses on disposal of property, plant and equipment	(841)	710
(Gains) losses on disposal of intangible assets	375	(1,073)
(Gains) on lease modification	(1,712)	(1,753)
Other income under government grants	(49,110)	(86,924)
Others	(378,043)	-
Changes in operating assets and liabilities		
(Increase) decrease in financial assets and liabilities at fair value through profit or loss	(526,069)	(532,063)
(Increase) decrease in notes and accounts receivable	(21,983,791)	(1,884,775)
(Increase) decrease in accounts receivable due from related parties	(13,897)	5,792
(Increase) decrease in other receivables	5,951	8,078
(Increase) decrease in inventories	(29,181)	2,572,248
(Increase) decrease in other current assets	(186,269)	171,045
(Increase) decrease in other non-current assets	5,724	(16,939)
Increase (decrease) in accounts payable	1,115,232	727,468
Increase (decrease) in accounts payable due to related parties	170,511	(257,144)
Increase (decrease) in other payables	8,301,345	(488,576)
Increase (decrease) in other current liabilities	136,214	(478,659)
Increase (decrease) in other non-current liabilities	(15,686)	(155,628)
Cash flows generated by (used in) operations	35,953,258	3,369,085
Interest received	411,892	198,537
Dividends received	56,181	61,656
Interest paid	(663,166)	(600,493)
Income taxes paid	(86,113)	(198,709)
Net cash flows generated by (used in) operating activities	35,672,052	2,830,076
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of financial assets at fair value through other comprehensive income	(337,904)	(818,699)
Proceeds from disposal of financial assets at fair value through other comprehensive income	340,984	-
Acquisitions of property, plant and equipment	(8,088,053)	(2,993,636)

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WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30 2026	For the Six Months Ended June 30 2025
Proceeds from disposal of property, plant and equipment	$ 991	$ 2,174
Government grants received	26,500	25,000
(Increase) decrease in refundable deposits	(85,039)	(2,264)
(Increase) decrease in other receivables - time deposits	-	822
Acquisitions of intangible assets	(241,719)	(106,691)
Recovery of contingent consideration from disposal of financial assets	261,329	-
(Increase) decrease in finance lease receivables	-	23,989
Net cash flows generated by (used in) investing activities	(8,122,911)	(3,869,305)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	355,956	1,245,330
Proceeds from long-term borrowings	1,570,000	7,086,990
Repayments of long-term borrowings	(4,840,492)	(4,983,349)
Proceeds from issuance of bonds payable	23,931,958	4,883,290
Cash dividends paid	(2,250,000)	-
Repayments of lease liabilities	(159,327)	(153,927)
Increase (decrease) in guarantee deposits	39,786	(11)
Acquisitions of additional interests in subsidiaries	-	(179,055)
Net cash flows generated by (used in) financing activities	18,647,881	7,899,268
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(104,519)	(643,238)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,092,503	6,216,801
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15,733,774	14,100,396
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 61,826,277	$ 20,317,197

RECONCILIATION BETWEEN BALANCE SHEETS AND STATEMENTS OF CASH FLOWS

	June 30 2026	June 30 2025
Cash and cash equivalents in the consolidated balance sheets	$ 43,014,862	$ 20,317,197
Cash and cash equivalents included in financial assets for hedging	18,811,415	-
Cash and cash equivalents in the consolidated statements of cash flows	$ 61,826,277	$ 20,317,197

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

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 integrated circuits (ICs), various semiconductor components and other system products.

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 August 6, 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 endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB**
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
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
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments and Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"

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.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned "similar entity" includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

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.

The Group has decided not to apply IFRS 18 and consequential amendments earlier.

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

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

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB (Note)**
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 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the 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.

<u>Attribution of total comprehensive income to non-controlling interests</u>

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.

<u>Changes in the Group’s ownership interests in existing subsidiaries</u>

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 June 30, 2026	December 31, 2025	June 30, 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	48.97	52.78	52.78
The Company	Winbond Electronics Malaysia Sdn. Bhd. (“WEMY”, Note 2)	Wafer testing services	100.00	-	-
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 3)	Electronic commerce and investment holding	-	-	100.00
METC	Miraxia Technology Taiwan Corporation (“MTTC”)	Development of software and services for automotive and industrial control	100.00	100.00	100.00
NTC	Marketplace Management Limited (“MML”, Note 4)	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 5)	Design, sales and service of semiconductor	24.00	24.00	-
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

(Continued)

Investor	Investee	Main Business	% of Ownership June 30, 2026	December 31, 2025	June 30, 2025
NTHK	Nuvoton Electronics Technology (Shanghai) Limited ("NTSH")	Provide product solutions 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 5)	Design, sales and service of semiconductor	76.00	76.00	100.00

(Concluded)

Note 1: Due to the exercise of conversion rights by holders of NTC's convertible bonds, the Company's ownership interest of NTC decreased to 48.97% as of June 30, 2026. The company still retains substantive control over NTC.

Note 2: The Company established WEMY on April 20, 2026, with an initial paid-in capital of RM1. Further capital contributions will be injected progressively within the approved total capital amount.

Note 3: CTL completed the liquidation and legal procedures in July 2025.

Note 4: MML completed the liquidation and legal procedures in September 2025.

Note 5: 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 hedging instruments 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. Except for the following, 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.

On June 12, 2026, the Board of Directors of the Company approved the revision of the estimated useful lives of the machinery and equipment, including associated ancillary piping installations for Module A at the Kaohsiung Plant, effective July 1, 2026. As stated in Note 4 of the consolidated financial statements for the year ended December 31, 2025, the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. In recent years, the Company's product portfolio and market demand have evolved, with an increasing proportion of Customized Memory Solutions product. This trend has accelerated product technology iterations and process conversion cycles. Meanwhile, the Company has adopted a highly flexible production model and continues to optimize processes and implement digital management, resulting in more diversified equipment usage patterns compared to the past. Accordingly, the consumption pattern of the economic benefits of such equipment has changed. Therefore, the Company has reassessed the useful lives of the relevant assets to better reflect their actual economic benefits. After engaging China Credit Information Service Ltd. (CCIS) to reassess the economic useful lives of the equipment, the Company has adjusted the useful lives of the machinery and equipment of Module A and associated ancillary piping installations at the Kaohsiung plant to 6 years.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash and deposits in banks	$ 42,864,862	$ 14,918,774	$ 17,762,197
Repurchase agreements	150,000	815,000	2,555,000
	$ 43,014,862	$ 15,733,774	$ 20,317,197

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits	$ 388,364	$ 303,168	$ 306,872

b. The Group has certain time deposits which are 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):

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits	$ -	$ -	$ 6,840

c. As of June 30, 2026, the amount of foreign currency bank deposits of NT$18,811,415 thousand is designated as a hedging instrument to hedge foreign exchange risks and is 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

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at FVTPL - current			
Derivative financial assets			
Forward exchange contracts	$ -	$ 744	$ 390,434
Swap contracts	498	-	1,802
Redemption and put option of convertible bonds (Note 19)	112,895	-	-
Non-derivative financial assets			
Domestic listed shares	15,475	15,466	15,671
Overseas unlisted shares	63,700	62,860	58,600
Mutual funds	118,681	117,372	107,946
	$ 311,249	$ 196,442	$ 574,453
Financial assets at FVTPL - non-current			
Derivative financial assets			
Redemption and put option of convertible bonds (Note 19)	$ 2,808	$ -	$ -
Non-derivative financial assets			
Overseas unlisted shares	589,980	248,357	-
	$ 592,788	$ 248,357	$ -

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities at FVTPL - current			
Derivative financial liabilities			
Forward exchange contracts	$ 68,667	$ 135,470	$ 5,321
Financial liabilities at FVTPL - non-current			
Derivative financial liabilities			
Redemption and put option of convertible bonds (Note 19)	$ -	$ 10,277	$ 5,833

(Concluded)

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

	Currency	Maturity Date	Contract Amount (In Thousands)
June 30, 2026			
Sell forward exchange contracts	USD to NTD	2026.07.01-2026.10.16	USD1,158,500/NTD36,734,843
Sell forward exchange contracts	USD to JPY	2026.07.14-2026.08.06	USD36,100/JPY5,751,250
Swap contracts	EUR to NTD	2026.07.17	EUR1,162/NTD42,724
December 31, 2025			
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
June 30, 2025			
Sell forward exchange contracts	USD to NTD	2025.07.03-2025.10.03	USD334,000/NTD10,155,180
Sell forward exchange contracts	USD to JPY	2025.07.03-2025.08.19	USD27,800/JPY3,990,854
Buy forward exchange contracts	NTD to USD	2025.07.17-2025.08.19	NTD679,250/USD23,000
Swap contracts	USD to NTD	2025.09.12	USD10,000/NTD293,120

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

	June 30, 2026	December 31, 2025	June 30, 2025
Domestic listed shares	$ 19,100,245	$ 13,211,365	$ 8,004,651
Domestic unlisted shares	1,509,807	1,456,352	1,320,724
Overseas listed shares	183,206	250,630	309,781
Overseas unlisted shares	21,411	12,342	10,263
Beneficiary certificates	1,006,181	1,205,137	1,129,830
	$ 21,820,850	$ 16,135,826	$ 10,775,249
Current	$ 18,992,410	$ 13,150,290	$ 7,943,573
Non-current	2,828,440	2,985,536	2,831,676
	$ 21,820,850	$ 16,135,826	$ 10,775,249

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

For the six months ended June 30, 2026 and 2025, the Group disposed of part of its equity investment. The unrealized gains and losses on financial assets at fair value through other comprehensive income of NT$288,421 thousand and NT$(243,994) thousand were realized and transferred to retained earnings, respectively, refer to Note 22 to the consolidated financial statements.

9. FINANCIAL ASSETS FOR HEDGING

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets for hedging - current			
Cash flow hedges			
Hedging of foreign currency deposits	$ 18,811,415	$ -	$ -

Cash flow hedges

The Company uses foreign currency bank deposits to hedge foreign exchange 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.

June 30, 2026

Hedging Instrument/Hedged Items	Amount (In Thousands)	Line Item in Balance Sheet	Carrying Amount Asset	Carrying Amount Liability
Cash flow hedges				
Hedging of foreign currency deposits/ forecast purchase of equipment	USD590,625	Financial assets for hedging - current	$ 18,811,415	$ -

Hedging Instrument/Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity Continuing Hedges	Balance in Other Equity Hedge Accounting No Longer Applied
Cash flow hedges				
Hedging of foreign currency deposits/ forecast purchase of equipment	$ (178,560)	$ 178,560	$ (113,947)	$ -

For the six months ended June 30, 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	Amount Reclassified to P/L and Adjusted Line Item: Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedges					
Forecast purchase of equipment	$ (178,560)	$ -	-	$ -	$ -

10. NOTES AND ACCOUNTS RECEIVABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 2,345	$ -	$ -
Accounts receivable			
At amortized cost			
Gross carrying amount	38,142,685	16,343,216	12,052,838
Less: Allowance for impairment loss	(753,274)	(305,070)	(220,027)
	$ 37,391,756	$ 16,038,146	$ 11,832,811

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.

June 30, 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	$ 37,688,048	$ 383,633	$ 62,926	$ 430	$ 9,993	$ 38,145,030
Loss allowance (lifetime ECL)	(729,229)	(7,673)	(6,293)	(86)	-	(743,281)
Loss allowance (individual customer ECL)	-	-	-	-	(9,993)	(9,993)
Amortized cost	$ 36,958,819	$ 375,960	$ 56,633	$ 344	$ -	$ 37,391,756

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	$ 15,828,629	$ 195,463	$ 13,955	$ 99	$ -	$ 16,038,146

June 30, 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	$ 11,892,837	$ 148,186	$ 2,499	$ -	$ 9,316	$ 12,052,838
Loss allowance (lifetime ECL)	(207,558)	(2,964)	(250)	-	(62)	(210,834)
Loss allowance (individual customer ECL)	-	-	-	-	(9,193)	(9,193)
Amortized cost	$ 11,685,279	$ 145,222	$ 2,249	$ -	$ 61	$ 11,832,811

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

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 305,070	$ 184,289
Recognized impairment loss	446,134	43,767
Effect of exchange rate changes	2,070	(8,029)
Balance at June 30	$ 753,274	$ 220,027

11. OTHER RECEIVABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Business tax refund receivable	$ 488,850	$ 497,099	$ 452,398
Dividend receivable	189,853	-	123,764
Receivable from disposal of investments	116,714	-	161,054
Current tax assets	77,324	63,233	40,430
Interest receivable	46,720	8,278	16,669
Government grants receivable	33,167	36,722	22,624
Time deposits (Note 6)	-	-	6,840
Others	75,375	73,023	153,046
	$ 1,028,003	$ 678,355	$ 976,825

12. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	$ 3,501,328	$ 3,043,706	$ 2,703,638
Work-in-process	20,189,893	20,803,392	17,119,979
Raw materials and supplies	2,083,473	1,902,751	1,800,513
Inventories in transit	12,527	8,191	4,785
	$ 25,787,221	$ 25,758,040	$ 21,628,915

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Inventories sold	$ 20,138,130	$ 15,432,327	$ 38,110,031	$ 28,987,673
Recognition of inventory write-downs (reversed)	20,042	262,123	(235,601)	670,473
Unallocated production overhead	39,813	560,891	161,617	1,468,044
Operating costs	$ 20,197,985	$ 16,255,341	$ 38,036,047	$ 31,126,190

For the six months ended June 30, 2026, inventory write-downs have been reversed as a result of increased selling prices in markets and sale of inventories previously written down.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	June 30, 2026	December 31, 2025	June 30, 2025
Associates that are not individually material			
Chin Xin Investment Co., Ltd. ("Chin Xin")	$ 30,763,585	$ 13,762,433	$ 5,527,706
Tower Partners Semiconductor Co., LTD. ("TPSCo.")	1,847,818	1,858,891	1,826,798
Theaceae Conservation Corporation ("ThCC")	638,673	410,410	270,475
	$ 33,250,076	$ 16,031,734	$ 7,624,979

As of June 30, 2026, the Company held 27,000 thousand shares of ThCC with a 15% ownership interest.

As of June 30, 2026, the Company held 182,841 thousand shares of Chin Xin with a 38% ownership interest.

As of June 30, 2026, NTCJ held 49,539 shares of TPSCo. with a 49% ownership interest.

For the six months ended June 30, 2026, the associates disposed of part of their equity investments. The unrealized gains and losses 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 six months ended June 30, 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
Cost						
Balance at January 1, 2026	$ 3,446,578	$ 68,253,133	$ 214,731,664	$ 9,642,600	$ 1,816,138	$ 297,890,113
Additions	-	266,624	12,897,152	162,042	2,366,252	15,692,070
Disposals	-	(19,318)	(386,362)	(36,045)	-	(441,725)
Reclassified	-	409,307	2,794,078	70,602	(3,273,987)	-
Effect of exchange rate changes	(35,583)	(324,973)	(630,180)	(22,199)	482	(1,012,453)
Balance at June 30, 2026	$ 3,410,995	$ 68,584,773	$ 229,406,352	$ 9,817,000	$ 908,885	$ 312,128,005
Accumulated depreciation and impairment						
Balance at January 1, 2026	$ -	$ 42,153,021	$ 154,123,048	$ 7,813,856	$ -	$ 204,089,925
Depreciation expense	-	1,262,488	4,135,400	357,200	-	5,755,088
Disposals	-	(19,301)	(386,356)	(35,918)	-	(441,575)
Effect of exchange rate changes	-	(295,616)	(599,251)	(27,938)	-	(922,805)
Balance at June 30, 2026	$ -	$ 43,100,592	$ 157,272,841	$ 8,107,200	$ -	$ 208,480,633
Carrying amount at June 30, 2026	$ 3,410,995	$ 25,484,181	$ 72,133,511	$ 1,709,800	$ 908,885	$ 103,647,372
Carrying amount at January 1, 2026 and December 31, 2025	$ 3,446,578	$ 26,100,112	$ 60,608,616	$ 1,828,744	$ 1,816,138	$ 93,800,188
Cost						
Balance at January 1, 2025	$ 3,523,947	$ 67,883,419	$ 213,161,666	$ 9,575,124	$ 1,378,863	$ 295,523,019
Additions	-	285,393	1,543,675	134,007	629,905	2,592,980
Disposals	-	(45,329)	(466,508)	(206,275)	-	(718,112)
Reclassified	-	312,964	923,792	119,866	(1,358,645)	(2,023)
Effect of exchange rate changes	(61,445)	(505,075)	(989,155)	(103,548)	32,990	(1,626,233)
Balance at June 30, 2025	$ 3,462,502	$ 67,931,372	$ 214,173,470	$ 9,519,174	$ 683,113	$ 295,769,631
Accumulated depreciation and impairment						
Balance at January 1, 2025	$ -	$ 40,370,126	$ 147,465,138	$ 7,435,663	$ -	$ 195,270,927
Depreciation expense	-	1,228,720	4,445,042	381,194	-	6,054,956
Disposals	-	(44,634)	(465,592)	(205,002)	-	(715,228)
Reclassified	-	-	-	(2,023)	-	(2,023)
Effect of exchange rate changes	-	(457,318)	(900,129)	(84,544)	-	(1,441,991)
Balance at June 30, 2025	$ -	$ 41,096,894	$ 150,544,459	$ 7,525,288	$ -	$ 199,166,641
Carrying amount at June 30, 2025	$ 3,462,502	$ 26,834,478	$ 63,629,011	$ 1,993,886	$ 683,113	$ 96,602,990

a. As of June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amounts of NT$66,702,287 thousand, NT$65,408,395 thousand and NT$70,328,527 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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Capitalized interest amounts	$ 59,509	$ 27,039	$ 98,089	$ 58,876
Interest rates under capitalization	2.87%	2.87%	2.87%-2.98%	2.87%

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Land	$ 1,136,334	$ 1,364,777	$ 1,421,342
Buildings	412,786	434,359	283,252
Machinery and equipment	80,874	88,065	94,611
Other equipment	138,274	109,991	67,461
	$ 1,768,268	$ 1,997,192	$ 1,866,666

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Additions to right-of-use assets	$ 75,278	$ 4,961	$ 153,790	$ 73,108
Depreciation expense for right-of-use assets				
Land	$ 26,120	$ 28,282	$ 52,240	$ 56,565
Buildings	42,656	41,489	85,194	84,364
Machinery and equipment	2,635	2,839	5,314	5,705
Other equipment	11,627	7,729	23,078	15,253
	$ 83,038	$ 80,339	$ 165,826	$ 161,887

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Current	$ 293,061	$ 297,218	$ 284,197
Non-current	$ 1,592,118	$ 1,809,324	$ 1,694,740

The ranges of discount rates for lease liabilities are as follows:

	June 30, 2026	December 31, 2025	June 30, 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%-5.13%
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 June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the interest expense under lease liabilities amounted to NT$12,195 thousand, NT$12,386 thousand, NT$21,974 thousand and NT$24,887 thousand, respectively.

c. Material lease-in activities and terms

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

NTC leased 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. Su, Yuan-Mou, 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, as well as certain office space in Taiwan, and the lease terms 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:

	June 30, 2026	December 31, 2025	June 30, 2025
Year 1	$ 2,036	$ 1,975	$ 1,975
Year 2	-	1,975	1,975
	$ 2,036	$ 3,950	$ 3,950

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 June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 21,941	$ 24,965	$ 53,985	$ 55,044
Expenses relating to low-value asset leases	$ 479	$ 319	$ 983	$ 509
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 4,066	$ 1,219	$ 7,026	$ 2,584

	For the Six Months Ended June 30	
	2026	2025
Total cash outflow for leases	$ 241,444	$ 238,050

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

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

16. INVESTMENT PROPERTIES

	June 30, 2026	December 31, 2025	June 30, 2025
Investment properties, net	$ 1,103,084	$ 1,188,544	$ 1,264,082

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 June 30, 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 Six Months Ended June 30	
	2026	2025
Cost		
Balance at January 1	$ 6,636,013	$ 6,931,676
Effect of exchange rate changes	(141,969)	(220,338)
Balance at June 30	6,494,044	6,711,338
Accumulated depreciation and impairment		
Balance at January 1	5,447,469	5,561,849
Depreciation expense	61,060	65,511
Effect of exchange rate changes	(117,569)	(180,104)
Balance at June 30	5,390,960	5,447,256
Investment properties, net	$ 1,103,084	$ 1,264,082

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:

	June 30, 2026	December 31, 2025	June 30, 2025
Year 1	$ 130,262	$ 135,025	$ 137,730
Year 2	128,950	132,678	134,376
Year 3	126,614	129,516	133,231
Year 4	126,614	129,516	131,193
Year 5	126,614	129,516	131,193
More than 5 years	94,959	161,895	229,588
	$ 734,013	$ 818,146	$ 897,311

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 June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amounts of NT$255,820 thousand, NT$275,263 thousand and NT$270,393 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
Cost				
Balance at January 1, 2026	$ 3,985,347	$ 1,157,144	$ 5,707	$ 5,148,198
Additions	369,176	12,093	-	381,269
Disposals	-	(2,932)	-	(2,932)
Effect of exchange rate changes	19,345	(17,320)	-	2,025
Balance at June 30, 2026	$ 4,373,868	$ 1,148,985	$ 5,707	$ 5,528,560
Accumulated amortization and impairment				
Balance at January 1, 2026	$ 3,369,549	$ 914,158	$ -	$ 4,283,707
Amortization expenses	246,602	46,011	-	292,613
Disposals	-	(2,557)	-	(2,557)
Effect of exchange rate changes	9,533	(14,965)	-	(5,432)
Balance at June 30, 2026	$ 3,625,684	$ 942,647	$ -	$ 4,568,331
Carrying amount at June 30, 2026	$ 748,184	$ 206,338	$ 5,707	$ 960,229
Carrying amount at January 1, 2026 and December 31, 2025	$ 615,798	$ 242,986	$ 5,707	$ 864,491
Cost				
Balance at January 1, 2025	$ 3,791,479	$ 1,280,523	$ 5,750	$ 5,077,752
Additions	149,412	47,378	-	196,790
Disposals	(51,255)	(212,921)	-	(264,176)
Effect of exchange rate changes	(29,874)	(9,057)	-	(38,931)
Balance at June 30, 2025	$ 3,859,762	$ 1,105,923	$ 5,750	$ 4,971,435
Accumulated amortization and impairment				
Balance at January 1, 2025	$ 3,193,566	$ 1,068,597	$ -	$ 4,262,163
Amortization expenses	134,392	34,909	-	169,301
Disposals	(24,773)	(212,840)	-	(237,613)
Effect of exchange rate changes	(20,845)	(5,327)	-	(26,172)
Balance at June 30, 2025	$ 3,282,340	$ 885,339	$ -	$ 4,167,679
Carrying amount at June 30, 2025	$ 577,422	$ 220,584	$ 5,750	$ 803,756

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 manufacturing process technologies. 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

	June 30, 2026		December 31, 2025		June 30, 2025	
	Interest Rate %	Amount	Interest Rate %	Amount	Interest Rate %	Amount
Secured borrowings						
Bank loans	2.49%-2.76%	$ 1,766,700	-	$ -	1.87%-1.93%	$ 2,339,100
Unsecured borrowings						
Bank lines of credit	1.79%-2.76%	1,257,003	1.45%-4.59%	2,739,451	1.35%-1.37%	915,300
		$ 3,023,703		$ 2,739,451		$ 3,254,400

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 maintain 100% ownership of NTCJ with NTC and operational control of NTCJ 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

	June 30, 2026			December 31, 2025	June 30, 2025
	Period	Interest Rate	Amount	Amount	Amount
Secured borrowings					
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	2.44%-2.74%	16,830,000	15,260,000	13,450,000
CTBC bank syndicated loan	2025.07.16-2032.07.16	2.58%	5,000,000	5,000,000	-
Unsecured borrowings					
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%-1.93%	2,772,796	3,413,288	4,053,781
			41,402,796	44,673,288	43,418,066
Less: Current portion			(19,839,842)	(22,991,607)	(9,966,699)
Less: Syndication agreement management fee			(71,283)	(86,731)	(100,866)
Less: Government loan discount (Note 27)			(42,601)	(61,313)	(84,685)
			$ 21,449,070	$ 21,533,637	$ 33,265,816

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) To finance its capital expenditures and strengthen its working capital, the Company entered into medium-term loan agreements with six financial institutions as of June 30, 2026. The aggregate credit line amounted to NT$18 billion and has not yet been used.

5) 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

	June 30, 2026	December 31, 2025	June 30, 2025
Domestic secured bonds	$ -	$ -	$ 10,000,000
Overseas unsecured convertible bonds	24,327,867	4,865,294	4,810,433
Less: Current portion	(23,245,295)	-	(10,000,000)
	$ 1,082,572	$ 4,865,294	$ 4,810,433

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 in July 2025, and the related cancellation registration was completed in August 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 USD150 million and a denomination of USD200 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 per share 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)
Convertible bonds converted into ordinary shares	(3,830,962)
Interest charged at an effective interest rate of 2.29%	151,350
Liability component at June 30, 2026	$ 1,082,572

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 USD750 million and a denomination of USD200 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. Since the Company distributed cash dividends in April 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 per share since April 4, 2026.

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. As the Company has satisfied the conditions for early redemption under the terms of the bonds, the Company will redeem all outstanding Fourth Overseas Unsecured Convertible Bonds on August 12, 2026.

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)	16,752
Interest charged at an effective interest rate of 2.39%	136,597
Liability component at June 30, 2026	$ 23,245,295

20. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current			
Employee benefits	$ 722,352	$ 840,728	$ 955,247
Warranties	456,948	350,607	362,641
Decommissioning liabilities	424,990	436,740	447,073
	$ 1,604,290	$ 1,628,075	$ 1,764,961

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 employee benefits provisions and decommissioning liabilities, respectively.

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 rate as of December 31, 2025 and 2024, and recognized NT$31,316 thousand, NT$26,141 thousand, NT$56,776 thousand and NT$51,444 thousand for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, respectively.

22. EQUITY

a. Share capital

Ordinary shares

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	6,700,000	6,700,000	6,700,000
Shares authorized	$ 67,000,000	$ 67,000,000	$ 67,000,000
Number of shares issued and fully paid (in thousands)	4,500,000	4,500,000	4,500,000
Shares issued	$ 45,000,002	$ 45,000,002	$ 45,000,002

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
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
May only be used to offset a deficit			
Arising from changes in percentage of ownership interest in subsidiaries (2)	1,588,187	206,371	212,073
Arising from share of changes in capital surplus of associates	17,466	16,508	16,732
May not be used for any purpose (3)			
Equity component of convertible bonds	840,012	-	-
	$ 15,974,646	$ 13,751,860	$ 13,757,786

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. The distribution of employee remuneration and directors remuneration shall be reported to the shareholders' meeting.

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	2,250,000	-	$ 0.5	$ -
	$ 2,620,778	$ 50,941		

No cash dividends appropriated for 2024 were resolved by the board of directors on February 18, 2025; the remaining earnings distribution for 2024 were resolved not to be distributed 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 remaining earnings distribution for 2025 were resolved by the shareholders meeting on May 29, 2026.

d. Other equity items

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

	For the Six Months Ended June 30	
	2026	**2025**
Balance at January 1	$ (1,264,774)	$ (906,715)
Exchange differences arising on translating the financial statements of foreign operations	132	(656,098)
Balance at June 30	$ (1,264,642)	$ (1,562,813)

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 Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 18,756,061	$ 5,874,120
Unrealized gains (losses) on revaluation of financial assets at FVTOCI	5,643,173	(1,214,543)
Share of unrealized gains (losses) on revaluation of financial assets at FVTOCI of associates accounted for using equity method	17,140,175	248,242
Income tax related to items that will not be reclassified	-	42,715
Disposal of investments in equity instruments designated at FVTOCI	(336,895)	243,994
Balance at June 30	$ 41,202,514	$ 5,194,528

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 Six Months Ended June 30	
	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	(178,560)	-
Transferred to initial carrying amount of hedged items		
Foreign currency risk - foreign currency deposits	64,613	-
Balance at June 30	$ (113,947)	$ -

e. Non-controlling interests

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 6,194,164	$ 7,507,933
Share attributable to non-controlling interests		
Loss for the period	(114,765)	(214,326)
Exchange differences on translation of the financial statements of foreign operations	(28,868)	(267,232)
Unrealized gains (losses) on financial assets measured at FVTOCI	41,918	(284,859)
Income tax related to items that will not be reclassified	-	39,285

(Continued)

	For the Six Months Ended June 30	
	2026	2025
Cash dividends issued by subsidiaries to non-controlling interests	$ -	$ (79,284)
Acquisition of non-controlling interests in subsidiaries	-	(114,831)
Changes in ownership interests in subsidiaries	2,440,440	54,179
Balance at June 30	$ 8,532,889	$ 6,640,865

(Concluded)

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 June 30, 2026			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Expenses and Losses	Total
Short-term employee benefits	$ 4,241,749	$ 6,879,890	$ -	$ 11,121,639
Post-employment benefits	$ 51,088	$ 194,183	$ -	$ 245,271
Depreciation	$ 2,670,584	$ 291,934	$ 30,942	$ 2,993,460
Amortization	$ 104,196	$ 98,312	$ 7,724	$ 210,232

	For the Three Months Ended June 30, 2025			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Expenses and Losses	Total
Short-term employee benefits	$ 1,084,587	$ 2,893,095	$ -	$ 3,977,682
Post-employment benefits	$ 50,946	$ 156,969	$ -	$ 207,915
Depreciation	$ 2,782,490	$ 308,083	$ 33,871	$ 3,124,444
Amortization	$ 8,429	$ 70,999	$ 3,785	$ 83,213

	For the Six Months Ended June 30, 2026			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Expenses and Losses	Total
Short-term employee benefits	$ 6,741,945	$ 11,490,873	$ -	$ 18,232,818
Post-employment benefits	$ 103,953	$ 367,388	$ -	$ 471,341
Depreciation	$ 5,334,915	$ 584,487	$ 62,572	$ 5,981,974
Amortization	$ 112,444	$ 180,169	$ 15,448	$ 308,061

	For the Six Months Ended June 30, 2025			
	Classified as Operating Costs	**Classified as Operating Expenses**	**Classified as Non-operating Expenses and Losses**	**Total**
Short-term employee benefits	$ 2,197,045	$ 5,860,635	$ -	$ 8,057,680
Post-employment benefits	$ 102,154	$ 337,767	$ -	$ 439,921
Depreciation	$ 5,610,089	$ 604,294	$ 67,971	$ 6,282,354
Amortization	$ 11,987	$ 157,314	$ 7,571	$ 176,872

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 provides timely bonus and shares operating performance with employees to attract, encourage and retain the talent. In accordance with the Articles of Incorporation, it stipulates distribution of the compensation to employees at the rates no less than 1% of net profit before income tax before deducting remuneration to employees and directors. The compensation to 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 June 30, 2026 and for the six months ended June 30, 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 June 30, 2025 and for the six months ended June 30, 2025 due to a net loss before income tax of the Company.)

	For the Three Months Ended June 30, 2026		For the Six Months Ended June 30, 2026	
	Amounts	**Accrual Rate**	**Amounts**	**Accrual Rate**
Employees' compensation	$ 617,369	2%	$ 874,680	2%
Remuneration of directors	$ 308,684	1%	$ 437,340	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, were as below:

	For the Year Ended December 31			
	2025		2024	
	Amounts	**Rate**	**Amounts**	**Rate**
Employees' compensation in cash	$ 102,949	2%	$ 13,400	2%
Remuneration of directors	$ 51,475	1%	$ 6,700	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 June 30		For the Six Months Ended June 30	
	2026	**2025**	**2026**	**2025**
Current income tax expense (benefit)				
Current tax expense	$ 5,651,033	$ 35,449	$ 8,089,813	$ 228,327
Adjustments for prior years	804	17,797	1,208	17,954
Deferred income tax				
Change in current period	167,670	(240,866)	299,232	(592,799)
Income tax expense (benefit) recognized in profit or loss	$ 5,819,507	$ (187,620)	$ 8,390,253	$ (346,518)

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Deferred income tax				
Change in current year	$ -	$ 3,000	$ -	$ 82,000
Income tax benefit recognized in other comprehensive income	$ -	$ 3,000	$ -	$ 82,000

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 June 30, 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 June 30					
	2026			2025		
	Amounts (Numerator)		Earnings Per Share (NT$)	Amounts (Numerator)		Losses Per Share (NT$)
	Net Income After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Income After Income Tax (Attributable to Owners of the Parent)	Net Loss After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Loss After Income Tax (Attributable to Owners of the Parent)
Basic earnings (losses) per share						
Net income (loss) attributable to ordinary shareholders	$ 24,317,032	4,500,000	$ 5.40	$ (1,312,433)	4,500,000	$ (0.29)
Effect of dilutive potential ordinary shares						
Employees' compensation	-	4,215		-	-	
Diluted earnings (losses) per share						
Net income (loss) attributable to ordinary shareholders	$ 24,317,032	4,504,215	$ 5.40	$ (1,312,433)	4,500,000	$ (0.29)

	For the Six Months Ended June 30					
	2026			2025		
	Amounts (Numerator)		Earnings Per Share (NT$)	Amounts (Numerator)		Losses Per Share (NT$)
	Net Income After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Income After Income Tax (Attributable to Owners of the Parent)	Net Loss After Income Tax (Attributable to Owners of the Parent)	Shares (Denominator) (In Thousands)	Net Loss After Income Tax (Attributable to Owners of the Parent)
Basic earnings (losses) per share						
Net income (loss) attributable to ordinary shareholders	$ 34,431,342	4,500,000	$ 7.65	$ (2,403,575)	4,500,000	$ (0.53)
Effect of dilutive potential ordinary shares						
Employees' compensation	-	4,598		-	-	
Diluted earnings (losses) per share						
Net income (loss) attributable to ordinary shareholders	$ 34,431,342	4,504,598	$ 7.64	$ (2,403,575)	4,500,000	$ (0.53)

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 June 30, 2025 and for the six months ended June 30, 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 June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the other income under government grants were NT$8,938 thousand, NT$12,996 thousand, NT$18,712 thousand and NT$26,887 thousand, respectively. The interest expense under loans were NT$31,223 thousand, NT$39,565 thousand, NT$64,973 thousand and NT$81,109 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 June 30, 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 June 30, 2026, a total of NT$16,526 thousand has been recognized as other income under government grants.

28. CAPITAL MANAGEMENT

The Group’s capital management objective is to ensure that it has the necessary financial resources and operating plans to support its working capital requirements, capital expenditures, research and development activities, debt repayments and dividends payments over the next twelve months.

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 an increase in PE ratio or value multiple, or a decrease in market liquidity discount, would increase the fair value.

- 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 June 30, 2026 and 2025, the stock price volatility applied was 69.32% and 48.12%, 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 June 30, 2026, the stock price volatility applied was 77.46%.

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 June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities at amortized cost				
Bonds payable (unsecured)	$ -	$ -	$ 24,327,867	$ 24,327,867

Fair value hierarchy as of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities at amortized cost				
Bonds payable (unsecured)	$ -	$ -	$ 4,865,294	$ 4,865,294

Fair value hierarchy as of June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities at amortized cost				
Bonds payable (secured)	$ -	$ 10,000,000	$ -	$ 10,000,000
Bonds payable (unsecured)	-	-	4,810,433	4,810,433
	$ -	$ 10,000,000	$ 4,810,433	$ 14,810,433

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

Fair value hierarchy as of June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 498	$ 115,703	$ 116,201
Non-derivative financial assets				
Domestic listed securities	15,475	-	-	15,475
Overseas unlisted securities	-	-	653,680	653,680
Mutual funds	118,681	-	-	118,681
	$ 134,156	$ 498	$ 769,383	$ 904,037

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity securities				
Domestic and overseas listed securities	$ 19,283,451	$ -	$ -	$ 19,283,451
Domestic and overseas unlisted securities	-	40,760	1,490,458	1,531,218
Beneficiary certificates	-	-	1,006,181	1,006,181
	$ 19,283,451	$ 40,760	$ 2,496,639	$ 21,820,850
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 68,667	$ -	$ 68,667

(Concluded)

Fair value hierarchy as of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
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	117,372	-	-	117,372
	$ 132,838	$ 744	$ 311,217	$ 444,799
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	-	-	1,205,137	1,205,137
	$ 13,461,995	$ 35,780	$ 2,638,051	$ 16,135,826
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 135,470	$ 10,277	$ 145,747

Fair value hierarchy as of June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 392,236	$ -	$ 392,236
Non-derivative financial assets				
Domestic listed securities	15,671	-	-	15,671
Overseas unlisted securities	-	-	58,600	58,600
Mutual funds	107,946	-	-	107,946
	$ 123,617	$ 392,236	$ 58,600	$ 574,453
Financial assets at FVTOCI				
Equity securities				
Domestic and overseas listed securities	$ 8,314,432	$ -	$ -	$ 8,314,432
Domestic and overseas unlisted securities	-	32,800	1,298,187	1,330,987
Beneficiary certificates	-	-	1,129,830	1,129,830
	$ 8,314,432	$ 32,800	$ 2,428,017	$ 10,775,249
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 5,321	$ 5,833	$ 11,154

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 six months ended June 30, 2026 and 2025, are as follows:

	For the Six Months Ended June 30	
	2026	**2025**
Balance at January 1	$ 2,938,991	$ 3,395,145
Additions	26,307	(8,302)
Recognized in other comprehensive income	(162,979)	(632,380)
Recognized in profit or loss	459,780	2,469
Disposals	-	(164,847)
Conversion of convertible bonds	(8,930)	-
Effect of exchange rate changes	12,853	(111,301)
Balance at June 30	$ 3,266,022	$ 2,480,784

b. Categories of financial instruments

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

	June 30, 2026		December 31, 2025		June 30, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Measured at amortized cost						
Cash and cash equivalents	$ 43,014,862	$ 43,014,862	$ 15,733,774	$ 15,733,774	$ 20,317,197	$ 20,317,197
Notes and accounts receivable (included related parties)	37,438,661	37,438,661	16,071,154	16,071,154	11,855,348	11,855,348
Other receivables	1,028,003	1,028,003	678,355	678,355	976,825	976,825
Refundable deposits (recorded in other non-current assets)	575,084	575,084	489,994	489,994	486,939	486,939
Financial assets for hedging	18,811,415	18,811,415	-	-	-	-
Financial assets at FVTPL (current and non-current)	904,037	904,037	444,799	444,799	574,453	574,453
Financial assets at FVTOCI (current and non-current)	21,820,850	21,820,850	16,135,826	16,135,826	10,775,249	10,775,249
Financial liabilities						
Measured at amortized cost						
Short-term borrowings	3,023,703	3,023,703	2,739,451	2,739,451	3,254,400	3,254,400
Accounts payable (included related parties)	9,478,412	9,478,412	8,223,591	8,223,591	7,423,811	7,423,811
Payable on equipment and other payables	26,480,369	26,480,369	10,527,072	10,527,072	9,459,068	9,459,068
Bonds payable (included current portion)	24,327,867	24,327,867	4,865,294	4,865,294	14,810,433	14,810,433
Long-term borrowings (included current portion)	41,288,912	41,288,912	44,525,244	44,525,244	43,232,515	43,232,515
Guarantee deposits (recorded in other current liabilities and other non-current liabilities)	296,321	296,321	938,151	938,151	970,564	970,564
Financial liabilities at FVTPL (current and non-current)	68,667	68,667	145,747	145,747	11,154	11,154

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 six months ended June 30, 2026 and 2025, a hypothetical adverse foreign currency exchange rate change of 1% would have decreased (increased) its net income (loss) by NT$522,985 thousand and NT$129,670 thousand respectively. The amounts did not consider the impact of hedge contracts and hedged items.

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:

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Cash flow interest rate risk			
Financial assets	$ 2,700	$ 2,700	$ 8,413
Financial liabilities	44,426,499	47,412,739	46,672,466

The sensitivity analyses below were determined based on the Group's exposure to cash flow interest rates arising from floating-rate financial assets and liabilities 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$222,119 thousand and NT$233,320 thousand for the six months ended June 30, 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 amount 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 sufficient operating capital and therefore is not exposed to liquidity risk arising from an inability to obtain funding to meet its contractual obligations.

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

	June 30, 2026			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	$ 36,004,950	$ 250,152	$ -	$ 36,255,102
Lease liabilities	326,311	260,200	1,528,449	2,114,960
Variable interest rate liabilities	22,863,545	4,601,454	16,961,500	44,426,499
Fixed interest rate liabilities	23,659,946	-	1,173,488	24,833,434
	$ 82,854,752	$ 5,111,806	$ 19,663,437	$ 107,629,995

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities			
Lease liabilities	$ 586,511	$ 569,284	$ 959,165

	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	-	-	5,334,035	5,334,035
	$ 45,558,891	$ 4,234,930	$ 25,059,237	$ 74,853,058

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities			
Lease liabilities	$ 635,995	$ 598,202	$ 1,183,273

	June 30, 2025			
	Within 1 Year	1-2 Years	Over 2 Years	Total
Non-interest bearing	$ 17,666,173	$ 187,270	$ -	$ 17,853,443
Lease liabilities	333,826	241,771	1,712,040	2,287,637
Variable interest rate liabilities	13,221,099	19,787,556	13,663,811	46,672,466
Fixed interest rate liabilities	10,000,000	-	5,334,035	15,334,035
	$ 41,221,098	$ 20,216,597	$ 20,709,886	$ 82,147,581

Additional information about the maturity analysis for lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities			
Lease liabilities	$ 575,597	$ 472,839	$ 1,239,201

30. RELATED PARTY TRANSACTIONS

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

Related Party	Relationship with the Group
Walsin Lihwa Corporation ("Walsin Lihwa")	Investor that exercises significant influence over the Group
ThCC	Associate
Chin Xin	Associate
TPSCo.	Associate
Nyquest Technology Co., Ltd. ("Nyquest")	Related party in substance
Walton Advanced Engineering Inc. ("Walton")	Related party in substance
Walton Advanced Engineering Ltd. (Suzhou) ("Walton (Suzhou)")	Related party in substance
Walsin Real Estate Holdings Co., Ltd. ("Walsin Real Estate", former Chin Cherng Construction Co., Ltd.)	Related party in substance
Walsin Technology Corporation ("Walsin Technology")	Related party in substance
Waltech Advanced Engineering (Suzhou) Ltd. ("Waltech (Suzhou)")	Related party in substance
Taiwan Cement Corporation ("Taiwan Cement")	Related party in substance
United Industrial Gases Co., Ltd. ("United Industrial Gases")	Related party in substance
Walsin (Nanjing) Development Co., Ltd. ("Walsin (Nanjing) Development")	Related party in substance
Infopower Technologies Private Limited	Related party in substance
Energy Helper TCC Corporation ("Energy Helper TCC")	Related party in substance
Su, Yuan-Mou	Chairman of NTC

b. Operating activities

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
1) Operating revenue				
Associate	$ 62,748	$ 60,481	$ 118,069	$ 124,485
Related party in substance	11,230	16,437	31,406	39,510
	$ 73,978	$ 76,918	$ 149,475	$ 163,995

Price and terms were determined in accordance with mutual agreements.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
2) Purchases of goods				
Associate				
TPSCo.	$ 888,105	$ 980,915	$ 1,954,943	$ 1,966,129

Price and terms were determined in accordance with mutual agreements.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
3) Manufacturing expenses				
Related party in substance	$ 1,255,850	$ 1,184,444	$ 2,487,450	$ 2,306,938
Associate	391,924	430,609	783,675	868,217
	$ 1,647,774	$ 1,615,053	$ 3,271,125	$ 3,175,155
4) Operating expenses				
Associate	$ 63,659	$ 71,071	$ 124,650	$ 140,926
Investor that exercises significant influence over the Group	8,181	4,180	11,979	7,586
Related party in substance	1,289	2,299	3,170	10,010
	$ 73,129	$ 77,550	$ 139,799	$ 158,522
5) Dividend income				
Investor that exercises significant influence over the Group				
Walsin Lihwa	$ 135,000	$ 123,764	$ 135,000	$ 123,764
Related party in substance				
United Industrial Gases	52,800	59,840	52,800	59,840
	$ 187,800	$ 183,604	$ 187,800	$ 183,604
6) Other income and expenses				
Related party in substance	$ 2,804	$ 843	$ 4,631	$ 2,557
Associate	-	30	60	30
	$ 2,804	$ 873	$ 4,691	$ 2,587

	June 30, 2026	December 31, 2025	June 30, 2025
7) Accounts receivable			
Associate	$ 29,571	$ 27,953	$ 19,821
Related party in substance	17,334	5,055	2,716
	$ 46,905	$ 33,008	$ 22,537
8) Accounts payable			
Related party in substance	$ 994,224	$ 905,578	$ 906,374
Associate	493,038	411,173	391,077
	$ 1,487,262	$ 1,316,751	$ 1,297,451
9) Other receivables and other current assets			
Investor that exercises significant influence over the Group			
Walsin Lihwa	$ 139,856	$ -	$ 123,784
Associate	61,149	6,437	6,632
Related party in substance	974	4,971	2,152
	$ 201,979	$ 11,408	$ 132,568
10) Other payables and other current liabilities			
Associate	$ 39,254	$ 144,903	$ 72,474
Related party in substance	40,934	154,611	223,544
Investor that exercises significant influence over the Group	4,271	2,123	1,260
	$ 84,459	$ 301,637	$ 297,278
11) Refundable deposits (recorded in "other non-current assets")			
Related party in substance	$ 33,973	$ 33,830	$ 33,830
Investor that exercises significant influence over the Group	203	203	203
	$ 34,176	$ 34,033	$ 34,033

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

c. Acquisition of property, plant and equipment

	For the Six Months Ended June 30	
	2026	2025
Purchase price		
Related party in substance	$ 5,925	$ -

d. Lease arrangements - the Group is lessee

	For the Six Months Ended June 30	
	2026	2025
1) Acquisition of right of use assets		
Investor that exercises significant influence over the Group	$ -	$ 9,025

	June 30, 2026	December 31, 2025	June 30, 2025
2) Lease liabilities			
Related party in substance	$ 12,730	$ 14,809	$ 15,811
Investor that exercises significant influence over the Group	4,634	6,115	7,578
	$ 17,364	$ 20,924	$ 23,389

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
3) Interest expense				
Related party in substance	$ 102	$ 125	$ 213	$ 272
Investor that exercises significant influence over the Group	28	46	61	96
	$ 130	$ 171	$ 274	$ 368

e. 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.

	June 30, 2026	December 31, 2025	June 30, 2025
1) Operating lease receivables			
Associate			
TPSCo.	$ 11,606	$ 11,872	$ 12,026
2) Future lease payment receivables			
Associate			
TPSCo.	$ 728,028	$ 809,475	$ 885,553

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
3) Lease income				
Associate				
TPSCo.	$ 31,976	$ 34,443	$ 64,484	$ 69,214

f. Acquisition of financial assets

For the six months ended June 30, 2026: None.

For the six months ended June 30, 2025

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Investor that exercises significant influence over the Group				
Walsin Lihwa	Financial assets at FVTOCI - current	19,648,289	Ordinary shares of Walsin Lihwa	$ 373,317

g. 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.

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employment benefits	$ 181,762	$ 91,632	$ 314,638	$ 216,723
Post-employment benefits	2,457	2,769	7,560	5,909
	$ 184,219	$ 94,401	$ 322,198	$ 222,632

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:

	June 30, 2026	December 31, 2025	June 30, 2025
USD	$ 72,326	$ 155	$ 6,248
JPY	$ 2,507,260	$ -	$ 1,687,800

b. Unrecognized commitments were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Acquisition of property, plant and equipment	$ 25,149,310	$ 11,716,282	$ 1,404,955

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:

	June 30, 2026			December 31, 2025			June 30, 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)
Financial assets									
Monetary items									
USD	$ 1,903,380	31.85	$ 60,622,661	$ 568,421	31.43	$ 17,865,463	$ 459,070	29.300	$ 13,450,741
USD	105,256	162.25 (Note 2)	3,352,414	76,281	156.52 (Note 2)	2,397,503	38,926	144.05 (Note 2)	1,140,518
EUR	39,093	36.29	1,418,686	2,798	36.90	103,235	2,770	34.35	95,143
JPY	12,492,986	0.1963	2,452,373	3,825,508	0.2008	768,162	19,160,597	0.2034	3,897,265
RMB	141,683	4.690	664,494	30,587	4.496	137,518	33,181	4.091	135,744
ILS	14,953	10.6618	159,421	14,422	9.883	142,531	12,206	8.6954	106,138
Non-monetary items									
EUR	7,000	36.29	254,027	7,000	36.90	258,297	-	-	-
Financial liabilities									
Monetary items									
USD	292,209	31.85	9,306,868	174,409	31.43	5,481,666	135,717	29.30	3,976,511
USD	65,034	162.25 (Note 2)	2,071,327	45,556	156.52 (Note 2)	1,431,839	26,061	144.05 (Note 2)	763,582
EUR	47,285	36.29	1,715,959	2,716	36.90	100,229	2,973	34.35	102,110
JPY	16,899,425	0.1963	3,317,357	3,143,859	0.2008	631,287	4,406,110	0.2034	896,203
ILS	21,420	10.6618	228,379	25,932	9.883	256,286	17,864	8.6954	155,337

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.

For the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 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)	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. a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. c) The amount of property transactions and the amount of the resultant gains or losses. d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds. f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.	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 and operating results by reportable segments.

	Segment Revenue		Segment Profit and Loss	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Customized Memory Solution product	$ 49,583,914	$ 10,379,063	$ 29,562,754	$ (2,994,465)
Flash Memory product	32,038,563	13,635,258	16,371,303	3,353,290
Logic IC product	15,619,061	16,051,306	1,442,230	1,789,103
Total of segment revenue	97,241,538	40,065,627	47,376,287	2,147,928
Other revenue	854,791	944,947	854,791	944,947
Operating revenue	$ 98,096,329	$ 41,010,574		

(Continued)

	Segment Revenue		Segment Profit and Loss	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Unallocated expenditure				
Administrative and supporting expenses			$ (4,398,868)	$ (2,304,378)
Sales and other common expenses			(2,302,380)	(3,048,886)
Income (loss) from operations			41,529,830	(2,260,389)
Non-operating income and expenses				
Interest income			450,389	203,939
Dividend income			191,181	185,420
Other income			533,479	192,805
Share of profit (loss) of associates			172,538	42,924
Gains (losses) on disposal of property, plant and equipment			841	(710)
Gains (losses) on disposal of intangible assets			(375)	1,073
Gains (losses) on foreign exchange			473,454	(1,435,581)
Gains (losses) on financial instruments at fair value through profit or loss			236,788	945,883
Interest expense			(768,118)	(674,987)
Other expenses			(113,177)	(164,796)
Income (loss) before income tax			$ 42,706,830	$ (2,964,419)

(Concluded)

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 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	$ 70,350	$ 70,350	$ 32,830	3%	The need for short-term financing	$ -	Operating capital	$ -	None	$ -	$ 274,895	$ 274,895

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 SIX MONTHS ENDED JUNE 30, 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	Indirect subsidiary	$ 12,326,070 (Note 1)	$ 15,311,400 (Note 3)	$ 5,889,000 (Note 3)	$ 1,766,700	$ -	3.57	$ 82,504,814 (Note 5)	Y	N	N
1	NTC	NTCJ	Subsidiary	3,344,488 (Note 2)	10,463,050 (Note 4)	10,463,050 (Note 4)	615,252	-	62.57	16,722,438 (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 board of directors of WEC.

Note 4: The ending balance is approved by the board 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
JUNE 30, 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	June 30, 2026				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
WEC	Shares							
	Walsin Lihwa Corporation	The investee's chairman is a relative within the second degree of relationship of WEC's chairman. WEC and the investee are corporate directors of each other.	Current financial assets at FVTOCI	270,000,782	$ 10,044,029	6	$ 10,044,029	
	Hannstar Display Corporation	The investee's chairman is a relative within the second degree of relationship of WEC's chairman.	〃	172,000,210	3,371,204	6	3,371,204	
	Walsin Technology Corporation	The investee's chairman is a relative within the second degree of relationship of WEC's chairman.	〃	5,300,117	2,994,566	1	2,994,566	
	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	2,582,089	9	2,582,089	
	Shares							
	IQM Quantum Computers	None	Non-current financial assets at FVTPL	14,741	589,980	1	589,980	
	Shares							
	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	553,702	15	553,702	
	Kai-Hong Energy Co., Ltd	WEC serves as the investee's supervisor	〃	12,698,800	113,014	7	113,014	
WECA	Beneficiary certificates							
	JVP VIII, L.P.	None	Non-current financial assets at FVTOCI	-	USD 15,896	7	USD 15,896	
	JVP X Funds	None	〃	-	USD 15,695	8	USD 15,695	
NTC	Shares							
	United Industrial Gases Co., Ltd.	NTC serves as the investee's director	Non-current financial assets at FVTOCI	8,800,000	730,400	4	730,400	
SYI	Shares							
	Nyquest Technology Co., Ltd.	SYI serves as the investee's director	Non-current financial assets at FVTOCI	1,650,000	106,590	5	106,590	

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

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

TABLE 4

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 SIX MONTHS ENDED JUNE 30, 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	Subsidiary	Sales	$ 25,751,040	32	Net 90 days from invoice date	N/A	N/A	$ 8,059,583	26	
	WECJ	Subsidiary	Sales	4,347,130	5	Net 90 days from invoice date	N/A	N/A	1,479,356	5	
	WECN	Indirect subsidiary	Sales	3,636,621	5	Net 90 days from invoice date	N/A	N/A	-	-	
	WECA	Indirect subsidiary	Sales	1,351,493	2	Net 90 days from invoice date	N/A	N/A	437,239	1	
	NTC	Subsidiary	Sales	251,025	-	Net 30 days from invoice date	N/A	N/A	118,820	-	
AMTC	TPSCo.	Associate	Sales	JPY 581,003	33	Net 15 days end of the month	N/A	N/A	JPY 148,528	37	
NTC	NTHK	Subsidiary	Sales	3,996,032	39	Net 50 days from invoice date	N/A	N/A	1,552,591	49	
	NTCJ	Subsidiary	Sales	377,364	4	Net 8 days end of the month	N/A	N/A	163,766	5	
	NTSG	Subsidiary	Purchases	164,517	3	Net 8 days end of the month	N/A	N/A	(35,450)	(2)	
	NTCJ	Subsidiary	Purchases	2,197,462	44	Net 8 days end of the month	N/A	N/A	(426,939)	(18)	
NTSG	NTCJ	Fellow subsidiary	Sales	USD 23,243	52	Net 10 days end of the month	N/A	N/A	USD 3,957	49	
	NTHK	Fellow subsidiary	Sales	USD 3,860	9	Net 10 days end of the month	N/A	N/A	USD 550	7	
NTCJ	NTSG	Fellow subsidiary	Sales	JPY 3,868,832	11	Net 10 days end of the month	N/A	N/A	JPY 774,687	6	
	NTHK	Fellow subsidiary	Sales	JPY 9,862,470	27	Net 10 days end of the month	N/A	N/A	JPY 3,295,943	27	
	TPSCo.	Associate	Purchases	JPY 9,774,399	54	Net 10 days end of the month	N/A	N/A	JPY (2,511,655)	(47)	

TABLE 5

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 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	Subsidiary	$ 8,059,583	9.95	$ -	-	$ 3,967,519	$ -
	WECJ	Subsidiary	1,479,356	8.08	-	-	-	-
	WECA	Indirect subsidiary	437,239	9.12	-	-	88	-
	NTC	Subsidiary	118,820	6.41	-	-	59,051	-
	NTC	Subsidiary	105,247	(Note)	-	-	45,486	-
	Walsin Lihwa	Investor that exercises significant influence over the Group	135,000	(Note)	-	-	135,000	-
WECA	WEC	Parent company	USD 10,201	(Note)	-	-	USD 2,096	-
NTC	NTHK	Subsidiary	1,552,591	5.68	-	-	670,853	-
	NTCJ	Subsidiary	163,766	6.93	-	-	138,023	-
NTSG	NTCJ	Fellow subsidiary	USD 3,957	10.62	-	-	USD 3,957	-
NTCJ	NTSG	Fellow subsidiary	JPY 774,687	10.05	-	-	JPY 774,687	-
	NTHK	Fellow subsidiary	JPY 3,295,943	8.03	-	-	JPY 3,295,943	-
	NTC	Parent company	JPY 2,174,931	12.88	-	-	JPY 2,174,931	-
NTIL	NTC	Parent company	ILS 15,621	(Note)	-	-	ILS 15,621	-

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

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 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	$ 4,910,732	$ 4,909,793	221,554,635	48.97	$ 8,073,743	$ (241,817)	$ (126,787)	
	WIC	British Virgin Islands	Investment holding	2,758,517	2,758,517	87,960,000	100.00	1,893,150	32,506	32,506	
	WEHK	Hong Kong	Sales of semiconductor and investment holding	278,158	278,158	71,150,000	100.00	1,395,731	260,607	260,607	
	METC	Japan	Software and hardware integration design of semiconductor	167,660	167,660	4,000	100.00	354,410	11,657	11,657	
	AMTC	Japan	Manufacture of semiconductor and smart factory solutions	237,052	237,052	4,000	100.00	389,691	13,498	13,498	
	WECJ	Japan	Research, development, sales and after-sales service of semiconductor	190,070	190,070	2,970	100.00	358,951	39,913	39,913	
	WEIL	India	Sales and service of semiconductor	133,617	133,617	27,998,400	99.99	121,992	(2,359)	(2,359)	
	Callisto	Hong Kong	Electronic commerce and investment holding	156,292	156,292	40,000,000	100.00	78,733	(67)	(67)	
	WTL	Israel	Design and marketing service of semiconductor	21,242	21,242	100,000	100.00	158,648	11,673	11,673	
	WEG	Germany	Marketing service of semiconductor	28,679	28,679	850,000	100.00	33,207	233	233	
	Chin Xin	Taiwan	Investment holding	1,874,825	1,874,825	182,840,999	38.00	30,763,585	388,283	146,347	
	ThCC	Taiwan	Agriculture and forestry botanic conservation	270,000	270,000	27,000,000	15.00	638,673	(17,304)	(3,212)	
	WEMY	Malaysia	Wafer testing services	-	-	1	100.00	-	-	-	Note 1
WIC	WECA	United States of America	Design, sales and service of semiconductor	1,683,207	1,683,207	3,067	100.00	1,936,139	32,493	32,493	
METC	MTTC	Taiwan	Development of software and services for automotive and industrial control	3,000	3,000	300,000	100.00	2,324	(91)	(91)	
NTC	NTHK	Hong Kong	Sales of semiconductor	427,092	427,092	107,399,999	100.00	1,025,388	57,112	57,112	
	NIH	British Virgin Islands	Investment holding	515,251	515,251	15,633,161	100.00	657,300	35,017	35,017	
	SYI	Taiwan	Investment holding	38,500	38,500	3,850,000	100.00	129,591	(16)	(16)	
	NTIPL	India	Design, sales and service of semiconductor	30,211	30,211	600,000	100.00	20,384	92	92	
	NTCA	United States of America	Design, sales and service of semiconductor	190,862	190,862	60,500	100.00	266,181	6,514	6,514	
	NTSG	Singapore	Design, sales and service of semiconductor	55,854	1,319,054	5,100,000	100.00	2,434,138	60,199	60,199	Note 2
	NTKL	Korea	Design, sales and service of semiconductor	67,611	67,611	280,000	100.00	51,257	1,730	1,730	
	NTHJ	Japan	Investment holding	5,927,849	5,927,849	100	100.00	4,564,009	(964,594)	(964,594)	
	NTG	Germany	Customer service and technical support of semiconductor	67,980	67,980	2,000,000	100.00	73,121	533	533	
	NTCJ	Japan	Design, sales and service of semiconductor	3,067,500	3,067,500	3,000	24.00	2,044,406	(1,269,232)	(304,616)	
NIH	NTIL	Israel	Design and service of semiconductor	46,905	46,905	1,000	100.00	656,621	35,082	35,082	
NTHJ	NTCJ	Japan	Design, sales and service of semiconductor	111,520	111,520	9,480	76.00	4,733,338	(1,269,232)	(964,616)	
NTCJ	TPSCo.	Japan	Foundry and sales of semiconductor	1,708,037	1,708,037	49,539	49.00	1,847,818	64,312	29,403	Note 3

Note 1: The Company established WEMY on April 20, 2026, with an initial paid-in capital of RM1. Further capital contributions will be injected progressively within the approved total capitalization amount.

Note 2: In June 2026, NTSG's shareholders approved a capital reduction of 40,000 thousand shares, with NT$1,263,200 thousand returned to shareholders. As of June 30,2026, the capital reduction had not been completed.

Note 3: NTCJ's share of profit (loss) includes downstream and upstream transactions.

Note 4: Refer to Table 7 for information on investment in mainland China.

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 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)	$ 22,465	100.00	$ 22,465	$ 397,042	$ 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)	1,232	48.97	603	52,196	-
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)	3,372	48.97	1,651	131,212	-
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)	2,713	48.97	1,329	14,783	-

Note 1: The gain or loss on investment for the six months ended June 30, 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 June 30, 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 (USD 9,000)	$ 482,213 (USD 15,217)	$ 104,125,510
NTC	265,706 (USD 8,000)	265,706 (USD 8,000)	10,033,463

Note 3: Upper limit on the amount of 60% of the company's net worth.

3. Refer to Table 4 for significant transactions with the investee in mainland China directly and indirectly through investing in companies in the third area.

4. Handling endorsement, guarantee and collateral to the investee in mainland China directly and indirectly through investing in companies in the third area: None.

5. Refer to Table 1 for financing of funds to investee in mainland China directly and indirectly through investing in companies in the third area.

6. Other transactions with significant influence on profit or loss for the period or financial performance: None.

TABLE 8

WINBOND ELECTRONICS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 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	$ 25,751,040	-	26
		WEHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	8,059,583	-	3
		WECA	Transactions between parent company and subsidiaries	Operating revenue	1,351,493	-	1
		WECA	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	437,239	-	-
		WECA	Transactions between parent company and subsidiaries	Operating expenses	527,975	-	1
		WECA	Transactions between parent company and subsidiaries	Other payables	324,899	-	-
		WECJ	Transactions between parent company and subsidiaries	Operating revenue	4,347,130	-	4
		WECJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	1,479,356	-	1
		WECJ	Transactions between parent company and subsidiaries	Operating expenses	188,991	-	-
		WTL	Transactions between parent company and subsidiaries	Operating expenses	315,079	-	-
		WECN	Transactions between parent company and subsidiaries	Operating revenue	3,636,621	-	4
		NTC	Transactions between parent company and subsidiaries	Operating revenue	251,025	-	-
		NTC	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	118,820	-	-
		NTC	Transactions between parent company and subsidiaries	Other receivable	105,247	-	-
1	NTC	NTHK	Transactions between parent company and subsidiaries	Operating revenue	3,996,032	-	4
		NTHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	1,552,591	-	1
		NTCJ	Transactions between parent company and subsidiaries	Operating revenue	377,364	-	-
		NTCJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	163,766	-	-
		NTSG	Transactions between parent company and subsidiaries	Operating costs	164,517	-	-
		NTCJ	Transactions between parent company and subsidiaries	Operating costs	2,197,462	-	2
		NTCJ	Transactions between parent company and subsidiaries	Accounts payable due to related parties	426,939	-	-
		NTIL	Transactions between parent company and subsidiaries	Operating expenses	890,440	-	1
		NTIL	Transactions between parent company and subsidiaries	Other payables	166,546	-	-
		NTCA	Transactions between parent company and subsidiaries	Operating expenses	228,073	-	-
2	NTCJ	NTSG	Transactions between subsidiaries	Operating revenue	774,523	-	1
		NTSG	Transactions between subsidiaries	Accounts receivable due from related parties	152,071	-	-
		NTHK	Transactions between subsidiaries	Operating revenue	1,968,015	-	2
		NTHK	Transactions between subsidiaries	Accounts receivable due from related parties	646,994	-	-
3	NTSG	NTCJ	Transactions between subsidiaries	Operating revenue	734,908	-	1
		NTCJ	Transactions between subsidiaries	Accounts receivable due from related parties	126,030	-	-
		NTHK	Transactions between subsidiaries	Operating revenue	122,044	-	-

Note 1: There is no significant difference between the sales conditions of parent-subsidiary 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 or more.