

**Nuvoton Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Nuvoton Technology Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Nuvoton Technology Corporation and its subsidiaries (collectively, the “Group”) as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, 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 September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuo-Tyan Hong and Shu-Lin Liu.

The image shows two handwritten signatures in black ink. The signature on the left is for Kuo-Tyan Hong, and the signature on the right is for Shu-Lin Liu. The signatures are fluid and cursive.

Deloitte & Touche
Taipei, Taiwan
Republic of China

October 31, 2024

Notice to Readers

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

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

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,272,042	17	\$ 6,325,394	20	\$ 6,373,869	20
Financial assets at fair value through profit or loss - current (Note 7)	8,903	-	22,422	-	-	-
Accounts receivable, net (Note 8)	4,010,684	13	4,092,482	13	4,487,452	14
Accounts receivable from related parties, net (Notes 8 and 32)	2,196	-	29,523	-	42,448	-
Finance lease receivables - current (Notes 9 and 32)	47,561	-	92,088	-	91,242	-
Other receivables (Notes 10 and 32)	461,150	2	412,575	1	446,944	1
Inventories (Note 11)	6,759,078	22	7,756,366	24	8,298,948	25
Other current assets	503,555	2	468,615	2	473,266	2
Total current assets	<u>17,065,169</u>	<u>56</u>	<u>19,199,465</u>	<u>60</u>	<u>20,214,169</u>	<u>62</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	-	-	76,763	-	80,675	-
Financial assets at fair value through other comprehensive income - non-current (Note 12)	1,500,481	5	1,348,557	4	1,329,241	4
Investments accounted for using equity method (Note 13)	1,940,589	6	1,824,673	6	1,917,649	6
Property, plant and equipment (Notes 14, 32 and 33)	6,492,847	21	5,785,697	18	5,508,872	17
Right-of-use assets (Notes 15 and 32)	519,989	2	520,912	2	553,601	2
Investment properties (Notes 16 and 33)	1,483,554	5	1,549,000	5	1,576,021	5
Intangible assets (Note 17)	888,882	3	550,894	2	551,722	1
Deferred tax assets (Note 4)	211,173	-	226,001	1	279,769	1
Refundable deposits (Notes 6, 32 and 33)	283,372	1	275,294	1	350,626	1
Finance lease receivables - non-current (Notes 9 and 32)	-	-	23,289	-	46,256	-
Other non-current assets	329,639	1	359,649	1	357,993	1
Total non-current assets	<u>13,650,526</u>	<u>44</u>	<u>12,540,729</u>	<u>40</u>	<u>12,552,425</u>	<u>38</u>
TOTAL	<u>\$ 30,715,695</u>	<u>100</u>	<u>\$ 31,740,194</u>	<u>100</u>	<u>\$ 32,766,594</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18, 32 and 33)	\$ 1,022,580	3	\$ 1,064,280	3	\$ 1,275,580	4
Financial liabilities at fair value through profit or loss - current (Note 7)	2,705	-	786	-	31,530	-
Accounts payable	1,577,521	5	1,304,407	4	1,437,840	4
Accounts payable to related parties (Note 32)	923,156	3	778,160	3	921,604	3
Other payables (Notes 19 and 32)	4,318,014	14	3,969,136	13	4,021,026	12
Current tax liabilities (Note 4)	285,118	1	305,031	1	463,885	1
Lease liabilities - current (Notes 15 and 32)	166,257	1	156,298	1	165,422	1
Long-term borrowings, current portion (Notes 18 and 33)	285,714	1	142,857	-	142,857	1
Other current liabilities	521,302	2	459,853	1	950,366	3
Total current liabilities	<u>9,102,367</u>	<u>30</u>	<u>8,180,808</u>	<u>26</u>	<u>9,410,110</u>	<u>29</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 33)	571,429	2	857,143	3	857,143	3
Provisions - non-current (Note 20)	2,063,827	7	2,235,033	7	2,324,728	7
Deferred tax liabilities (Note 4)	69,822	-	77,953	-	86,017	-
Lease liabilities - non-current (Notes 15 and 32)	368,697	1	384,600	1	411,724	1
Net defined benefit liabilities - non-current (Note 4)	1,196,816	4	1,370,333	4	1,415,747	4
Guarantee deposits (Notes 22 and 32)	1,168,087	4	1,845,998	6	2,128,254	7
Other non-current liabilities	73,135	-	57,282	-	70,251	-
Total non-current liabilities	<u>5,511,813</u>	<u>18</u>	<u>6,828,342</u>	<u>21</u>	<u>7,293,864</u>	<u>22</u>
Total liabilities	<u>14,614,180</u>	<u>48</u>	<u>15,009,150</u>	<u>47</u>	<u>16,703,974</u>	<u>51</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital	4,197,653	13	4,197,653	14	4,197,653	13
Capital surplus	6,997,593	23	6,995,630	22	6,992,250	21
Retained earnings						
Legal reserve	1,693,267	6	1,447,316	5	1,447,316	4
Special reserve	1,190,819	4	710,979	2	710,979	2
Unappropriated earnings	2,867,461	9	4,570,285	14	3,824,320	12
Exchange differences on translation of financial statements of foreign operations	(1,253,968)	(4)	(1,556,260)	(5)	(1,456,022)	(4)
Unrealized gains on financial assets at fair value through other comprehensive income	408,690	1	365,441	1	346,124	1
Total equity	<u>16,101,515</u>	<u>52</u>	<u>16,731,044</u>	<u>53</u>	<u>16,062,620</u>	<u>49</u>
TOTAL	<u>\$ 30,715,695</u>	<u>100</u>	<u>\$ 31,740,194</u>	<u>100</u>	<u>\$ 32,766,594</u>	<u>100</u>

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

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 32)	\$ 7,956,815	100	\$ 8,969,569	100	\$ 24,652,986	100	\$ 26,878,415	100
OPERATING COST (Notes 11, 26 and 32)	<u>4,984,954</u>	<u>63</u>	<u>5,213,155</u>	<u>58</u>	<u>15,325,785</u>	<u>62</u>	<u>15,889,480</u>	<u>59</u>
GROSS PROFIT	<u>2,971,861</u>	<u>37</u>	<u>3,756,414</u>	<u>42</u>	<u>9,327,201</u>	<u>38</u>	<u>10,988,935</u>	<u>41</u>
OPERATING EXPENSES (Notes 26 and 32)								
Selling expenses	262,405	3	244,378	3	733,777	3	743,327	3
General and administrative expenses	589,736	7	643,786	7	1,749,771	7	1,934,249	7
Research and development expenses	2,150,303	27	2,246,847	25	6,601,531	27	6,845,880	26
Expected credit loss (gain)	<u>1,142</u>	<u>-</u>	<u>(2,723)</u>	<u>-</u>	<u>9,162</u>	<u>-</u>	<u>14,805</u>	<u>-</u>
Total operating expenses	<u>3,003,586</u>	<u>37</u>	<u>3,132,288</u>	<u>35</u>	<u>9,094,241</u>	<u>37</u>	<u>9,538,261</u>	<u>36</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(31,725)</u>	<u>-</u>	<u>624,126</u>	<u>7</u>	<u>232,960</u>	<u>1</u>	<u>1,450,674</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Note 32)								
Finance costs	(12,026)	-	(13,532)	-	(32,148)	-	(35,152)	-
Share of profit (loss) of associates	5,132	-	(36,028)	(1)	57,565	-	269,882	1
Interest income	46,993	1	55,239	1	135,631	1	145,056	1
Dividend income	4,454	-	11,888	-	64,294	-	71,728	-
Other gains and losses	17,581	-	1,419	-	14,751	-	10,116	-
Gains (losses) on disposal of property, plant and equipment	(3,214)	-	64,586	1	13,839	-	83,422	-
Foreign exchange gains (losses)	(165,167)	(2)	87,552	1	(28,714)	-	188,704	1
Gains (losses) on financial assets at fair value through profit or loss	<u>102,500</u>	<u>1</u>	<u>(88,065)</u>	<u>(1)</u>	<u>(39,209)</u>	<u>-</u>	<u>(163,945)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(3,747)</u>	<u>-</u>	<u>83,059</u>	<u>1</u>	<u>186,009</u>	<u>1</u>	<u>569,811</u>	<u>2</u>
PROFIT (LOSS) BEFORE INCOME TAX	(35,472)	-	707,185	8	418,969	2	2,020,485	7
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(69,983)</u>	<u>(1)</u>	<u>(108,025)</u>	<u>(2)</u>	<u>(136,706)</u>	<u>(1)</u>	<u>(306,950)</u>	<u>(1)</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>(105,455)</u>	<u>(1)</u>	<u>599,160</u>	<u>6</u>	<u>282,263</u>	<u>1</u>	<u>1,713,535</u>	<u>6</u>

(Continued)

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	\$ 6,513	-	\$ (5,594)	-	\$ 43,249	-	\$ 51,492	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	<u>757,378</u>	<u>9</u>	<u>157,498</u>	<u>2</u>	<u>302,292</u>	<u>2</u>	<u>(450,411)</u>	<u>(1)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>763,891</u>	<u>9</u>	<u>151,904</u>	<u>2</u>	<u>345,541</u>	<u>2</u>	<u>(398,919)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 658,436</u>	<u>8</u>	<u>\$ 751,064</u>	<u>8</u>	<u>\$ 627,804</u>	<u>3</u>	<u>\$ 1,314,616</u>	<u>5</u>
EARNINGS (LOSSES) PER SHARE (Note 27)								
From continuing operations								
Basic	<u>\$ (0.25)</u>		<u>\$ 1.43</u>		<u>\$ 0.67</u>		<u>\$ 4.08</u>	
Diluted			<u>\$ 1.42</u>		<u>\$ 0.67</u>		<u>\$ 4.07</u>	

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

(Concluded)

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company					Other Equity		Total Equity
	Ordinary Share	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	
			Legal Reserve	Special Reserve				
BALANCE AT JANUARY 1, 2023	\$ 4,197,653	\$ 6,871,827	\$ 958,560	\$ -	\$ 6,248,877	\$ (1,005,611)	\$ 294,632	\$ 17,565,938
Appropriation of 2022 earnings (Note 23)								
Legal reserve	-	-	488,756	-	(488,756)	-	-	-
Special reserve	-	-	-	710,979	(710,979)	-	-	-
Cash dividends	-	-	-	-	(2,938,357)	-	-	(2,938,357)
Net profit for the nine months ended September 30, 2023	-	-	-	-	1,713,535	-	-	1,713,535
Other comprehensive (loss) income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	(450,411)	51,492	(398,919)
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	1,713,535	(450,411)	51,492	1,314,616
Unclaimed dividends from claims extinguished by prescriptions	-	22	-	-	-	-	-	22
Disposal of subsidiaries (Note 29)	-	120,401	-	-	-	-	-	120,401
BALANCE AT SEPTEMBER 30, 2023	<u>\$ 4,197,653</u>	<u>\$ 6,992,250</u>	<u>\$ 1,447,316</u>	<u>\$ 710,979</u>	<u>\$ 3,824,320</u>	<u>\$ (1,456,022)</u>	<u>\$ 346,124</u>	<u>\$ 16,062,620</u>
BALANCE AT JANUARY 1, 2024	\$ 4,197,653	\$ 6,995,630	\$ 1,447,316	\$ 710,979	\$ 4,570,285	\$ (1,556,260)	\$ 365,441	\$ 16,731,044
Appropriation of 2023 earnings (Note 23)								
Legal reserve	-	-	245,951	-	(245,951)	-	-	-
Special reserve	-	-	-	479,840	(479,840)	-	-	-
Cash dividends	-	-	-	-	(1,259,296)	-	-	(1,259,296)
Net profit for the nine months ended September 30, 2024	-	-	-	-	282,263	-	-	282,263
Other comprehensive loss for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	302,292	43,249	345,541
Total comprehensive (loss) income for the nine months ended September 30, 2024	-	-	-	-	282,263	302,292	43,249	627,804
Unclaimed dividends from claims extinguished by prescriptions	-	20	-	-	-	-	-	20
Share-based payment transaction (Note 28)	-	1,943	-	-	-	-	-	1,943
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 4,197,653</u>	<u>\$ 6,997,593</u>	<u>\$ 1,693,267</u>	<u>\$ 1,190,819</u>	<u>\$ 2,867,461</u>	<u>\$ (1,253,968)</u>	<u>\$ 408,690</u>	<u>\$ 16,101,515</u>

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

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 418,969	\$ 2,020,485
Adjustments for:		
Depreciation expense	917,860	862,311
Amortization expense	261,241	254,088
Finance costs	32,148	35,152
Expected credit loss (gain) recognized on accounts receivable	9,162	14,805
Interest income	(135,631)	(145,056)
Dividend income	(64,294)	(71,728)
Compensation costs of share-based payment transaction	1,943	-
Share of profit of associates	(57,565)	(269,882)
(Gains) losses on disposal of property, plant and equipment	(13,839)	(83,422)
Gain on lease modification	(8,550)	(19,926)
Other non-cash items	1,978	591
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	13,076	23,112
(Increase) decrease in accounts receivable	(244,733)	(984,831)
Decrease (increase) in accounts receivable from related parties	27,327	726,263
(Increase) decrease in other receivables	(41,610)	(133,294)
Decrease (increase) in inventories	997,288	(395,662)
(Increase) decrease in other current assets	(34,940)	(24,118)
Decrease (increase) in other non-current assets	30,010	(257,681)
Increase (decrease) in accounts payable	273,114	(963,180)
Increase (decrease) in accounts payable to related parties	144,996	173,887
Increase (decrease) in other payables	43,473	(257,325)
(Decrease) increase in provisions	(214,027)	(124,807)
(Decrease) increase in other current liabilities	(268,377)	(569,360)
(Decrease) increase in net defined benefit liabilities	(191,455)	10,037
Increase (decrease) in other non-current liabilities	<u>15,853</u>	<u>20,166</u>
Cash flows generated from (used in) operations	1,913,417	(159,375)
Interest received	139,054	141,306
Interest paid	(30,089)	(33,148)
Income tax paid	(161,394)	(616,316)
Dividend received	<u>64,294</u>	<u>71,728</u>
Net cash flows generated from (used in) operating activities	<u>1,925,282</u>	<u>(595,805)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	450	2,000
Acquisition of financial assets at fair value through other comprehensive income	(30,000)	-

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NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Acquisition of investments accounted for using equity method	\$ -	\$ (59,586)
Proceeds from disposal of subsidiaries (Note 29)	-	196,798
(Increase) decrease in finance lease receivables	68,455	71,094
Acquisition of property, plant and equipment	(1,234,640)	(747,075)
Proceeds from disposal of property, plant and equipment	18,633	115,928
Increase in unearned receipts - disposal of assets	-	540,500
Acquisition of intangible assets	(311,415)	(194,472)
(Increase) decrease in refundable deposits	(3,084)	(1,220)
(Increase) decrease in other receivables - time deposits	(170)	3,528
Net cash flows used in investing activities	<u>(1,491,771)</u>	<u>(72,505)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	5,195,720	1,703,550
Repayments of short-term borrowings	(5,251,870)	(1,412,680)
Repayments of long-term borrowings	(142,857)	(500,000)
Repayments of the principal portion of lease liabilities	(143,798)	(138,548)
(Repayments of) proceeds from guarantee deposits received	(24,720)	64,823
Dividends paid to owners of the Company	<u>(1,259,296)</u>	<u>(2,938,357)</u>
Net cash flows used in financing activities	<u>(1,626,821)</u>	<u>(3,221,212)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>139,958</u>	<u>(134,794)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,053,352)	(4,024,316)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>6,325,394</u>	<u>10,398,185</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 5,272,042</u>	<u>\$ 6,373,869</u>

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

(Concluded)

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Nuvoton Technology Corporation (the “Company”) was incorporated in the Republic of China (“ROC”) in April 2008 and commenced business in July 2008. The Company is engaged mainly in the research, design, development, manufacture, and sale of logic integrated circuits (“ICs”) and the manufacturing, testing and OEM of 6-inch wafers.

For the specialization and division of labor and the reinforcement of core competitive ability, the Company’s parent company, Winbond Electronics Corporation (WEC), spun off its Logic IC business into the Company on July 1, 2008 in accordance with the Business Mergers and Acquisitions Act and the Company commenced business in July 2008. WEC held approximately 52%, 51%, and 51% of the ownership interest in the Company as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

The Company’s shares have been listed on the Taiwan Stock Exchange since September 27, 2010.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s Board of Directors and authorized for issue on October 31, 2024.

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

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

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

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

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

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

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

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

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

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity 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.

- 2) IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

Statement of Compliance

The 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. The consolidated financial statements do not present all disclosures required for a complete set of annual consolidated financial statements under the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

Basis of Preparation

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Subsidiary included in the consolidated financial statements:

Investor	Investee	Main Business	Percentage of Ownership (%)		
			September 30, 2024	December 31, 2023	September 30, 2023
The Company	Nuvoton Electronics Technology (H.K.) Limited (“NTHK”)	Sales of semiconductor	100	100	100
	Marketplace Management Limited (“MML”)	Investment holding	100	100	100
	Nuvoton Investment Holding Ltd. (“NIH”)	Investment holding	100	100	100
	Song Yong Investment Corporation (“SYI”)	Investment holding	100	100	100
	Nuvoton Technology India Private Limited (“NTIPL”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Corporation America (“NTCA”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Holdings Japan (“NTHJ”)	Investment holding	100	100	100
	Nuvoton Technology Singapore Pte. Ltd. (“NTSG”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Korea Limited (“NTKL”)	Design, sales and after-sales service of semiconductor	100	100	100
	Nuvoton Technology Germany GmbH (“NTG”) (Note 1)	Customer service and technical support of semiconductor	100	100	-
NTHK	Nuvoton Electronics Technology (Shenzhen) Limited (“NTSZ”)	Computer software service (except I.C. design), wholesale business for computer, supplement and software	100	100	100
	Nuvoton Electronics Technology (Nanjing) Limited (“NTNJ”) (Note 2)	Provides development of semiconductor and technology, consult service and sales	100	-	-
	Nuvoton Electronics Technology (Shanghai) Limited (“NTSH”) (Note 3)	Provides projects for sale in China and repairing, testing and consulting of software and leasing business	100	-	-
MML GLLC	Goldbond LLC (“GLLC”)	Investment holding	100	100	100
	Nuvoton Electronics Technology (Shanghai) Limited (“NTSH”) (Note 3)	Provides projects for sale in China and repairing, testing and consulting of software and leasing business	-	100	100
NTSH	Winbond Electronics (Nanjing) Ltd. (“WENJ”) (Note 4)	Computer software service (except I.C. design)	-	-	-
	Song Zhi Electronics Technology (Suzhou) (“Song Zhi Suzhou”)	Provide development of semiconductor and technology, consult service and equipment leasing business	100	100	100
NIH	Nuvoton Technology Israel Ltd. (“NTIL”)	Design and service of semiconductor	100	100	100
NTHJ	Nuvoton Technology Corporation Japan (“NTCJ”)	Design, sales and after-sales service of semiconductor	100	100	100
NTCJ	Atfields Manufacturing Technology Corporation (“AMTC”) (Note 5)	Design and service of semiconductor	-	-	-

Note 1: The Company established NTG in Germany in December 2023 and acquired 100% of ownership.

Note 2: NTHK established NTNJ in China in January 2024 and acquired 100% of ownership.

Note 3: GLLC sold 100% ownership of NTSH to NTHK in May 2024. This equity transaction was deemed as a structure reorganization.

Note 4: WENJ has completed the cancellation and liquidation process in May 2023.

Note 5: NTCJ has sold all of its shares of AMTC to WEC Company in January 2023, refer to Note 29 to the consolidated financial statements.

Retirement Benefits

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

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

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

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.

Taxation

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Material accounting judgments and key sources of estimation uncertainty are as below:

Write-down of Inventories

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

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash and deposits in banks	\$ 4,932,142	\$ 6,161,894	\$ 6,055,869
Repurchase agreements	<u>339,900</u>	<u>163,500</u>	<u>318,000</u>
	<u>\$ 5,272,042</u>	<u>\$ 6,325,394</u>	<u>\$ 6,373,869</u>

- a. Please refer to Note 33 to the consolidated financial statements for the amount of refundable deposits pledged to secure land leases, customs tariff obligations and borrowings.

- b. The Group has time deposits which are not held for the purpose of meeting short-term cash commitments and are reclassified to “other receivables” as follows (Note 10 to the consolidated financial statements):

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits	\$ <u>7,554</u>	\$ <u>7,384</u>	\$ <u>52,686</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets - current</u>			
Held for trading			
Foreign exchange forward contracts	\$ <u>8,903</u>	\$ <u>22,422</u>	\$ <u>-</u>
<u>Financial assets - non-current</u>			
Mandatorily measured at FVTPL			
Domestic and oversea warrants	\$ <u>-</u>	\$ <u>76,763</u>	\$ <u>80,675</u>
<u>Financial liabilities - current</u>			
Held for trading			
Foreign exchange forward contracts	\$ <u>2,705</u>	\$ <u>786</u>	\$ <u>31,530</u>

At the end of the reporting period, the outstanding foreign exchange forward contracts not treated under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>September 30, 2024</u>			
Sell forward exchange contracts	USD/NTD	2024.10.04-2024.10.22	USD6,000/NTD191,691
	USD/JPY	2024.10.11-2024.11.14	USD29,000/JPY4,145,998
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD/NTD	2024.01.03-2024.01.23	USD21,000/NTD653,226
	USD/JPY	2024.01.12-2024.02.14	USD28,200/JPY4,041,691
<u>September 30, 2023</u>			
Sell forward exchange contracts	USD/NTD	2023.10.03-2023.11.02	USD24,000/NTD767,383
	USD/JPY	2023.10.13-2023.11.14	USD30,300/JPY4,401,572

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These foreign exchange forward contracts did not meet the criteria for hedge accounting, therefore, the Group did not apply hedge accounting treatment.

8. ACCOUNTS RECEIVABLE, NET

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 4,066,329	\$ 4,165,734	\$ 4,579,945
Less: Allowance for impairment loss	<u>(53,449)</u>	<u>(43,729)</u>	<u>(50,045)</u>
	<u>\$ 4,012,880</u>	<u>\$ 4,122,005</u>	<u>\$ 4,529,900</u>

The average credit period of sales of goods was 30-60 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. 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. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group 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 actions are 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 customer and the customer's current financial position, adjusted for economic conditions of the industry in which the customer operates, as well as the GDP forecast and industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

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

The following table details the loss allowance of accounts receivable (including related parties) based on the Group's provision matrix.

September 30, 2024

	Not Overdue	Overdue under 30 Days	Overdue 31 to 90 Days	Overdue 91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1%-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 4,054,497	\$ 9,240	\$ 608	\$ 1,691	\$ 293	\$ 4,066,329
Loss allowance (lifetime ECL)	<u>(52,718)</u>	<u>(185)</u>	<u>(61)</u>	<u>(338)</u>	<u>(147)</u>	<u>(53,449)</u>
Amortized cost	<u>\$ 4,001,779</u>	<u>\$ 9,055</u>	<u>\$ 547</u>	<u>\$ 1,353</u>	<u>\$ 146</u>	<u>\$ 4,012,880</u>

December 31, 2023

	Not Overdue	Overdue under 30 Days	Overdue 31 to 90 Days	Overdue 91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1%-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 4,138,023	\$ 24,878	\$ 860	\$ 1,973	\$ -	\$ 4,165,734
Loss allowance (lifetime ECL)	<u>(42,750)</u>	<u>(498)</u>	<u>(86)</u>	<u>(395)</u>	<u>-</u>	<u>(43,729)</u>
Amortized cost	<u>\$ 4,095,273</u>	<u>\$ 24,380</u>	<u>\$ 774</u>	<u>\$ 1,578</u>	<u>\$ -</u>	<u>\$ 4,122,005</u>

September 30, 2023

	Not Overdue	Overdue under 30 Days	Overdue 31 to 90 Days	Overdue 91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1%-2%	2%	10%	20%	50%	
Gross carrying amount	\$ 4,571,126	\$ 6,132	\$ 1,702	\$ 985	\$ -	\$ 4,579,945
Loss allowance (lifetime ECL)	<u>(49,555)</u>	<u>(123)</u>	<u>(170)</u>	<u>(197)</u>	<u>-</u>	<u>(50,045)</u>
Amortized cost	<u>\$ 4,521,571</u>	<u>\$ 6,009</u>	<u>\$ 1,532</u>	<u>\$ 788</u>	<u>\$ -</u>	<u>\$ 4,529,900</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 43,729	\$ 34,115
Add: Net remeasurement of loss allowance	9,162	14,805
Foreign currency exchange gains and losses	<u>558</u>	<u>1,125</u>
Balance at September 30	<u>\$ 53,449</u>	<u>\$ 50,045</u>

The Group's provision for losses on accounts receivable was recognized on a collective basis.

9. FINANCE LEASE RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Undiscounted lease payments</u>			
Year 1	\$ 47,892	\$ 93,586	\$ 93,155
Year 2	<u>-</u>	<u>23,397</u>	<u>46,578</u>
	47,892	116,983	139,733
Less: Unearned finance income	<u>(331)</u>	<u>(1,606)</u>	<u>(2,235)</u>
Finance lease receivables	<u>\$ 47,561</u>	<u>\$ 115,377</u>	<u>\$ 137,498</u>
Current	\$ 47,561	\$ 92,088	\$ 91,242
Non-current	<u>-</u>	<u>23,289</u>	<u>46,256</u>
	<u>\$ 47,561</u>	<u>\$ 115,377</u>	<u>\$ 137,498</u>

The average lease term of finance lease receivables recognized by the Group from TPSCo. for the lease of property, plant and equipment and intangible assets is three years. The contract has an average implied interest rate of approximately both 1.85% per annum in 2024 and 2023. Refer to Note 32 to the consolidated financial statements for details of finance lease contracts.

10. OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Business tax refund receivable	\$ 318,256	\$ 293,243	\$ 285,131
Tax refund receivables	12,734	1,262	4,168
Time deposits (Note 6)	7,554	7,384	52,686
Others	<u>122,606</u>	<u>110,686</u>	<u>104,959</u>
	<u>\$ 461,150</u>	<u>\$ 412,575</u>	<u>\$ 446,944</u>

11. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials and supplies	\$ 668,560	\$ 521,147	\$ 554,795
Work in process	4,373,236	4,944,496	5,309,450
Finished goods	1,717,282	2,288,440	2,421,712
Inventories in transit	<u>-</u>	<u>2,283</u>	<u>12,991</u>
	<u>\$ 6,759,078</u>	<u>\$ 7,756,366</u>	<u>\$ 8,298,948</u>

The operating cost for the three months ended September 30, 2024 and 2023, and the nine months ended September 30, 2024 and 2023 were NT\$4,984,954 thousand, NT\$5,213,155 thousand, NT\$15,325,785 thousand and NT\$15,889,480 thousand, respectively. The net (losses) gains of inventory write-downs, obsolescence and abandonment of inventories for the three months ended September 30, 2024 and 2023, and the nine months ended September 30, 2024 and 2023 were NT\$(48,098) thousand, NT\$(73,100) thousand, NT\$126,361 thousand and NT\$(407,171) thousand, respectively.

The inventory write-downs for the nine months ended September 30, 2024 were reversed as a result of the elimination of inventories that were recognized in inventory write-downs.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI:

	September 30, 2024	December 31, 2023	September 30, 2023
Listed shares and emerging market shares			
Nyquest Technology Co., Ltd.	\$ 105,600	\$ 132,660	\$ 102,960
Brightek Optoelectronic Co., Ltd.	1,524	1,423	1,082
			(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Unlisted shares			
United Industrial Gases Co., Ltd.	\$ 589,600	\$ 536,800	\$ 528,000
Yu-Ji Venture Capital Co., Ltd.	5,382	7,324	6,799
Autotalks Ltd.	712,125	614,100	645,400
Allxon Inc.	56,250	56,250	45,000
AionChip Technologies Co., Ltd.	30,000	-	-
Symetrix Corporation	-	-	-
	<u>\$ 1,500,481</u>	<u>\$ 1,348,557</u>	<u>\$ 1,329,241</u>

(Concluded)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management decided 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.

In September 2024 and June 2023, The Group executes the Autotalks Ltd. and Allxon Inc. stock warrants conversion to acquire 257 thousand preferred shares and 5,625 thousand preferred shares and expected to profit through long-term investments. Therefore, it was reclassified from financial assets at fair value through profit or loss to financial assets at fair value through other comprehensive income.

The Group recognized dividend income of NT\$4,454 thousand, NT\$11,888 thousand, NT\$64,294 thousand and NT\$71,728 thousand for the three months ended and nine months ended September 30, 2024 and 2023, respectively.

The Company acquired 1,650 thousand ordinary shares of AionChip Technologies Co., Ltd. for NT\$30,000 thousand in May 2024, with a 8.25% ownership interest.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	September 30, 2024	December 31, 2023	September 30, 2023
Tower Partners Semiconductor Co., Ltd. ("TPSCo.")	<u>\$ 1,940,589</u>	<u>\$ 1,824,673</u>	<u>\$ 1,917,649</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, NTCJ has held TPSCo.'s 49,539 shares with a shareholding of 49%.

The equity method of investment and the Groups' share of profit or loss of the investment was calculated based on the associate's financial statement which has been reviewed by independent auditors for the respective period.

14. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 1,842,865	\$ 1,801,369	\$ 1,759,112
Buildings	1,883,148	1,740,796	1,746,107
Machinery and equipment	1,681,257	1,595,440	1,594,003
Other equipment	334,542	309,192	268,317
Construction in progress and prepayments for purchase of equipment	<u>751,035</u>	<u>338,900</u>	<u>141,333</u>
	<u>\$ 6,492,847</u>	<u>\$ 5,785,697</u>	<u>\$ 5,508,872</u>

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Prepayments for Purchase of Equipment	Total
<u>Cost</u>						
Balance at January 1, 2024	\$ 1,801,369	\$ 19,481,913	\$ 44,016,907	\$ 3,072,159	\$ 338,900	\$ 68,711,248
Additions	-	49,473	130,299	28,709	1,046,676	1,255,157
Disposals	-	(34,752)	(1,562,435)	(56,211)	-	(1,653,398)
Reclassified	-	184,772	336,955	140,850	(664,503)	(1,926)
Effect of foreign currency exchange differences	<u>41,496</u>	<u>373,585</u>	<u>714,973</u>	<u>64,040</u>	<u>29,962</u>	<u>1,224,056</u>
Balance at September 30, 2024	<u>1,842,865</u>	<u>20,054,991</u>	<u>43,636,699</u>	<u>3,249,547</u>	<u>751,035</u>	<u>69,535,137</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2024	-	17,741,117	42,421,467	2,762,967	-	62,925,551
Disposals	-	(33,675)	(1,559,778)	(55,151)	-	(1,648,604)
Depreciation expense	-	127,080	411,843	144,711	-	683,634
Effect of foreign currency exchange differences	<u>-</u>	<u>337,321</u>	<u>681,910</u>	<u>62,478</u>	<u>-</u>	<u>1,081,709</u>
Balance at September 30, 2024	<u>-</u>	<u>18,171,843</u>	<u>41,955,442</u>	<u>2,915,005</u>	<u>-</u>	<u>63,042,290</u>
Carrying amounts at September 30, 2024	<u>\$ 1,842,865</u>	<u>\$ 1,883,148</u>	<u>\$ 1,681,257</u>	<u>\$ 334,542</u>	<u>\$ 751,035</u>	<u>\$ 6,492,847</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 1,890,924	\$ 20,490,249	\$ 54,320,817	\$ 3,341,453	\$ 216,733	\$ 80,260,176
Additions	-	33,617	156,262	22,499	538,368	750,746
Disposals	-	(17,739)	(1,303,903)	(140,661)	-	(1,462,303)
Disposal of subsidiaries	-	-	-	(6,813)	-	(6,813)
Reclassified	-	46,765	456,010	108,470	(609,872)	1,373
Effect of foreign currency exchange differences	<u>(131,812)</u>	<u>(1,168,026)</u>	<u>(2,950,844)</u>	<u>(201,176)</u>	<u>(3,896)</u>	<u>(4,455,754)</u>
Balance at September 30, 2023	<u>1,759,112</u>	<u>19,384,866</u>	<u>50,678,342</u>	<u>3,123,772</u>	<u>141,333</u>	<u>75,087,425</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	-	18,581,344	52,849,852	3,064,895	-	74,496,091
Disposals	-	(16,767)	(1,275,668)	(137,362)	-	(1,429,797)
Depreciation expense	-	125,543	384,727	122,893	-	633,163
Disposal of subsidiaries	-	-	-	(4,837)	-	(4,837)
Effect of foreign currency exchange differences	<u>-</u>	<u>(1,051,361)</u>	<u>(2,874,572)</u>	<u>(190,134)</u>	<u>-</u>	<u>(4,116,067)</u>
Balance at September 30, 2023	<u>-</u>	<u>17,638,759</u>	<u>49,084,339</u>	<u>2,855,455</u>	<u>-</u>	<u>69,578,553</u>
Carrying amounts at September 30, 2023	<u>\$ 1,759,112</u>	<u>\$ 1,746,107</u>	<u>\$ 1,594,003</u>	<u>\$ 268,317</u>	<u>\$ 141,333</u>	<u>\$ 5,508,872</u>

For the nine months ended September 30, 2024, the reclassification of property, plant and equipment includes transfers from construction in progress and prepayments for purchase of equipment to expenses of a decrease of NT\$1,926 thousand.

Refer to Note 33 to the consolidated financial statements for the amount of property, plant and equipment pledged as collateral for bank borrowings.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023	
<u>Carrying amounts</u>				
Land	\$ 108,580	\$ 127,725	\$ 131,260	
Buildings	275,441	247,567	274,968	
Machinery and equipment	112,266	118,495	120,966	
Other equipment	<u>23,702</u>	<u>27,125</u>	<u>26,407</u>	
	<u>\$ 519,989</u>	<u>\$ 520,912</u>	<u>\$ 553,601</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets	<u>\$ 24,869</u>	<u>\$ 47,337</u>	<u>\$ 156,844</u>	<u>\$ 73,467</u>
Depreciation for right-of-use assets				
Land	\$ 6,381	\$ 6,317	\$ 19,145	\$ 18,951
Buildings	31,658	28,713	94,555	86,422
Machinery and equipment	2,882	3,061	8,600	9,392
Other equipment	<u>4,619</u>	<u>4,351</u>	<u>14,121</u>	<u>11,726</u>
	<u>\$ 45,540</u>	<u>\$ 42,442</u>	<u>\$ 136,421</u>	<u>\$ 126,491</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ 2,536</u>	<u>\$ 1,893</u>	<u>\$ 7,228</u>	<u>\$ 5,571</u>

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 166,257</u>	<u>\$ 156,298</u>	<u>\$ 165,422</u>
Non-current	<u>\$ 368,697</u>	<u>\$ 384,600</u>	<u>\$ 411,724</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.76%-2.06%	1.76%-2.06%	1.76%-2.06%
Buildings	0.14%-7.46%	0.14%-5.24%	0.14%-5.13%
Machinery and equipment	0.48%-0.80%	0.48%-0.80%	0.48%-0.80%
Other equipment	0.14%-5.10%	0.14%-5.10%	0.14%-5.10%

For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, the interest expense under lease liabilities amounted to NT\$2,980 thousand, NT\$2,374 thousand, NT\$8,729 thousand and NT\$7,220 thousand, respectively.

c. Material lease-in activities and terms

The Group leased parcels of land from Science Park Administration, and the lease term will expire in December 2027, which can be extended after the expiration of the lease periods.

The Group leased parcels of land from Taiwan Sugar Corporation under a twenty-year term from October 2014 to September 2034, which is allowed to extend after the expiration of lease. The chairman of the Company, is a joint guarantor of such lease (refer to Note 32 to the consolidated financial statements).

The Group leased some of the offices spaces in the United States, China, Israel, India, Korea, Hong Kong and Taiwan, and the lease terms will expire between 2024 and 2032 which can be extended after the expiration of the lease periods.

d. Subleases

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

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 7,428	\$ 6,816	\$ 2,340
Year 2	6,435	2,105	-
Year 3	4,485	-	-
Year 4	1,121	-	-
Year 5	-	-	-
Year 5 onwards	-	-	-
	<u>\$ 19,469</u>	<u>\$ 8,921</u>	<u>\$ 2,340</u>

To reduce the residual asset risk related to the subleased asset at the end of the relevant sublease, the lease contract between the Group 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ <u>19,237</u>	\$ <u>66,649</u>	\$ <u>61,013</u>	\$ <u>193,808</u>
Total cash outflow for leases			\$ <u>211,389</u>	\$ <u>337,498</u>

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

16. INVESTMENT PROPERTIES

	September 30, 2024	December 31, 2023	September 30, 2023
Investment properties, net	\$ <u>1,483,554</u>	\$ <u>1,549,000</u>	\$ <u>1,576,021</u>

The fair value of investment properties held by the company was NT\$2,443,494 thousand as of December 31, 2022, of which were assessed by independent qualified professional appraisers was NT\$2,243,494 thousand. The Group's management evaluated the fair value of the remaining investment properties with valuation model commonly used by market participants, and the fair value was measured using Level 3 inputs. The Group's management evaluated and determined that the fair value of the investment properties had not changed significantly, compared to the fair value of the investment properties as of September 30, 2024, December 31, 2023 and September 30, 2023.

	For the Nine Months Ended September 30	
	2024	2023
<u>Cost</u>		
Balance at January 1	\$ 7,165,730	\$ 7,662,122
Effect of foreign currency exchange differences	<u>170,415</u>	<u>(526,915)</u>
Balance at September 30	<u>7,336,145</u>	<u>7,135,207</u>
<u>Accumulated depreciation and impairment</u>		
Balance at January 1	5,616,730	5,863,962
Depreciation expense	97,805	102,657
Effect of foreign currency exchange differences	<u>138,056</u>	<u>(407,433)</u>
Balance at September 30	<u>5,852,591</u>	<u>5,559,186</u>
Carrying amount at September 30	\$ <u>1,483,554</u>	\$ <u>1,576,021</u>

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

The analysis of lease payments receivable under operating leases of investment properties was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 150,611	\$ 146,532	\$ 154,758
Year 2	149,937	143,790	145,426
Year 3	146,565	143,872	139,449
Year 4	144,842	143,894	139,449
Year 5	143,384	140,886	139,449
Year 5 onwards	<u>358,458</u>	<u>455,304</u>	<u>488,072</u>
	<u>\$ 1,093,797</u>	<u>\$ 1,174,278</u>	<u>\$ 1,206,603</u>

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

Please refer to Note 33 to the consolidated financial statements for the amount of investment properties pledged as collateral for bank borrowings.

17. INTANGIBLE ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
Deferred technical assets	\$ 688,340	\$ 357,994	\$ 377,490
Other intangible assets	<u>200,542</u>	<u>192,900</u>	<u>174,232</u>
	<u>\$ 888,882</u>	<u>\$ 550,894</u>	<u>\$ 551,722</u>
	Deferred Technical Assets	Other Intangible Assets	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 2,125,404	\$ 1,102,150	\$ 3,227,554
Additions	507,448	88,967	596,415
Disposals	-	(57,884)	(57,884)
Reclassification	17,918	(17,970)	(52)
Effect of foreign currency exchange differences	<u>3,042</u>	<u>19,324</u>	<u>22,366</u>
Balance at September 30, 2024	<u>2,653,812</u>	<u>1,134,587</u>	<u>3,788,399</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2024	1,767,410	909,250	2,676,660
Amortization expense	193,965	67,276	261,241
Disposals	-	(57,884)	(57,884)
Effect of foreign currency exchange differences	<u>4,097</u>	<u>15,403</u>	<u>19,500</u>
Balance at September 30, 2024	<u>1,965,472</u>	<u>934,045</u>	<u>2,899,517</u>
Carrying amounts at September 30, 2024	<u>\$ 688,340</u>	<u>\$ 200,542</u>	<u>\$ 888,882</u>

(Continued)

	Deferred Technical Assets	Other Intangible Assets	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 2,062,573	\$ 1,136,379	\$ 3,198,952
Additions	1,388	89,898	91,286
Disposals	-	(7,271)	(7,271)
Disposal of subsidiaries	-	(7,243)	(7,243)
Reclassification	22,693	(24,066)	(1,373)
Effect of foreign currency exchange differences	(7,339)	(65,150)	(72,489)
Balance at September 30, 2023	<u>2,079,315</u>	<u>1,122,547</u>	<u>3,201,862</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2023	1,511,960	964,235	2,476,195
Amortization expense	194,754	59,334	254,088
Disposals	-	(6,680)	(6,680)
Disposal of subsidiaries	-	(6,703)	(6,703)
Effect of foreign currency exchange differences	(4,889)	(61,871)	(66,760)
Balance at September 30, 2023	<u>1,701,825</u>	<u>948,315</u>	<u>2,650,140</u>
Carrying amounts at September 30, 2023	<u>\$ 377,490</u>	<u>\$ 174,232</u>	<u>\$ 551,722</u>

(Concluded)

18. BORROWINGS

a. Short-term borrowings

	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount
<u>Secured borrowings</u>						
Chinatrust Commercial Bank Co., Ltd.	1.41%- 1.54%	\$ 1,022,580	1.17%- 1.18%	\$ 847,080	1.17%	\$ 1,275,580
<u>Unsecured borrowings</u>						
Chinatrust Commercial Bank Co., Ltd.		-	1.00%- 1.01%	217,200	-	-
		<u>\$ 1,022,580</u>		<u>\$ 1,064,280</u>		<u>\$ 1,275,580</u>

To repay outstanding debt and enhance working capital, NTCJ entered into a JPY30 billion syndicated loan agreement with banks on May 17, 2021, which include Chinatrust Commercial Bank Co., Ltd. and other banks. The loan is guaranteed by the parent company, Winbond Electronics Corporation. Refer to Note 32 to the consolidated financial statements for related information. Pursuant to the loan contract, the Company should hold at least 100% of the issued shares or capital and maintain control over the operation of NTCJ, and NTCJ must maintain the financial debt ratio not to be lower than certain level during the loan period. The aforementioned financial ratio is calculated based on the audited consolidated financial statements.

Refer to Note 33 to the consolidated financial statements for the collateral of the syndicated loan.

b. Long-term borrowings

	Period	Interest Rate	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>					
The Export-Import Bank of ROC	2020.08.25- 2027.08.25	2.10%	\$ 857,143	\$ 1,000,000	\$ 1,000,000
Less: Current portion			<u>(285,714)</u>	<u>(142,857)</u>	<u>(142,857)</u>
			<u>\$ 571,429</u>	<u>\$ 857,143</u>	<u>\$ 857,143</u>

The proceeds of the Group's unsecured loan was to acquire Panasonic's semiconductor business in Japan.

19. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Payable for salaries or employee benefits	\$ 1,213,340	\$ 1,115,611	\$ 1,361,301
Payable for royalties	553,147	372,295	417,193
Payable for purchase of equipment	369,813	349,296	155,289
Payable for service	142,000	130,706	129,515
Payable for maintenance	103,198	239,369	114,172
Payable for utilities	66,538	70,005	62,446
Payable for professional service	53,514	26,892	79,157
Payable for software	13,335	74,190	17,394
Others	<u>1,803,129</u>	<u>1,590,772</u>	<u>1,684,559</u>
	<u>\$ 4,318,014</u>	<u>\$ 3,969,136</u>	<u>\$ 4,021,026</u>

20. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Employee benefits	\$ 1,220,154	\$ 1,360,661	\$ 1,381,733
Decommissioning costs	488,616	477,406	475,208
Warranties	<u>355,057</u>	<u>396,966</u>	<u>467,787</u>
	<u>\$ 2,063,827</u>	<u>\$ 2,235,033</u>	<u>\$ 2,324,728</u>

The Group acquired Panasonic's semiconductor business in September 2020. Some fabs will be closed due to low capacity utilization, decommissioning costs and labor costs were accrued separately for decommissioning liabilities and employee benefits provision.

21. RETIREMENT BENEFIT PLANS

Employee benefit expense in respect of the Company's defined benefit retirement plans was calculated using the actuarially determined pension cost discount rate as of December 31, 2023 and 2022, and recognized \$14,126 thousand, \$13,411 thousand, \$41,843 thousand and \$39,379 thousand for the three months ended and nine months ended September 30, 2024 and 2023, respectively.

22. GUARANTEE DEPOSITS

	September 30, 2024	December 31, 2023	September 30, 2023
Capacity guarantee	\$ 1,091,339	\$ 1,783,150	\$ 2,062,332
Others	<u>76,748</u>	<u>62,848</u>	<u>65,922</u>
	<u>\$ 1,168,087</u>	<u>\$ 1,845,998</u>	<u>\$ 2,128,254</u>

When the contract expires, the capacity guarantee deposits will be refunded to customers by offsetting related accounts receivable or returned, since the aforementioned contract's period all exceeds one year, guarantee deposits are accounted as non-current liabilities.

23. EQUITY

a. Share capital

Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Shares authorized (in thousands of shares)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>419,765</u>	<u>419,765</u>	<u>419,765</u>
Shares issued and fully paid	<u>\$ 4,197,653</u>	<u>\$ 4,197,653</u>	<u>\$ 4,197,653</u>
Par value (in New Taiwan dollars)	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance of the Company's capital account amounted to NT\$4,197,653 thousand, divided into 419,765 thousand ordinary shares with a par value of NT\$10.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share <u>Capital (Note)</u>			
Additional paid-in capital	\$ 5,205,655	\$ 5,203,712	\$ 5,200,332
Conversion of bonds	1,481,180	1,481,180	1,481,180
<u>May only be used to offset a deficit</u>			
Overdue dividends unclaimed	120	100	100
Share of changes in capital surplus of associates or joint ventures (disposals of subsidiaries)	<u>310,638</u>	<u>310,638</u>	<u>310,638</u>
	<u>\$ 6,997,593</u>	<u>\$ 6,995,630</u>	<u>\$ 6,992,250</u>

Note: 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).

c. Retained earnings and dividends policy

The shareholders held their regular meeting on May 29, 2020 and resolved the amendments to the Company's dividend distribution policy in the Company's Articles of Incorporation (the "Articles"). Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The board of directors shall be authorized to distribute the profit, the legal reserve, and the capital plus 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. In principle, not less than 10% of the total shareholders' bonus shall be distributed in the form of cash. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 26 to the consolidated financial statements.

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

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

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year		For Year	
	2023	2022	2023	2022
Legal reserve	\$ 245,951	\$ 488,756		
Special reserve	479,840	710,979		
Cash dividends	<u>1,259,296</u>	<u>2,938,357</u>	\$ 3.00	\$ 7.00
	<u>\$ 1,985,087</u>	<u>\$ 4,138,092</u>		

When the Group's distributing surplus, the additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRS. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

Expect for the cash dividends were distributed by the Company's board meeting on March 5, 2024 and March 7, 2023, respectively, the rest of the 2023 and 2022 appropriation of earnings were proposed by the Company's board meeting and were resolved by the shareholders regular meeting on May 28, 2024 and May 26, 2023, respectively.

d. Other equity items

- 1) The exchange differences arising on translation of foreign operations' net assets from its functional currency to the Group's presentation currency (New Taiwan dollar) are recognized directly in other comprehensive income. For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, other comprehensive gain (loss) was NT\$757,378 thousand, NT\$157,498 thousand, NT\$302,292 thousand and NT\$(450,411) thousand, respectively.
- 2) Unrealized valuation gains (losses) on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 365,441	\$ 294,632
Recognized for the period	<u>43,249</u>	<u>51,492</u>
Balance at September 30	<u>\$ 408,690</u>	<u>\$ 346,124</u>

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

24. REVENUE

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

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current year	\$ 56,866	\$ 95,153	\$ 130,058	\$ 315,231
Adjustment for prior years' tax	-	(240)	(49)	(47)
Deferred tax				
In respect of the current year	<u>13,117</u>	<u>13,112</u>	<u>6,697</u>	<u>(8,234)</u>
Income tax expense recognized in profit or loss	<u>\$ 69,983</u>	<u>\$ 108,025</u>	<u>\$ 136,706</u>	<u>\$ 306,950</u>

b. Income tax assessments

The Company's income tax returns through 2022 have been assessed and approved by the tax authorities.

c. Pillar Two Income Tax Act

In March 2023, the local government of the country where the NTCJ was registered had substantively legislated the Pillar Two Income Tax Act, which came into effect on April 1, 2024.

Under the Act, NTCJ is required to pay supplementary tax in Japan on profits taxed below the effective tax rate of 15%. As of September 30, 2024, the country where Pillar Two income tax effected, had no relevant income tax impact on the Group. The Group also continues to review the impact of the Pillar Two Income Tax Act on its future financial performance.

26. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION

	For the Three Months Ended September 30							
	2024				2023			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Employee benefits expense								
Short-term employment benefits	\$ 215,768	\$ 1,632,034	\$ -	\$ 1,847,802	\$ 252,288	\$ 1,730,423	\$ -	\$ 1,982,711
Post-employment benefits	10,828	119,885	-	130,713	9,611	121,552	-	131,163
Share-based payment	190	1,753	-	1,943	-	-	-	-
Depreciation	166,631	115,994	33,307	315,932	149,529	105,746	34,504	289,779
Amortization	803	84,463	-	85,266	1,498	83,098	-	84,596

For the Nine Months Ended September 30								
2024				2023				
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Employee benefits expense								
Short-term employment benefits	\$ 661,986	\$ 4,886,589	\$ -	\$ 5,548,575	\$ 733,295	\$ 5,186,479	\$ -	\$ 5,919,774
Post-employment benefits	31,972	349,158	-	381,130	29,161	358,802	-	387,963
Share-based payment	190	1,753	-	1,943	-	-	-	-
Depreciation	469,762	349,670	98,428	917,860	443,331	313,991	104,989	862,311
Amortization	3,535	257,706	-	261,241	5,657	248,431	-	254,088

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of director.

For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, the employees' compensation and directors' remuneration are estimated (reversal) based on the aforementioned pre-tax profits at 6% and 1%, respectively. The estimated (reversal) amounts were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
	Employees' compensation	\$ (3,513)	\$ 43,946	\$ 26,017
Remuneration of directors	(586)	7,324	4,336	20,801

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

The employees' compensation and remuneration to the directors of 2023 and 2022, which were approved by the Company's board of directors on March 5, 2024 and March 7, 2023, respectively, were as below:

	For Year 2023		For Year 2022	
	Amount	%	Amount	%
Employees' cash compensation	\$ 167,459	6	\$ 306,214	6
Remuneration of directors	27,910	1	51,036	1

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

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

27. EARNINGS (LOSSES) PER SHARE

The numerators and denominators used in calculating earnings (losses) per share (“EPS”) were as follows:

	For the Three Months Ended September 30					
	2024			2023		
	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Losses Per Share (NT\$) After Income Tax (Attributable to Owners of the Company)	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (NT\$) After Income Tax (Attributable to Owners of the Company)
Basic earnings (losses) per share						
Net (loss) profit attributed to owners of the Company	\$ (105,455)	419,765	\$ (0.25)	\$ 599,160	419,765	\$ 1.43
Effect of potentially dilutive ordinary shares						
Employees’ compensation				-	998	
Diluted earnings per share						
Net profit attributed to owners of the Company				\$ 599,160	420,763	\$ 1.42
	For the Nine Months Ended September 30					
	2024			2023		
	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (NT\$) After Income Tax (Attributable to Owners of the Company)	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (NT\$) After Income Tax (Attributable to Owners of the Company)
Basic earnings per share						
Net profit attributed to owners of the Company	\$ 282,263	419,765	\$ 0.67	\$ 1,713,535	419,765	\$ 4.08
Effect of potentially dilutive ordinary shares						
Employees’ compensation	-	610		-	1,487	
Diluted earnings per share						
Net profit attributed to owners of the Company	\$ 282,263	420,375	\$ 0.67	\$ 1,713,535	421,252	\$ 4.07

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted EPS, as the effect is dilutive. The number of shares used in the computation of diluted EPS is estimated by the amount of compensation divided by the closing price of the potential common shares at the end of the reporting period. 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.

28. SHARE-BASED PAYMENT TRANSACTION ARRANGEMENTS

Winbond Electronics Corporation was approved by the FSC on June 14, 2024 to issue 320,000 thousand shares for its cash capital increase. The board of directors resolved to retain 10% of the issued shares for employees' subscription, including the Company's employees. The number of shares retained for employees' subscriptions was confirmed on August 11, 2024 (the grant date). The fair value of such share options subscribed for by the Company's employees on the grant date was measured using the Black-Scholes Option Pricing Model and amounted to NT\$1,943 thousand which was recorded as compensation costs with a corresponding increase in capital surplus. The relevant information used in the pricing model was as follows:

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

29. DISPOSAL OF SUBSIDIARIES

The Group sold 100% shares of AMTC to the parent company (Winbond Electronics Corporation) at the consideration of JPY1,673,000 thousand (NT\$394,661 thousand) in January 2023. Since this equity transaction is deemed as a structure reorganization, the difference between the consideration received, net of related income tax expenses of NT\$37,208 thousand and the carrying amount of the net assets of AMTC during actual disposal was adjusted NT\$120,401 thousand to the capital surplus.

a. Consideration received from disposals

	AMTC
Cash and cash equivalents	<u>\$ 394,661</u>

b. Analysis of assets and liabilities on the date control was lost

	AMTC
Current assets	
Cash and cash equivalents	\$ 197,863
Accounts receivable and other receivables	104,826
Inventories	11,310
Other current assets	3,235
Non-current assets	
Property, plant and equipment	1,976
Intangible assets	540
Deferred tax assets	<u>13,798</u>
Total assets	<u>\$ 333,548</u>
Current liabilities	
Accounts payable and other payables	\$ 86,298
Other current liabilities	<u>10,198</u>
Total liabilities	<u>\$ 96,496</u>
Net assets disposed of	<u>\$ 237,052</u>

c. Net cash inflow on disposals of subsidiaries

	AMTC
Consideration received in cash and cash equivalents	\$ 394,661
Less: Cash and cash equivalent balances disposed of	<u>(197,863)</u>
	<u>\$ 196,798</u>

30. CAPITAL MANAGEMENT

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

31. FINANCIAL INSTRUMENT

a. Categories of financial instruments

	September 30, 2024		December 31, 2023		September 30, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>						
Financial assets at amortized cost (Note 1)	\$ 10,077,005	\$ 10,077,005	\$ 11,250,645	\$ 11,250,645	\$ 11,838,837	\$ 11,838,837
Financial assets at FVTPL						
Derivative financial assets	8,903	8,903	99,185	99,185	80,675	80,675
Financial assets at FVTOCI						
Investment in equity instruments	1,500,481	1,500,481	1,348,557	1,348,557	1,329,241	1,329,241
<u>Financial liabilities</u>						
Financial liabilities at amortized cost (Note 2)	9,866,501	9,866,501	9,961,981	9,961,981	10,784,304	10,784,304
Financial liabilities at FVTPL						
Derivative financial liabilities	2,705	2,705	786	786	31,530	31,530

Note 1: Including cash and cash equivalents, accounts receivable (including related parties), finance lease receivables, other receivables and refundable deposits.

Note 2: Including accounts payable (including related parties), other payables, short-term loans, long-term loans (including current portion) and guarantee deposits.

b. Fair value information

1) Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable and the significance in its entirety, which are described as follows:

a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- b) 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
- c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- 2) Fair value measurements recognized in the consolidated balance sheets
- a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed shares and emerging market shares).
- b) The fair value of the financial instruments at fair value through profit or loss is based on Level 2 inputs, either directly or indirectly. The fair value of foreign-currency derivative financial instrument could be determined by reference to the price and discount rate of currency swap quoted by financial institutions. Foreign exchange forward contracts are measured using individual maturity rate to calculate the fair value of each contract.
- c) Domestic unlisted equity instruments at FVTOCI were all measured based on Level 3 fair value. Fair values of such equity instruments were determined using discounted cash flow of income approach and comparable listed company approach, by referring to strike price of similar business in active market, implied value multiple of the price and relevant information. Significant unobservable inputs included P/E ratio, value multiple and market liquidity discount. As the discounted cash flow method was used, the discount rate used for the lack of marketability was 29%; which increase by 1% while all the other variables are held constant, the fair value of investments will decrease by NT\$10,030 thousand and NT\$9,090 thousand as of September 30, 2024 and 2023, respectively.
- 3) Fair value of financial instruments measured at fair value on a recurring basis

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 8,903	\$ -	\$ 8,903
<u>Financial assets at FVTOCI</u>				
Domestic listed shares and emerging market shares	\$ 107,124	\$ -	\$ -	\$ 107,124
Domestic and overseas unlisted shares	\$ -	\$ -	\$ 1,393,357	\$ 1,393,357
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 2,705	\$ -	\$ 2,705

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 22,422</u>	<u>\$ 76,763</u>	<u>\$ 99,185</u>
<u>Financial assets at FVTOCI</u>				
Domestic listed shares and emerging market shares	<u>\$ 134,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,083</u>
Domestic and overseas unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,214,474</u>	<u>\$ 1,214,474</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 786</u>	<u>\$ -</u>	<u>\$ 786</u>
	September 30, 2023			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,675</u>	<u>\$ 80,675</u>
<u>Financial assets at FVTOCI</u>				
Domestic listed shares and emerging market shares	<u>\$ 104,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,042</u>
Domestic and overseas unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,225,199</u>	<u>\$ 1,225,199</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 31,530</u>	<u>\$ -</u>	<u>\$ 31,530</u>

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

The financial assets measured at Level 3 fair value were financial assets at FVTPL and equity investments classified as financial assets at FVTOCI. Reconciliations for the nine months ended September 30, 2024 and 2023 were as follows:

	For the Nine Months Ended	
	September 30	
	2024	2023
Balance at January 1	\$ 1,291,237	\$ 1,238,619
Additions	30,000	-
Refund of capital reduction	(450)	(2,000)
Recognized in other comprehensive income	70,208	65,355
Recognized in profit or loss	<u>2,362</u>	<u>3,900</u>
Balance at September 30	<u>\$ 1,393,357</u>	<u>\$ 1,305,874</u>

c. Financial risk management objectives and policies

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign currency risk, and the 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 exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into foreign exchange forward contracts to hedge the foreign currency risk arising on the export business.

a) Foreign currency risk

The Group has foreign currency denominated transactions, which expose the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 36 to the consolidated financial statements.

The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period and assuming an increase in net income and equity if New Taiwan dollars appreciate by 1% against foreign currencies. For an 1% depreciating of New Taiwan dollars against the relevant currency, there would be impact on net income in the amounts of NT\$13,140 thousand increase and NT\$12,302 thousand increase for the nine months ended September 30, 2024 and 2023, respectively. The amounts used in the 1% depreciating of New Taiwan dollars against the relevant currency did not consider the impact of hedge contracts and hedged item.

b) Interest rate risk

Interest rate risk refers to the risk that the change in market value will influence the fair value of financial instruments. The Group's interest rate risk arises primarily from floating rate deposits and long-term loans.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Cash flow interest rate risk			
Financial assets	\$ 8,413	\$ 8,413	\$ 8,413
Financial liabilities	1,879,723	2,064,280	2,275,580

The sensitivity analysis of cash flows based on the Group's exposure to interest rates for fair value of variable-rate non-derivative instruments at the end of the reporting period. If interest rates increased by 1%, the Group's cash outflows for the nine months ended September 30, 2024 and 2023 would have increased by NT\$14,035 thousand and increased by NT\$17,004 thousand, 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, to mitigate the risk of financial loss from defaults, the Group has established risk procedures and is continuously assessing the credit risk of each counterparty, sufficient collateral will be obtained when necessary. In this regard, the management of the Group consider that the Group's credit risk was significantly reduced.

3) Liquidity risk

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

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

	September 30, 2024			Total
	Within 1 Year	1-2 Years	Over 2 Years	
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 6,818,691	\$ -	\$ -	\$ 6,818,691
Lease liabilities	173,735	134,998	249,847	558,580
Variable interest rate liabilities	<u>1,308,294</u>	<u>285,714</u>	<u>285,715</u>	<u>1,879,723</u>
	<u>\$ 8,300,720</u>	<u>\$ 420,712</u>	<u>\$ 535,562</u>	<u>\$ 9,256,994</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years	Total
	<u>Non-derivative financial liabilities</u>			
Lease liabilities	<u>\$ 308,733</u>	<u>\$ 147,082</u>	<u>\$ 102,765</u>	<u>\$ 558,580</u>

	December 31, 2023			Total
	Within 1 Year	1-2 Years	Over 2 Years	
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Lease liabilities	\$ 6,051,703	\$ -	\$ -	\$ 6,051,703
Variable interest rate liabilities	165,301	127,188	269,323	561,812
	<u>1,207,137</u>	<u>285,714</u>	<u>571,429</u>	<u>2,064,280</u>
	<u>\$ 7,424,141</u>	<u>\$ 412,902</u>	<u>\$ 840,752</u>	<u>\$ 8,677,795</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years	Total
	<u>Non-derivative financial liabilities</u>			
Lease liabilities	<u>\$ 292,489</u>	<u>\$ 153,869</u>	<u>\$ 115,454</u>	<u>\$ 561,812</u>

	September 30, 2023			Total
	Within 1 Year	1-2 Years	Over 2 Years	
<u>Non-derivative financial liabilities</u>				
Non-interest bearing Lease liabilities	\$ 6,380,470	\$ -	\$ -	\$ 6,380,470
Variable interest rate liabilities	172,773	129,773	296,551	599,097
	<u>1,418,437</u>	<u>285,714</u>	<u>571,429</u>	<u>2,275,580</u>
	<u>\$ 7,971,680</u>	<u>\$ 415,487</u>	<u>\$ 867,980</u>	<u>\$ 9,255,147</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 2 Years	2-5 Years	Over 5 Years	Total
	<u>Non-derivative financial liabilities</u>			
Lease liabilities	<u>\$ 302,546</u>	<u>\$ 176,005</u>	<u>\$ 120,546</u>	<u>\$ 599,097</u>

32. TRANSACTIONS WITH RELATED PARTIES

a. Related party name and categories

Related Party Name	Related Party Categories
Winbond Electronics Corporation (“WEC”)	The Company’s parent
Winbond Electronics (HK) Limited (“WEHK”)	Associate
Winbond Electronics Corporation America (“WECA”)	Associate
Winbond Electronics Corporation Japan (“WECJ”)	Associate
Callisto Holding Limited	Associate
AMTC	Associate (Note)
Miraxia Edge Technology Corporation (“METC”)	Associate
TPSCo.	Associate
Winbond Electronics Germany GmbH (“WEG”)	Associate
Nyquest Technology Co., Ltd. (“Nyquest”)	Related party in substance
Walton Advanced Engineering Inc.	Related party in substance
Chin Cherng Construction Co., Ltd.	Related party in substance
United Industrial Gases Co., Ltd.	Related party in substance
Walsin (Nanjing) Development Co., Ltd.	Related party in substance
Waltech Advanced Engineering (Suzhou), Inc. (“Waltech”)	Related party in substance

Note: The Group has disposed of AMTC to Winbond Electronics Corporation in January 2023, therefore AMTC has been reclassified from subsidiary to associate. Refer to Note 29 to the consolidated financial statements.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
b. Operating revenue				
Related party in substance	\$ 23,923	\$ 42,188	\$ 81,020	\$ 112,239
Associate	<u>1,050</u>	<u>23,386</u>	<u>2,244</u>	<u>84,562</u>
	<u>\$ 24,973</u>	<u>\$ 65,574</u>	<u>\$ 83,264</u>	<u>\$ 196,801</u>
c. Purchases of goods				
Associate				
TPSCo.	\$ 1,053,647	\$ 960,308	\$ 2,663,551	\$ 2,937,601
Parent company	<u>38,340</u>	<u>18,615</u>	<u>115,739</u>	<u>63,472</u>
	<u>\$ 1,091,987</u>	<u>\$ 978,923</u>	<u>\$ 2,779,290</u>	<u>\$ 3,001,073</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
d. Manufacturing expenses				
Associate				
TPSCo.	\$ 454,542	\$ 457,893	\$ 1,278,956	\$ 1,414,071
Others	17,450	14,086	50,245	44,274
Related party in substance				
Waltech	456,646	467,893	1,311,644	1,514,794
Parent company	<u>536</u>	<u>265</u>	<u>1,032</u>	<u>1,038</u>
	<u>\$ 929,174</u>	<u>\$ 940,137</u>	<u>\$ 2,641,877</u>	<u>\$ 2,974,177</u>
e. Operating expenses				
Associate	\$ 86,595	\$ 99,339	\$ 253,547	\$ 297,119
Parent company	51,139	48,987	180,216	143,855
Related party in substance	<u>4,901</u>	<u>10,308</u>	<u>43,713</u>	<u>23,759</u>
	<u>\$ 142,635</u>	<u>\$ 158,634</u>	<u>\$ 477,476</u>	<u>\$ 464,733</u>
f. Dividend income				
Related party in substance				
United Industrial Gases Co., Ltd.	\$ -	\$ -	\$ 59,840	\$ 59,840
Nyquest	<u>2,673</u>	<u>10,725</u>	<u>2,673</u>	<u>10,725</u>
	<u>\$ 2,673</u>	<u>\$ 10,725</u>	<u>\$ 62,513</u>	<u>\$ 70,565</u>
g. Other income (expense)				
Associate	\$ -	\$ -	\$ 7,950	\$ (2,569)
Parent company	132	-	364	-
Related party in substance				
Waltech	-	-	(23,708)	-
Others	<u>127</u>	<u>809</u>	<u>127</u>	<u>809</u>
	<u>\$ 259</u>	<u>\$ 809</u>	<u>\$ (15,267)</u>	<u>\$ (1,760)</u>

	September 30, 2024	December 31, 2023	September 30, 2023
h. Accounts receivable from related parties			
Related party in substance	\$ 1,936	\$ 20,625	\$ 27,143
Associate	<u>260</u>	<u>8,898</u>	<u>15,305</u>
	<u>\$ 2,196</u>	<u>\$ 29,523</u>	<u>\$ 42,448</u>

i. Other receivables			
Associate	\$ 43,212	\$ 46,231	\$ 47,467
Related party in substance	898	555	1,331
Parent company	<u>-</u>	<u>1,598</u>	<u>-</u>
	<u>\$ 44,110</u>	<u>\$ 48,384</u>	<u>\$ 48,798</u>

Other receivables-related parties were collection or payment on behalf of others.

	September 30, 2024	December 31, 2023	September 30, 2023
j. Refundable deposits			
Parent company	\$ 1,780	\$ 1,780	\$ 1,780
Related party in substance	<u>1,722</u>	<u>1,722</u>	<u>1,722</u>
	<u>\$ 3,502</u>	<u>\$ 3,502</u>	<u>\$ 3,502</u>

k. Accounts payable to related parties			
Related party in substance			
Waltech	\$ 460,449	\$ 373,818	\$ 502,328
Associate			
TPSCo.	432,979	385,860	406,434
Parent company	<u>29,728</u>	<u>18,482</u>	<u>12,842</u>
	<u>\$ 923,156</u>	<u>\$ 778,160</u>	<u>\$ 921,604</u>

l. Other payables			
Associate	\$ 297,845	\$ 216,715	\$ 228,006
Related party in substance	212,099	248,339	293,887
Parent company	<u>99,339</u>	<u>94,651</u>	<u>69,168</u>
	<u>\$ 609,283</u>	<u>\$ 559,705</u>	<u>\$ 591,061</u>

m. Other current liabilities - advance receipts			
Nyquest	<u>\$ 184,921</u>	<u>\$ -</u>	<u>\$ -</u>

	September 30, 2024	December 31, 2023	September 30, 2023
n. Guarantee deposits			
Parent company	\$ 545	\$ 545	\$ 545
Related party in substance Nyquest	<u>-</u>	<u>244,800</u>	<u>244,800</u>
	<u>\$ 545</u>	<u>\$ 245,345</u>	<u>\$ 245,345</u>

Starting from the second quarter of 2024, the guarantee deposit to Nyquest Company was transferred to other current liabilities - advance receipts according to the signed contract.

The sales and purchase prices and collection and payment terms with related parties were not significantly different from those with third parties. For other related party transactions, price and terms were determined in accordance with mutual agreement.

o. Acquisition of property, plant and equipment

	Purchase Price			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate	<u>\$ 11,254</u>	<u>\$ 18,893</u>	<u>\$ 42,795</u>	<u>\$ 38,972</u>

p. Disposal of property, plant and equipment

Related Party Category	Proceeds		Gain (Loss) on Disposal	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Related Party Category	Proceeds		Gain (Loss) on Disposal	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate	<u>\$ 687</u>	<u>\$ -</u>	<u>\$ 687</u>	<u>\$ -</u>

The price of above transaction was determined to base on the acquisition cost of the equipment and reference to the recent quoted market price.

q. Lease arrangements - Group is lessee

	September 30, 2024		December 31, 2023		September 30, 2023	
1) Lease liabilities						
Related party in substance	\$	21,285	\$	-	\$	-
Associate		18,892		24,290		27,599
Parent company		<u>3,059</u>		<u>12,188</u>		<u>15,215</u>
	\$	<u>43,236</u>	\$	<u>36,478</u>	\$	<u>42,814</u>
		For the Three Months Ended September 30		For the Nine Months Ended September 30		
		2024	2023	2024	2023	
2) Finance costs						
Related party in substance	\$	164	\$	-	\$	558
Associate		81		113		267
Parent company		<u>9</u>		<u>41</u>		<u>50</u>
	\$	<u>254</u>	\$	<u>154</u>	\$	<u>875</u>
3) Acquisition of right-of-use assets						
Related party in substance	\$	<u>-</u>	\$	<u>-</u>	\$	<u>30,315</u>

r. Lease arrangements - Group is lessor/Sublease arrangements

Sublease arrangements under operating leases

For the nine months ended September 30, 2024 and 2023, the Group subleases its right-of-use assets to its associate companies WEC, WEHK and TPSCo. under operating leases with lease terms between 1 and 12 years. The rental is based on similar asset's market rental rates and fixed lease payments are received monthly.

1) The balance of operating lease receivables were as follows:

	September 30, 2024		December 31, 2023		September 30, 2023	
Associate						
TPSCo.	\$	13,144	\$	12,842	\$	12,783
Others		376		230		241
Parent company		<u>441</u>		<u>401</u>		<u>459</u>
	\$	<u>13,961</u>	\$	<u>13,473</u>	\$	<u>13,483</u>

2) Future lease payment receivables are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Associate			
TPSCo.	\$ 1,075,376	\$ 1,155,776	\$ 1,185,317
Others	14,578	458	841
Parent company	<u>993</u>	<u>4,254</u>	<u>975</u>
	<u>\$ 1,090,947</u>	<u>\$ 1,160,488</u>	<u>\$ 1,187,133</u>

3) Lease income was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associate				
TPSCo.	\$ 34,956	\$ 35,378	\$ 102,615	\$ 140,652
Others	998	354	2,664	1,037
Parent company	<u>1,051</u>	<u>1,040</u>	<u>3,094</u>	<u>3,075</u>
	<u>\$ 37,005</u>	<u>\$ 36,772</u>	<u>\$ 108,373</u>	<u>\$ 144,764</u>

Lease arrangements under finance leases

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

As of September 30, 2024, December 31, 2023 and September 30, 2023, the balance of finance lease receivables were NT\$47,561 thousand, NT\$115,377 thousand and NT\$137,498 thousand. For the nine months ended September 30, 2024 and 2023, there was no impairment loss. The amount of interest income under finance leases for the three months ended September 30, 2024 and 2023, and the nine months ended September 30, 2024 and 2023, were NT\$330 thousand, NT\$743 thousand, NT\$1,254 thousand and NT\$2,597 thousand.

s. Acquisition of financial assets

For the nine months ended September 30, 2024: None.

For the nine months ended September 30, 2023

Related Party Category	Project	Number of Shares	Target	Amount Obtained
Associate				
TPSCo.	Investments accounted for using equity method	3,920	TPSCo. ordinary share	<u>\$ 59,586</u>

t. Endorsements and guarantees

Endorsements and guarantees provided by the Group

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

Endorsements and guarantees given by related parties

Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Parent company			
Amount endorsed	<u>\$ 6,669,000</u>	<u>\$ 6,516,000</u>	<u>\$ 6,486,000</u>
Amount utilized (reported as secured bank loans)	<u>\$ 1,022,580</u>	<u>\$ 847,080</u>	<u>\$ 1,275,580</u>

u. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 40,741	\$ 62,253	\$ 129,630	\$ 237,179
Post-employment benefits	1,002	907	2,904	2,695
Share-based payment	<u>190</u>	<u>-</u>	<u>190</u>	<u>-</u>
	<u>\$ 41,933</u>	<u>\$ 63,160</u>	<u>\$ 132,724</u>	<u>\$ 239,874</u>

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

v. Other transactions with related parties

The Group has sold all of its shares of AMTC to WEC in January 2023, refer to Note 29 to the consolidated financial statements.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for land leases, customs tariff obligations and bank borrowings:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 1,056,328	\$ 1,021,639	\$ 1,027,342
Buildings	501,513	519,543	534,208
Investment properties	314,344	324,873	333,676
Time deposits (accounted as refundable deposits)	<u>109,502</u>	<u>109,268</u>	<u>109,250</u>
	<u>\$ 1,981,687</u>	<u>\$ 1,975,323</u>	<u>\$ 2,004,476</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The board of directors of the Company agreed to sell all preferred shares of Autotalks Ltd. of 4,500,553 (including shares which converted from SAFE warrants), the transaction price is estimated to be US\$23,925 thousand, which will vary by the adjustment mechanism contained in the contract on the date of trade. Settlement of this transaction will be effective within 5 working days or on a date to be mutually agreed upon by the parties, subject to the success of the conditions precedent set forth in the contract. As the conditions precedent set forth were not achieved, the transaction was terminated on March 31, 2024.

35. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

Based on the emissions of the Group in 2023, the Group expects that it will be the entity subject to carbon fees. The Group will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	September 30, 2024		
	Foreign Currencies (Thousand)	Exchange Rate (Note)	New Taiwan Dollars (Thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 154,092	31.65	\$ 4,877,002
ILS	12,972	8.5464	110,862
CNY	6,136	4.5230	27,753
JPY	433,534	0.2223	96,375
EUR	1,066	35.38	37,729
<u>Financial liabilities</u>			
Monetary items			
USD	116,418	31.65	3,684,645
ILS	12,309	8.5464	105,195
CNY	5,282	4.5230	23,890
JPY	101,047	0.2223	22,463

	December 31, 2023		
	Foreign Currencies (Thousand)	Exchange Rate (Note)	New Taiwan Dollars (Thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 178,715	30.7050	\$ 5,487,438
ILS	10,874	8.4694	92,097
CNY	5,906	4.3270	25,555
JPY	217,862	0.2172	47,320
EUR	604	33.98	20,536
<u>Financial liabilities</u>			
Monetary items			
USD	131,320	30.7050	4,032,168
ILS	13,070	8.4694	110,694
CNY	4,495	4.3270	19,452
JPY	3,283	0.2172	713

	September 30, 2023		
	Foreign Currencies (Thousand)	Exchange Rate (Note)	New Taiwan Dollars (Thousand)
<u>Financial assets</u>			
Monetary items			
USD	\$ 202,872	32.27	\$ 6,546,695
ILS	1,210	8.3908	10,153
CNY	9,113	4.4150	40,232
JPY	68,222	0.2162	14,749
EUR	828	33.91	28,064
<u>Financial liabilities</u>			
Monetary items			
USD	163,687	32.27	5,282,195
ILS	10,184	8.3908	85,448
CNY	4,843	4.4150	21,382
JPY	20,111	0.2162	4,348

Note: The rate foreign currencies are exchanged to New Taiwan dollars and displayed as a rate.

For the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were NT\$(165,167) thousand, NT\$87,552 thousand, NT\$(28,714) thousand and NT\$188,704 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

37. SEGMENT INFORMATION

a. Basic information about operating segment

1) Classification of operating segments

The Group's reportable segments under IFRS 8 and IAS 34 were as follows:

a) General IC product segment

The general IC product segment engages mainly in research, design, manufacturing, sale and after-sales service.

b) Foundry service segment

The foundry service segment engages mainly in research, design, manufacturing and sale.

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

The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Group's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by segment managers and is the basis for assessment of segment performance. The Group does not provide information on assets regularly to the Group's chief operating decision maker; thus, the measure of assets is zero. 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 is an analysis of the Group's revenue from continuing operations by reportable segments.

	Segment Revenue		Segment Profit and Loss	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
General IC products	\$ 22,572,642	\$ 24,566,443	\$ 2,202,081	\$ 3,352,277
Foundry service	1,551,578	1,917,940	408,074	741,577
Total of segment revenue	24,124,220	26,484,383	2,610,155	4,093,854
Other revenue	528,766	394,032	316,983	238,209
Operating revenue	\$ 24,652,986	\$ 26,878,415	2,927,138	4,332,063
Unallocated expenditure				
Administrative and supporting expense			(1,749,771)	(1,934,249)
Sales and other common expenses			(944,407)	(947,140)
Income from operations			232,960	1,450,674
Finance costs			(32,148)	(35,152)

(Continued)

	<u>Segment Revenue</u>		<u>Segment Profit and Loss</u>	
	<u>For the Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2024	2023	2024	2023
Share of profit (loss) of associates			\$ 57,565	\$ 269,882
Interest income			135,631	145,056
Dividend income			64,294	71,728
Other gains and losses			14,751	10,116
Gains on disposal of property, plant and equipment			13,839	83,422
Foreign exchange gains (losses)			(28,714)	188,704
Losses on financial instruments at fair value through profit or loss			<u>(39,209)</u>	<u>(163,945)</u>
Profit before income tax			<u>\$ 418,969</u>	<u>\$ 2,020,485</u> (Concluded)

38. ADDITIONAL DISCLOSURE

Transactions between Nuvoton Technology Corporation and subsidiaries are all eliminated when preparing the consolidated financial statements.

a. Following are the additional disclosures for material transactions and investments:

1)	Financings provided	None
2)	Endorsements/guarantees provided	Table 1
3)	Marketable securities held (excluding investments in subsidiaries and associates)	Table 2
4)	Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital	None
5)	Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital	None
6)	Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital	None
7)	Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital	Table 3
8)	Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital	Table 4
9)	Information about the derivative financial instruments transaction	Note 7
10)	Intercompany relationships and Significant intercompany transactions	Table 7
11)	Information on investments	Table 5

b. Information on investment in mainland China

1)	The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits (losses) of investee, ending balance, amount received as dividends from the investee, and the limitation on investee.	Table 6
2)	<p>Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports.</p> <p>a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.</p> <p>b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.</p> <p>c) The amount of property transactions and the amount of the resultant gains or losses.</p> <p>d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.</p> <p>e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.</p> <p>f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.</p>	Table 6

c. Information of major shareholders: Refer to Table 8 attached.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount (In Thousands of Foreign Currencies)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	NTCJ	Subsidiary	\$ 16,101,515	\$ 2,913,660	\$ 2,091,150	\$ 634,429	\$ -	12.99	\$ 16,101,515	Y	N	N

Note 1: The Company's maximum amount endorsed are limited to 20% of the net equity in latest financial statements of the Company or the net value of the endorsee company, whichever is lower. The Company's limitation of maximum endorse amount as described are not limited to subsidiaries that directly or indirectly hold more than 50% of voting shares.

Note 2: The ending balance is approved by the boards of directors of the Company.

Note 3: The Company's maximum amount endorsed are based on the net equity in the latest financial statements of the Company.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
 SEPTEMBER 30, 2024
 (In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Shares</u> Yu-Ji Venture Capital Co., Ltd.	The held company as the investee's director	Non-current financial assets at fair value through other comprehensive income	330,000	\$ 5,382	5	\$ 5,382	
	Brightek Optoelectronic Co., Ltd.	None	"	34,680	1,524	-	1,524	
	United Industrial Gases Co., Ltd.	The held company as the investee's director	"	8,800,000	589,600	4	589,600	
	Autotalks Ltd. - Preferred E. & E-1 Share	None	"	4,189,825	712,125	9	712,125	
	Allxon Inc.	None	"	5,625,000	56,250	15	56,250	
	AionChip Technologies Co., Ltd.	None	"	1,650,000	30,000	8	30,000	
SYI	<u>Shares</u> Nyquest Technology Co., Ltd.	The held company as the investee's director	"	1,650,000	105,600	5	105,600	
NTCJ	<u>Shares</u> Symetrix Corporation	None	"	50,268	-	1	-	

NUVOTON TECHNOLOGY 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 NINE MONTHS ENDED SEPTEMBER 30, 2024

(TRANSACTIONS BETWEEN NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES ARE ALL ELIMINATED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS. THE FOLLOWING DISCLOSURE INFORMATION IS ONLY FOR REFERENCE.)

(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	
The Company	NTHK	Subsidiary	Sales	\$ 6,111,128	42	Net 50 days from invoice date	N/A	N/A	\$ 1,542,312	53	
	NTCA	Subsidiary	Sales	143,743	1	Net 50 days from invoice date	N/A	N/A	16,919	1	
	NTSG	Subsidiary	Sales	530,089	4	Net 8 days end of the month	N/A	N/A	72,730	3	
	NTCJ	Subsidiary	Sales	593,724	4	Net 8 days end of the month	N/A	N/A	170,273	6	
	NTSZ	Subsidiary	Sales	115,386	1	Net 50 days from invoice date	N/A	N/A	23,806	1	
	NTSG	Subsidiary	Purchases	397,106	6	Net 8 days end of the month	N/A	N/A	(46,163)	2	
	NTCJ	Subsidiary	Purchases	3,960,470	55	Net 8 days end of the month	N/A	N/A	(361,276)	18	
	WEC	Parent company	Purchases	115,739	2	Net 30 days from invoice date	N/A	N/A	(25,961)	1	
NTSG	NTCJ	Fellow subsidiary	Sales	US\$ 60,804	51	Net 10 days end of the month	N/A	N/A	US\$ 6,499	45	
	NTHK	Fellow subsidiary	Sales	US\$ 10,287	9	Net 10 days end of the month	N/A	N/A	US\$ 1,717	12	
NTCJ	NTSG	Fellow subsidiary	Sales	JPY 9,029,756	15	Net 10 days end of the month	N/A	N/A	JPY 1,003,210	9	
	NTHK	Fellow subsidiary	Sales	JPY 11,889,435	19	Net 10 days end of the month	N/A	N/A	JPY 1,693,730	16	
	TPSCo.	Associate	Purchases	JPY 12,538,527	48	Net 10 days end of the month	N/A	N/A	JPY (1,947,723)	36	

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2024

(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		
The Company	NTHK	Subsidiary	\$ 1,542,312 (Note 2)	5.91	\$ -	-	\$ 712,254	\$ -
	NTCJ	Subsidiary	170,273 (Note 2)	4.19	-	-	161,886	-
NTSG	NTCJ	Fellow subsidiary	US\$ 6,499 (Note 2)	9.83	-	-	US\$ 6,499	-
NTCJ	NTSG	Fellow subsidiary	JPY 1,003,210 (Note 2)	10.64	-	-	JPY 1,003,210	-
	NTHK	Fellow subsidiary	JPY 1,693,730 (Note 2)	11.36	-	-	JPY 1,693,730	-
	The Company	Parent company	JPY 1,635,262 (Note 2)	11.37	-	-	JPY 1,635,262	-
NTIL	The Company	Parent company	ILS 12,309 (Note 2)	(Note 1)	-	-	ILS 12,309	-

Note 1: Other receivables is not applicable to calculation of turnover rate.

Note 2: All receivables balances are eliminated.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(TRANSACTIONS BETWEEN NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES ARE ALL ELIMINATED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS.

THE FOLLOWING DISCLOSURE INFORMATION IS ONLY FOR REFERENCE.)

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
The Company	NTHK	Hong Kong	Sales of semiconductor	\$ 427,092	\$ 427,092	107,400,000	100	\$ 794,031	\$ 67,689	\$ 67,689	
	MML	British Virgin Islands	Investment holding	274,987	274,987	8,897,789	100	86,133	(4,494)	(4,494)	
	NIH	British Virgin Islands	Investment holding	515,251	515,251	15,633,161	100	416,793	43,974	43,974	
	SYI	Taiwan	Investment holding	38,500	38,500	3,850,000	100	127,226	2,727	2,727	
	NTIPL	India	Design, sales and service of semiconductor	30,211	30,211	600,000	100	22,308	251	251	
	NTCA	United States of America	Design, sales and service of semiconductor	190,862	190,862	60,500	100	236,686	10,738	10,738	
	NTSG	Singapore	Design, sales and service of semiconductor	1,319,054	1,319,054	45,100,000	100	2,254,999	172,200	172,200	
	NTKL	Korea	Design, sales and service of semiconductor	67,611	30,828	280,000	100	52,627	1,058	1,058	
	NTHJ	Japan	Investment holding	5,927,849	5,927,849	100	100	8,489,803	(434,772)	(434,772)	
	NTG	Germany	Customer service and technical support of semiconductor	67,980	67,980	2,000,000	100	68,777	(1,869)	(1,869)	
MML	GLLC	United States of America	Investment holding	1,473,559	1,473,559	-	100	86,687	(4,066)	(4,066)	
NIH	NTIL	Israel	Design and service of semiconductor	46,905	46,905	1,000	100	415,966	44,116	44,116	
NTHJ	NTCJ	Japan	Design, sales and service of semiconductor	111,520	111,520	9,480	100	11,073,265	(434,946)	(434,946)	
NTCJ	TPSCo.	Japan	Foundry and sales of semiconductor	1,708,037	1,708,037	49,539	49	1,940,589	187,276	57,565	(Note 1)

Note 1: Share of profit (loss) includes downstream and upstream transactions.

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

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 (In Thousands of New Taiwan Dollars and U.S. Dollars)

1. Information on any investee company in mainland China, main businesses and products, 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 in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	% Ownership of Direct or Indirect Investment	Net Income of the Investee	Investment Gain (Note 1)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 30, 2024
					Outward	Inward						
NTSH	Provide project of sale in China and repairing, testing and consulting of software and leasing business	\$ 68,036 (US\$ 2,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly (Note 2)	\$ 68,036 (US\$ 2,000)	\$ -	\$ -	\$ 68,036 (US\$ 2,000)	100	\$ 2,083	\$ 2,083	\$ 99,003	\$ -
NTSZ	Computer software service (except I.C. design), wholesale business for computer, supplement and software	197,670 (US\$ 6,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	197,670 (US\$ 6,000)	-	-	197,670 (US\$ 6,000)	100	6,488	6,488	247,699	-
Song Zhi (Suzhou)	Provide development of semiconductor and technology, consult service and equipment leasing business	8,688 (CNY 2,000)	Through investing in NTSH in the third area, which then invested in the investee in mainland China indirectly	- (Note 3)	-	-	-	100	(61)	(61)	- (Note 3)	-
NTNJ	Provide development of semiconductor and technology, consult service and sales.	28,800 (US\$ 900)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	- (Note 4)	-	-	-	100	(5,171)	(5,171)	23,657	-

Note 1: Investment profit or loss for the nine months ended September 30, 2024 was recognized under the basis of the financial statements reviewed by the Company's auditor.

Note 2: GLLC sold all the shares of NTSH to NTHK in May 2024, NTHK directly injected in NTSH.

Note 3: NTSH directly injected the capital in Song Zhi (Suzhou). Additionally, Song Zhi (Suzhou) fully refund the entire capital to NTSH in September 2024.

Note 4: NTHK directly injected the capital in NTNJ.

2. Information on any investee company in mainland China, main businesses and products, paid-in capital, method of investment, limit on investment in mainland China:

Company	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024 (Note 5)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 6)
The Company	NT\$282,135 (US\$8,500)	NT\$282,135 (US\$8,500)	NT\$9,660,909

Note 5: The investment amounts of Winbond Electronics (Nanjing) Ltd. which has completed the cancellation and liquidation process in May 2023 was NT\$16,429 thousand (US\$500 thousand).

Note 6: Upper limit on the amount of 60% of the Company's net book value.

3. Refer to Table 7 for significant transactions with the investee in mainland China directly and indirectly through investing in companies in the third area.
4. Handling endorsement, guarantee and collateral to the investee in Mainland China directly and indirectly through investing in companies in the third area: None.
5. Financing of funds to investee in mainland China directly and indirectly through investing in companies in the third area: None.
6. Other transactions with significant influence on profit or loss for the period or financial performance: None.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Gross Sales or Total Assets (%)
				Financial Statement Account	Amount	Terms (Note)	
0	2024.1.1-2024.9.30 The Company	NTHK	Transactions between parent company and subsidiaries	Operating revenue	\$ 6,111,128	-	25
		NTHK	Transactions between parent company and subsidiaries	Accounts receivable from related parties	1,542,312	-	5
		NTCA	Transactions between parent company and subsidiaries	Operating revenue	143,743	-	1
		NTSG	Transactions between parent company and subsidiaries	Operating revenue	530,089	-	2
		NTCJ	Transactions between parent company and subsidiaries	Operating revenue	593,724	-	2
		NTCJ	Transactions between parent company and subsidiaries	Accounts receivable from related parties	170,273	-	1
		NTSZ	Transactions between parent company and subsidiaries	Operating revenue	115,386	-	-
		NTSG	Transactions between parent company and subsidiaries	Operating cost	397,106	-	2
		NTCJ	Transactions between parent company and subsidiaries	Operating cost	3,960,470	-	16
		NTCJ	Transactions between parent company and subsidiaries	Accounts payable to related parties	361,276	-	1
		NTIL	Transactions between parent company and subsidiaries	Operating expense	1,004,622	-	4
		NTIL	Transactions between parent company and subsidiaries	Other payable to related parties	105,195	-	-
		NTCA	Transactions between parent company and subsidiaries	Operating expense	344,517	-	1
1	NTCJ	NTSG	Transactions between subsidiaries	Operating revenue	1,917,613	-	8
		NTSG	Transactions between subsidiaries	Accounts receivable from related parties	223,014	-	1
		NTHK	Transactions between subsidiaries	Operating revenue	2,518,674	-	10
		NTHK	Transactions between subsidiaries	Accounts receivable from related parties	376,516	-	1
2	NTSG	NTCJ	Transactions between subsidiaries	Operating revenue	1,945,798	-	8
		NTCJ	Transactions between subsidiaries	Accounts receivable from related parties	205,681	-	1
		NTHK	Transactions between subsidiaries	Operating revenue	329,173	-	1

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

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

TABLE 8**NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Winbond Electronics Corporation	218,554,635	52.06

Note 1: Table 8 is based on the information on the last business day of the quarter provided by the Taiwan Depository & Clearing Corporation (TDCC). The TDCC calculate the total number of ordinary shares and preferred shares held by shareholders who retain more than 5% of the Company's share (including treasury shares) that have delivered without physical registration. The number of shares in the Company's consolidated financial report and the actual number of shares delivered without physical registration may differ due to the different calculation basis.

Note 2: As per information above, if the shareholder delivers the shares to the trust, shares will be disclosed based on the trustee's account. Additionally, according to the Securities and Exchange Act, internal stakeholder whom holds more than 10% of the Company's share, which includes shares held by the stakeholder and parts delivered to the trust that have decision making rights, should be declared. For information regarding internal stakeholder declaration, refer to the Market Observation Post System website of the Taiwan Stock Exchange Corporation.