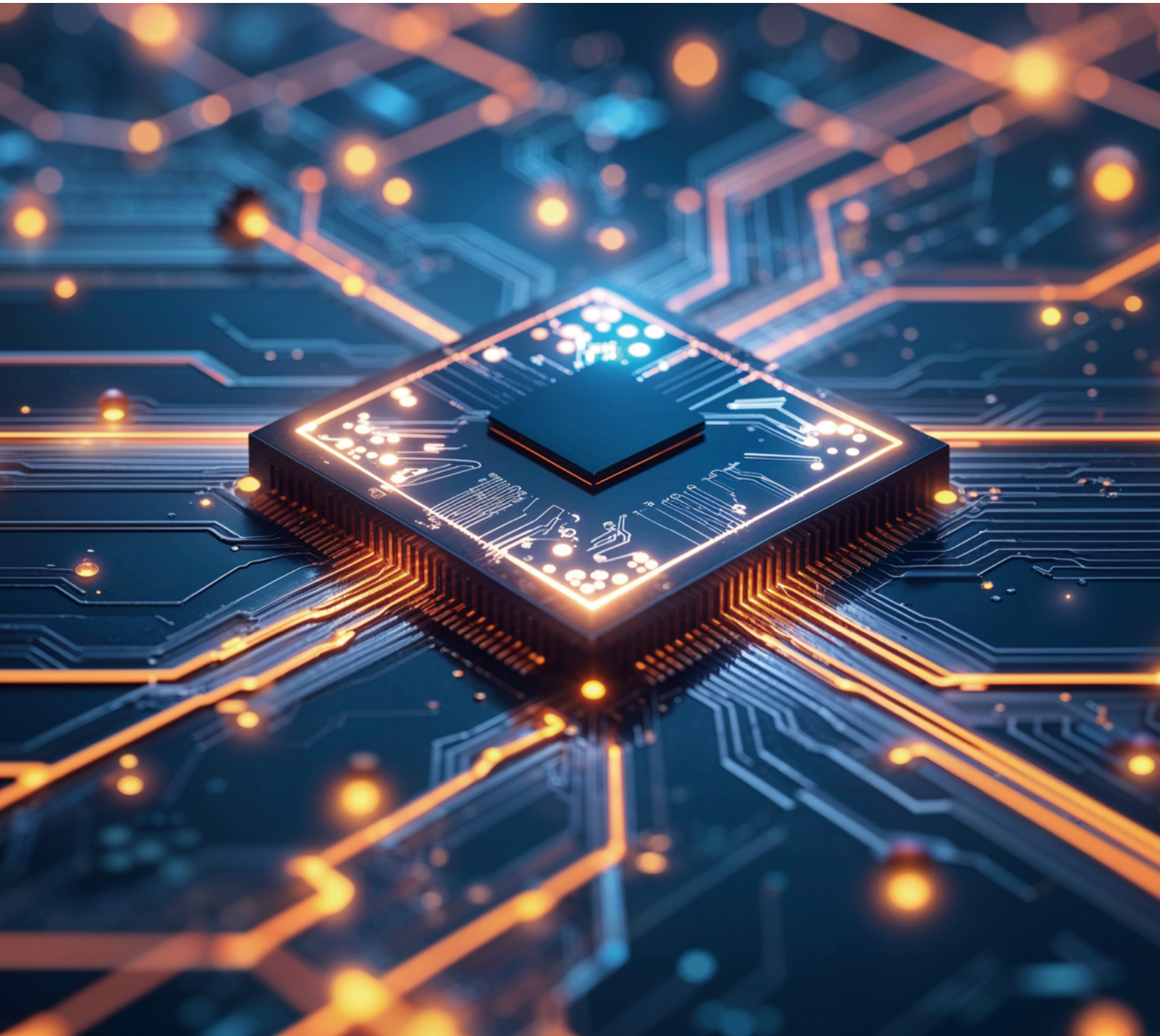


Nuvoton Technology Corp.

# 2024 Annual Report



## Nuvoton Annual Report Website

Market Observation Post System website: <http://mops.twse.com.tw>

Nuvoton Annual Report Website: <https://www.nuvoton.com>

March 07, 2025

**nuvoTon**

1. Company Spokesperson:

Name: Hsiu-Fen Lai

Title: Vice President, Finance Center

Telephone: (03)577-0066

Email: HFLai@nuvoton.com

2. Deputy Spokesperson:

Name: Justin Chan

Title: Finance Director, Finance Center

Telephone: (03)577-0066

Email: WHCHAN@nuvoton.com

3. Nuvoton Address and Telephone Number:

Headquarters: No. 4, Creation 3rd Rd., Hsinchu Science Park, Hsinchu City, Taiwan

Telephone: (03) 577-0066 (main line)

4. Common Stock Transfer Agency:

Name: CTBC Bank Co., Ltd. Transfer Agency Department

Address: 5F, No. 83, Sec.1, Chungking S. Road, Taipei City

Telephone: (02) 6636-5566

Website: <http://www.ctbcbank.com>

5. Auditor:

Name of Firm: Deloitte & Touche

Name of Auditors: K. T. Hong, Accountant; Shu-Lin Liu, Accountant

Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City, Taiwan

Telephone: (02)2725-9988

Website: <http://www.deloitte.com.tw>

6. Overseas Securities Listing Exchange and Information:

Foreign Unsecured Convertible Bond: Singapore Exchange Limited

Foreign Convertible Bond International Securities Identification No. (ISIN):

XS2972955608

7. Company website: <https://www.nuvoton.com>

# Table of Contents

|  |           |
|--|-----------|
| <b>Chapter 1 Letter to Shareholders .....</b>  | <b>5</b>  |
| <b>Chapter 2 Company Governance Report .....</b>   | <b>7</b>  |
| I. Company profile .....   | 7         |
| II. Profile of directors and managerial officers.....  | 9         |
| III. Implementation of corporate governance .....  | 23        |
| IV. Information on fees to CPA .....   | 64        |
| V. The changes to the accountants before and after the two most recent years .....   | 64        |
| VI. The Chairman, President and Financial or Accounting Managerial Officer of the Company who had worked for the Independent CPA or the affiliate in the past year .....                                   | 64        |
| VII. Share transfer by Directors, supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report ..... | 64        |
| VIII. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree) .....   | 65        |
| IX. The shareholding of the Company, Director, Supervisor, Managerial Officers and an enterprise that is directly or indirectly controlled by the Company in the invested company .....                    | 66        |
| <b>Chapter 3 Information on Capital Raising Activities .....</b>   | <b>67</b> |
| I. Capital and Shareholding .....  | 67        |
| II. Corporate bond issuance status .....   | 71        |
| III. Issuance of preferred stocks.....   | 72        |
| IV. Issuance of global depositary receipts (GDR) .....   | 72        |
| V. Exercise of employee stock option plan (ESOP) .....   | 72        |
| VI. Restricted stock awards.....   | 72        |
| VII. Issuance of new shares for merger or acquiring shares of other companies.....   | 72        |
| VIII. Implementation of capital allocation plan.....   | 72        |
| <b>Chapter 4 Business Overview .....</b>   | <b>73</b> |
| I. Business Activities .....   | 73        |
| II. Market, production and sales .....   | 82        |
| III. Employees .....   | 89        |
| IV. Spending on environmental protections.....   | 89        |
| V. Employees-employer relations.....   | 90        |

|   |    |
|---|----|
| VI. Information security management ..... | 94 |
| VII. Important contracts .....            | 96 |

## **Chapter 5 Financial Position, Financial Performance and Risk Analysis .....97**

|   |     |
|---|-----|
| I. Analysis of financial status (consolidated) .....  | 97  |
| II. Analysis of financial performance (consolidated) .....  | 96  |
| III. Cash flow analysis .....   | 96  |
| IV. Effect of major capital spending on financial position and business operation in the past year .....                    | 96  |
| V. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year..... | 96  |
| VI. Risk management and evaluation .....  | 97  |
| VII. Other important matters. ....  | 100 |

## **Chapter 6 Special Disclosures ..... 101**

|   |     |
|---|-----|
| I. Profiles on affiliates and subsidiaries.....   | 101 |
| II. Progress of private placement of securities during the latest year and up to the date of report.....  | 101 |
| III. Other supplemental information .....   | 101 |
| IV. Corporate events with material impact on shareholders' equity or stock prices set forth in Subparagraph 2, Paragraph 3, Article 36 of Securities and Exchange Act in the past year and up to the date of report ..... | 101 |

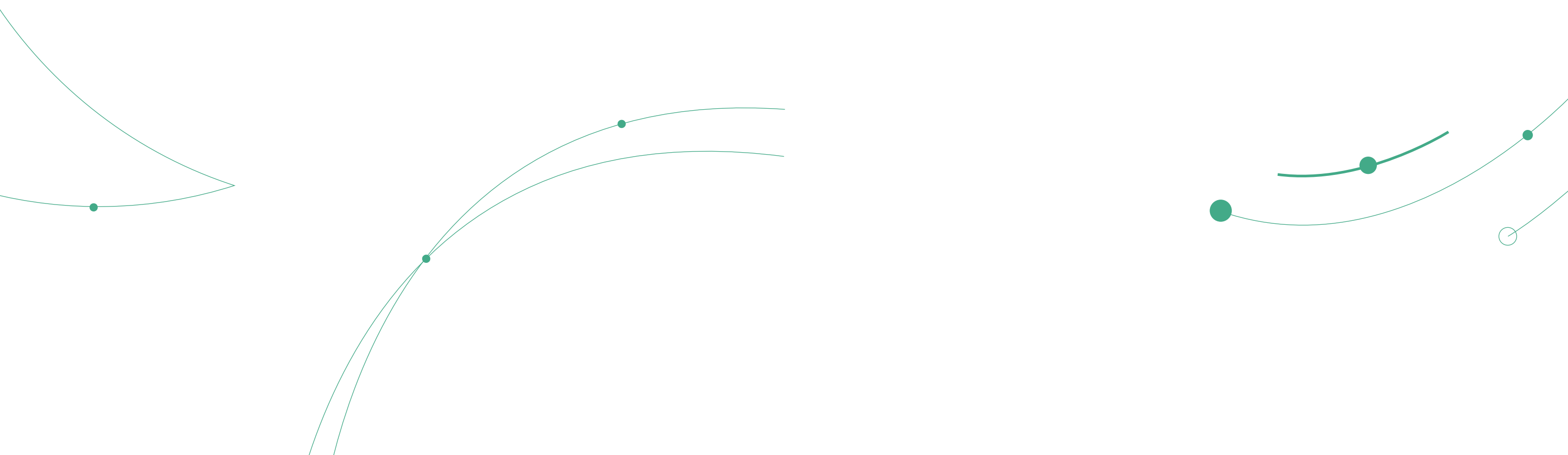
## **Chapter 7 Financial Information ..... 102**

|  |     |
|--|-----|
| I. Name and audit opinions of CPAs in recent five years .....              | 102 |
| II. Four Major Statements of the 2024 Consolidated Financial Reports ..... | 103 |
| III. Four Major Statements of the 2024 Standalone Financial Reports .....  | 109 |



# CH1

## Letter to Shareholders



## Chapter 1 Letter to Shareholders

Dear Shareholders

In 2024, the market focus concentrated primarily on the rapid development of artificial intelligence (AI) and green energy sectors. The widespread application of AI technologies has driven digital transformation across numerous industries. Simultaneously, the growing global consensus on energy transition has created additional opportunities for the green energy industry. Although automotive operations performed relatively weakly this year due to inventory adjustments, the automotive semiconductor market still shows growth potential in the long term, benefiting from the advancement of vehicle electrification. Looking toward future market trends, Nuvoton is not only solidifying its existing strengths and continuing to promote next-generation automotive semiconductor application products, but also actively investing in the development of MCUs for AI-related application scenarios and strengthening its positioning in green energy solutions, injecting new momentum into the Company's long-term development.

### **Financial Performance:**

In terms of overall financial performance in 2024, Nuvoton's total consolidated revenue was approximately NT\$31.923 billion; net income after tax was approximately NT\$220 million; earnings per share after tax was NT\$0.52.

### **Product, Market, and Technological Development:**

Looking back at 2024, Nuvoton continued to deepen its presence in target markets, achieving notable successes across various sectors, with key accomplishments summarized as follows:

With the continuous growth of AI in edge and cloud computing domains, we achieved several significant breakthroughs, such as launching the NuEzAI-M55M1 development board based on the Arm Cortex-M55 core. This platform not only provides developers with a low-threshold, high-efficiency development environment that greatly simplifies the development process for edge AI, but also strengthens companies' competitiveness in the edge AI market. Additionally, at the 2024 OCP Summit, we collaborated with major chip manufacturers to demonstrate multi-node BMC solutions that effectively shorten server development cycles and reduce development resource requirements. Concurrently, our security chips developed on the OpenTitan® foundation serve as next-generation security solutions for Chromebooks, as we continue to provide customized services for our cloud customers. In the industrial control and green energy sectors, we developed two new industrial battery monitoring chips, which are suitable for 48-volt systems and support 17 series-connected batteries, and mass-produced TOF sensors with built-in deep computing circuits to expand application scenarios.

Furthermore, our digital power MCUs were successfully introduced to Japanese customers for energy storage systems, further expanding our footprint in new energy applications. In the automotive sector, our fourth-generation battery monitoring chips, which offer higher precision in measuring cell voltage, temperature, and battery pack current, began mass production for automotive customers this year, adding momentum to the Company's future performance.

### **Honors and Awards:**

In 2024, Nuvoton received numerous accolades for product innovation and corporate management. For product innovation, our M2L31 series low-power microcontrollers with built-in ReRAM memory won the 2024 "EE Awards Asia - Asia Gold Selection Award" for MCU/Driver IC of the Year, and our BMC products received subsidies from the Innovation Platform Project organized by the Industrial Development Administration, Ministry of Economic Affairs. Simultaneously, in automotive safety, we obtained SGS certification for the ISO 24089 (safety standards for road vehicles software update engineering). To uphold our green semiconductor business philosophy, Nuvoton remained committed to sustainable development, earning recognition as a "2024 Asia-Pacific Climate Leader" by the Financial Times and international research institution Statista, as well as "Electronic Information Manufacturing Industry - Category 1 Platinum Level and Workplace Well-being Leadership Award for the TCSA (Taiwan Corporate Sustainability Awards). We were also selected among Business Weekly's "2024 Top 100 Carbon Competitive Companies." These awards and achievements highlight our technological R&D outcomes and efforts in promoting sustainability.

### **Corporate Operation and Prospects:**

Looking ahead, Nuvoton will continue to focus on three key areas: AI, green energy, and automotive applications, while strengthening resource investment and actively seeking additional partnerships to jointly develop innovative solutions that will serve as our future growth niches and momentum. Simultaneously, adhering to our vision of being "the hidden champion enriching human life through green semiconductor technology," we will integrate green design concepts into product development, accelerate the application of green technologies, and strengthen Nuvoton's importance and leadership position in the competitive market.

Chairman: Yuan-Mou Su

## Chapter 2 Company Governance Report

### I. Company profile

Nuvoton Technology Corp. was established on April 9, 2008. In July 2008, the Company was spun off from Winbond's Logic IC Business Group and went public on December 15, 2009. The Company registered on the Emerging Stock Market on January 29, 2010 and became listed on Taiwan Stock Exchange on September 27, 2010.

The Company focuses on the development of ICs for applications in microcontrollers/audio services, cloud security, battery monitoring, semiconductor component, visual sensing and IoT and has strong market share in Industrial, Automotive, Communications, Consumer Electronics and Computer markets. In addition, the Company owns a 6-inch fab that specializes in diverse processing technologies to provide IC foundry services.

The Company provides customers high quality products at low costs through vigorous innovative technical capabilities, comprehensive product solutions and outstanding integration technologies. We value long-term relationship with our customers and partners. Nuvoton has set up subsidiaries in the USA, Mainland China, Israel, India, Korea, Singapore, Japan and Germany to strengthen regional support and global management.

Apart from outstanding performance in its core business areas, the Company has also received numerous honors and awards. In 2022, it was recognized by the Ministry of Labor's Occupational Safety and Health Administration as an "Outstanding Enterprise in Publicizing Occupational Health and Safety Indicators in Sustainability Reports." In 2023, the Company received the "Sustainability Report Award" from the SGS ESG Awards, and the "Silver Award in the Electronics and Information Manufacturing category for Corporate Sustainability Reporting" from the Taiwan Corporate Sustainability Awards (TCSA). In 2024, the Company was named one of the Asia-Pacific Climate Leaders 2024 by the Financial Times and International Research Organization Statista. It also received the "Platinum Award in the Electronics and Information Manufacturing category for Corporate Sustainability Reporting" from the TCSA Corporate Sustainability Report Awards, along with the "Workplace Wellbeing Leadership Award for excellence in individual performance". Additionally, the Company was honored with "Outstanding Enterprise in the Active Evaluation of Corporate Sustainability Report Disclosure of Occupational Health and Safety Indicators" by Ministry of Labor's Occupational Safety and Health Administration in 2024, "Best of the MCU/Driver IC of the Year" at the EE Awards Asia and obtained SGS certification of ISO 24089 for automotive software update engineering. These recognitions have further enhanced Nuvoton's visibility in the global market and strengthened its competitive advantage among industry peers.

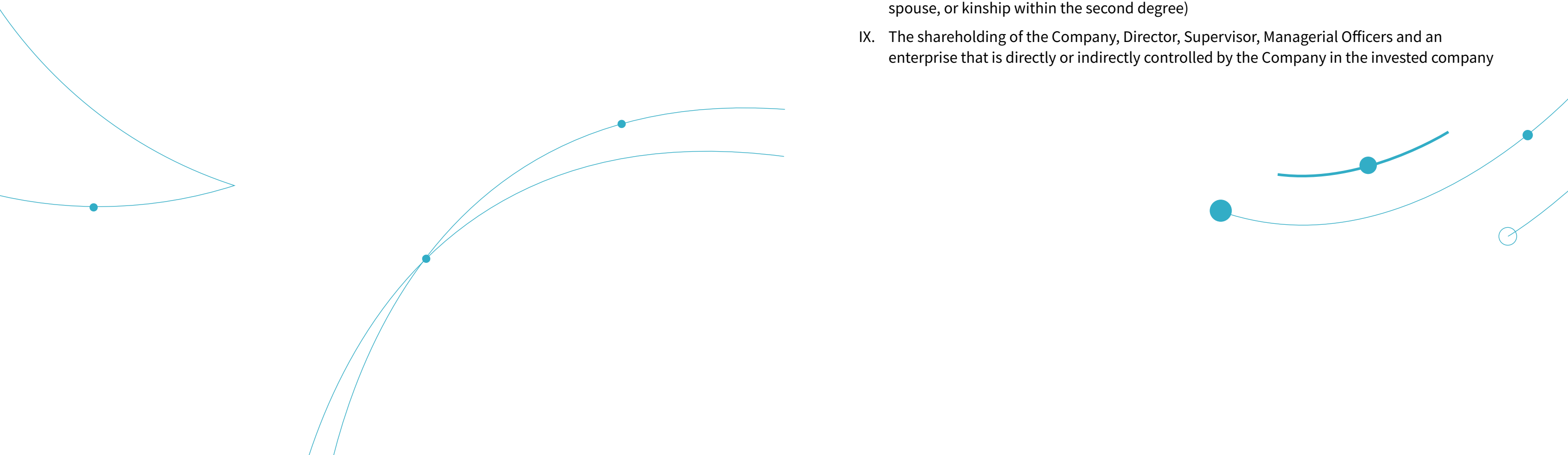


We adhere to the concept of "sustainable operation" and is committed to promoting the development of green semiconductors. We focus on our core business, continuously accumulate innovative research and development capabilities, and maintain our commitment to net zero by actively investing resources to achieve the carbon reduction blueprint. At the same time, we also combine external partners and resources to exert social influence, and strive to make comprehensive contributions in terms of economy, society, and environment. With steady steps, we continue to advance towards becoming a world-class IC design and manufacturing company.



# CH2

## Company Governance Report

- 
- I. Company profile
  - II. Profile of directors and managerial officers
  - III. Implementation of corporate governance
  - IV. Information on fees to CPA
  - V. The changes to the accountants before and after the two most recent years
  - VI. The Chairman, President and Financial or Accounting Managerial Officer of the Company who had worked for the Independent CPA or the affiliate in the past year
  - VII. Share transfer by Directors, supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report: Please refer to the Market Observation Post System for information
  - VIII. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)
  - IX. The shareholding of the Company, Director, Supervisor, Managerial Officers and an enterprise that is directly or indirectly controlled by the Company in the invested company

## II. Profile of directors and managerial officers

### 1. Director information (1)

March 07, 2025; Unit: Shares

| Title                | Nationality or place of registration | Name   | Gender Age | Date elected | Term    | First Elected Date | Shares held during election |                      | No. of shares currently held |                      | Current shares held by spouse and underage children |                      | Shareholding by nominee arrangement |                      | Education and Work Experiences   | Other current positions within the Company | Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads |                       |              | Note    |
|----------------------|--------------------------------------|--|------------|--------------|---------|--------------------|-----------------------------|----------------------|------------------------------|----------------------|---|----------------------|-------------------------------------|----------------------|--|--|--|-----------------------|--------------|---------|
|                      |                                      |  |            |              |         |                    | No. of shares               | Percentage of shares | No. of shares                | Percentage of shares | No. of shares                                       | Percentage of shares | No. of shares                       | Percentage of shares |  |  | Title  | Name                  | Relationship |         |
| The Chairman         | ROC                                  | Winbond Electronics Corp.                        | -          | 2022.6.2     | 3 years | 2008.3.14          | 214,954,635                 | 51.21%               | 218,554,635                  | 52.06%               | -   | -                    | -                                   | -                    | -  | Note 1                                     | -  | -                     | -            |         |
| Chairman             | ROC                                  | Rep. of Winbond Electronics Corp.: Yuan-Mou Su   | M 60-70    | 2022.6.2     | 3 years | 2020.2.6           | -                           | -                    | 90,000                       | 0.02%                | -   | -                    | -                                   | -                    | MA of Electrical Engineering, University of Southern California, BA of Electrical Engineering, NCTU, Vice Chairman & Deputy CEO of Winbond Electronics Corp.   | Note 2                                     | N/A  | N/A                   | N/A          | Note 14 |
| Vice Chairman        | USA                                  | Karen K Chiao                                    | F 30-40    | 2022.6.2     | 3 years | 2022.6.2           | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | MA of Business Administration, INSEAD; BA of Economics, Stanford University. Director & Precise of Callisto Holding Limited  | Note 3                                     | Director   | Arthur Yu-Cheng Chiao | F-D+S-D      |         |
| Director             | ROC                                  | Arthur Yu-Cheng Chiao                            | M 60-70    | 2022.6.2     | 3 years | 2008.3.14          | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | MA of Electrical Engineering & Institute of Management, University of Washington; Chairman of Walsin Lihwa Corp., and Chairman & CEO of Winbond Electronics Corp.  | Note 4                                     | Director   | Karen K Chiao         | F-D+S-D      |         |
| Director             | ROC                                  | Chin Xin Investment Corp.                        | -          | 2022.6.2     | 3 years | 2019.6.24          | 5,440,219                   | 1.30%                | 5,440,219                    | 1.30%                | -   | -                    | -                                   | -                    | -  | Note 5                                     | -  | -                     | -            |         |
| Director             | ROC                                  | Rep. of Chin Xin Investment Corp.: Rehn-Lieh Lin | M 50-60    | 2022.6.2     | 3 years | 2022.6.2           | -                           | -                    | 307,421                      | 0.07%                | -   | -                    | -                                   | -                    | MA of Electrical Engineering, NCKU; Chief of Microcontroller Application Business Group, Nuvoton Technology Corp. & Vice President of Business Group at Winbond Electronics Corp.  | Note 6                                     | N/A  | N/A                   | N/A          |         |
| Director             | ROC                                  | Chi-Lin Wea                                      | M 70-80    | 2022.6.2     | 3 years | 2010.4.23          | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | PhD in Economics, University of Paris, France; MA of Management from Imperial College London, UK; Director of the Institute of International Business at National Taiwan University, Secretary-General of the Executive Yuan & Chairman of the Land Bank of Taiwan.  | Note 7                                     | N/A  | N/A                   | N/A          |         |
| Director             | ROC                                  | Royce Yu-Chun Hong                               | M 50-60    | 2022.6.2     | 3 years | 2010.4.23          | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | Graduated from the Department of Industrial Design at the Rhode Island School of Design and the Graphic Design Faculty at the ArtCenter College of Design; Co-founder and Managing Director of AGENDA Taiwan Limited & C.D. of PChome Online Inc..   | Note 8                                     | N/A  | N/A                   | N/A          |         |
| Director             | ROC                                  | Liang-Gee Chen                                   | M 60-70    | 2022.6.2     | 3 years | 2022.6.2           | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | PhD in Electrical Engineering from NCKU; the Minister of the MOST, Taiwan; Director General of the EORL at the ITRI, Founding Director of Graduate Institute of Electronics Engineering of the NTU & Independent Director of Vanguard International Semiconductor Corp.  | Note 9                                     | N/A  | N/A                   | N/A          |         |
| Independent Director | ROC                                  | Mark Pao-Sheng Wei                               | M 60-70    | 2022.6.2     | 3 years | 2022.6.2           | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | MA of Business Administration, GWU, WA, D.C.; Master of Financial Management, BFU, WA, D.C.; BA of Marine Transportation from National Chiao Tung University; Director General of the Insurance Bureau, Financial Supervisory Commission, Executive Yuan; Chairman of KGI Bank and KGI Securities & Chairman of Shin Kong Life Insurance Co., Ltd. | Note 10                                    | N/A  | N/A                   | N/A          |         |
| Independent Director | ROC                                  | David Shu-Chyuan Tu                              | M 60-70    | 2022.6.2     | 3 years | 2014.6.12          | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | MA of Computer Engineering, CSU, USA; BA of Computer Engineering from NCTU; Vice President of Group Business Development and Strategy of Synnex Technology International Corp.   | Note 11                                    | N/A  | N/A                   | N/A          |         |

| Title                | Nationality or place of registration | Name              | Gender Age | Date elected | Term    | First Elected Date | Shares held during election |                      | No. of shares currently held |                      | Current shares held by spouse and underage children |                      | Shareholding by nominee arrangement |                      | Education and Work Experiences  | Other current positions within the Company | Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads |      |              | Note |
|----------------------|--------------------------------------|-------------------|------------|--------------|---------|--------------------|-----------------------------|----------------------|------------------------------|----------------------|---|----------------------|-------------------------------------|----------------------|---|--|--|------|--------------|------|
|                      |                                      |                   |            |              |         |                    | No. of shares               | Percentage of shares | No. of shares                | Percentage of shares | No. of shares                                       | Percentage of shares | No. of shares                       | Percentage of shares |   |  | Title  | Name | Relationship |      |
| Independent Director | ROC                                  | Allen Shan-Ko Hsu | M 70-80    | 2022.6.2     | 3 years | 2013.6.14          | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | MBA of NCCU and Wharton Executive Education Program (USA); Chairman of Altek Corp., Chingis Technology Corp., and Taiwan Mask Corp. | Note 12                                    | N/A  | N/A  | N/A          |      |
| Independent Director | ROC                                  | Kuang-Chung Chen  | M 70-80    | 2022.6.2     | 3 years | 2022.6.2           | -                           | -                    | -                            | -                    | -   | -                    | -                                   | -                    | BA of Chemical Engineering from CCU; Vice Chairman, CEO & Chief Executive of LITE-ON Group.   | Note 13                                    | N/A  | N/A  | N/A          |      |

Note 1: Institutional Director Winbond Electronics Corp. serves concurrently as Institutional Director of Walton Advanced Engineering, Inc., Winbond Electronics (HK) Ltd., Winbond International Corp., Winbond Technology Ltd., Callisto Holding Limited, Winbond Electronics Germany GmbH, Intellectual Property Innovation Corp., Miraxia Edge Technology Corp., Winbond Electronics Corp. Japan, Winbond Electronics India Private Limited and Atfields Manufacturing Technology Corp.; The Institutional Supervisor of Chin Xin Investment Corp., Harbinger III Venture Capital Corp., Theaceae Conservation Corp., Hwa Bao Botanic Conservation Corp., and Kai-Hong Energy Co., Ltd.

Note 2: Director Mr. Yuan-Mou Su is the Chairman & CEO of Nuvoton; and serves concurrently as the Chairman of Nuvoton Technology Corp. Japan; and also serves concurrently as the Director of & Nuvoton Technology Holdings Japan, Nuvoton Technology Corp. America and Nuvoton Technology Israel Ltd.

Note 3: Director Karen K Chiao is the Vice Chairperson of Nuvoton; and concurrently as the Director and President of Callisto Technology Limited and Director of Callisto Holding Limited, Miraxia Edge Technology Corp., Nuvoton (Hong Kong), Hong Foundation, Nuvoton Technology Singapore Pte. Ltd., and Nuvoton Technology Corp. Japan.

Note 4: Director Mr. Arthur Yu-Cheng Chiao serves concurrently as the Chairman and CEO of Winbond Electronics Corp.; Chairman of Chin Xin Investment Corp. and Cheng Ho Investment Co., Ltd.; Director of Walsin Lihwa Corp., Walsin Technology Corp., United Industrial Gases Co., Ltd., Chin Cheng Construction Corp., Song Yong Investment Corp., MiTac Holdings Corp., TCC Group Holdings Co., Ltd., Nuvoton Technology Corp. America, Winbond Electronics Corp. America, Winbond International Corp., Nuvoton Investment Holding Ltd., Marketplace Management Limited, Nuvoton Technology Holdings Japan, and Tower Partners Semiconductor Co., Ltd.

Note 5: Institutional Director Chin Xin Investment Corp. serves concurrently as Institutional Director of Winbond Electronics Corp., Walsin Lihwa Corp., HannStar Board Corp., Global Investment Holdings Co., Ltd., Glorystone Inc., and Hwa Bao Botanic Conservation Corp.

Note 6: Director Lin Renlie also serves as the Chairman of Callisto Holding Limited; concurrently serves as the Director of Nuvoton Technology Korea Ltd., Miraxia Edge Technology Corp., Winbond Electronics Corp. Japan and Miraxia Technology Taiwan Corp.; Concurrently serves as the supervisor of Song Yong Investment Corp. and concurrently serves as the Vice President of the Flash Memory IC Business Group of Winbond Electronics Corp.

Note 7: Director Mr. Chi-Lin Wea serves concurrently as the Chairman of International Bills Finance Corp. and IBF Financial Holdings Co., Ltd.; Director of Elan Microelectronics Corp., Avabio Co., Ltd., Rakuten Bank, and AcBel Polytech Inc.; Independent Director of Formosa Plastics Corp., Inventech Co., Ltd., Sinbon Electronics Company Ltd., and Taiwan Secom Co., Ltd.; and also serves as the Supervisor of Breeze Comprehensive Development Co., Ltd.

Note 8: Director Mr. Royce Yu-Chun Hong serves concurrently as the Chairman = of IPEVO Corp., Xrange Co., Ltd., Xing Mobility Inc., LR Ventures Co., Ltd., Xing Propulsion Inc. and Panasonic Taiwan; Director of Jian-Huang Enterprise Co., Ltd., and Independent Director of GGA Co., Ltd.

Note 9: Director Liang-Gee Chen concurrently serves as the Director of Ganzin Technology Co., Ltd. and Himax Technologies, Inc., serves concurrently as Independent Director of Everlight Electronics Co., Ltd., Qisda Corp., Kinsus Interconnect Technology Corp. and Vanguard International Semiconductor Corp.

Note 10: Independent Director Mr. Mark Pao-Sheng Wei concurrently serves as the Chairman of Shin Kong Financial Holding Co., Ltd. and Shin-Kong Life Insurance Co., Ltd.; Director of Gounittravel Co., Ltd. and Ascendo Biotechnology, Inc. Taiwan Branch (Cayman Islands); and Independent Director of AINOS Inc. Taiwan Branch (USA) and Advanced Lithium Electrochemistry (Cayman) Co., Ltd.

Note 11: Independent Director Mr. David Tu serves concurrently as Chairman of Bizwave Tech Co., Ltd., Synergy Intelligent Technology Co., Ltd., and BestCom Co., Ltd.; Director of Synnex Technology International Corp., Jetwell Computer Co., Ltd., Asgard System Inc., Inforcom Technology Inc., Synnex FPT Joint Stock Company, PT. Synnex Metrodata Indonesia, Synnex (Thailand) Public Company Ltd., Redington Ltd., Seper Technology Corp. and Digitimes Inc.

Note 12: Independent Director Mr. Allen Shan-Ko Hsu serves concurrently as the Chairman of Unus Tech Co., Ltd., 3R Life Sciences Ltd., and Yu Yuan Investment Co. Ltd.; Director of Innodisk Corp. and Acme Electronics Corp.; and Independent Director and Convener of Audit Committee of Winbond Electronics Corp.

Note 13: Independent Director Mr. KUANG-CHUNG CHEN also serves as an Independent Director of Diodes Incorporated.

Note 14: The Chairman and CEO of Nuvoton concurrently lead the management team to enhance the operational performance of the group, increase shareholder interests, and achieve the goal and vision of sustainable business operation. In response to the aforementioned situation, the number of Independent Director seats of the company has increased from the statutory three seats to four seats in accordance with Article 23 of the company's "Corporate Governance Best Practices Guidelines" to maintain objectivity and supervisory power.

Directors who are Representative of Institutional Shareholders and the Major Shareholders of Institutional Shareholders

March 07, 2025

| Name of Institutional Shareholder | Major Shareholders of Institutional Shareholders   |
|-----------------------------------|--|
| Winbond Electronics Corp.         | Walsin Lihwa Corp. 22.11%; Chin Xin Investment Corp. 6.31%; LGT Bank (Singapore) Investment Fund under the custody of Business Department, Standard Chartered Bank (Taiwan) Ltd. 1.72%; Arthur Yu-Cheng Chiao 1.53%; Labor pension fund (new mechanism) 1.44%; Cathay Life Insurance Company, Ltd. 1.37%; JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under the custody of JPMorgan Chase Bank, Taipei Branch 1.00%; HUNG, PAI-YUN 0.97%; Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds under the custody of JPMorgan Chase Bank, Taipei Branch 0.96%; CHIAO, YU-HENG 0.58%. |
| Chin Xin Investment Corp.         | Winbond Electronics Corp. 37.69%; Walsin Lihwa Corp. 36.99%; Huali Investment Co., Ltd. 4.43%; Arthur Yu-Cheng Chiao 3.14%; CHIAO, YU-LUN 3.14%; CHIAO, YU-HENG 3.14%; CHIAO, YU-CHI 3.14%; Walsin Technology Corp. 1.86%; HannStar Board International Holdings Ltd. 1.34%; Prosperity Dielectrics Co., Ltd. 0.72%.   |

Major shareholders in the above table who are institutional investors and their major shareholders

March 07, 2025

| Name of Institutional Shareholder      | Major Shareholders   |
|--|--|
| Walsin Lihwa Corp.                     | Chin Xin Investment Corp. 6.15%; Winbond Electronics Corp. 6.14%; Teco Electric & Machinery Co., Ltd. 5.22%; Rong Chiang International Ltd. 4.95%; LGT Bank (Singapore) Investment Fund under the custody of Business Department, Standard Chartered Bank (Taiwan) Ltd. 4.54%; Huali Investment Co., Ltd. 2.65%; CHIAO, YU-HUI 1.74%; Citibank (Taiwan) Limited in Custody for Norges Bank Investment Fund. 1.67%; CHIAO, YU-HENG 1.62%; Chunghwa Post Co., Ltd. 1.49% |
| Oriental Consortium Investment Limited | HannStar Display Corp. (100%).   |
| Walsin Technology Corp.                | Walsin Lihwa Corp. 18.30%; HannStar Board International Holdings Ltd. 8.45%; Global Brands Manufacture Ltd. 4.10%; Walton Advanced Engineering, Inc. 2.74%; CHIAO, YU-HENG 2.65%; Citibank (Taiwan) Limited In Custody For Maybank Securities-Internal Transaction Platform- Customer Account Investment Fund 2.33%; Giga Investment Co. 1.37%; Chin Xin Investment Corp. 1.27%; Tsai Yi Corp. 1.10%; Winbond Electronics Corp. 1.09%.                                 |
| HannStar Board Corp.                   | Walsin Technology Corp. 20.32%; Walsin Lihwa Corp. 12.06%; Career Technology Mfg. Co., Ltd. 5.44%; Chin Xin Investment Corp. 3.55%; CHIAO, YU-HENG 2.19%; HUNG, PAI-YUN 1.91%; Xingxing Investment Co., Ltd. 1.64%; Prosperity Dielectrics Co., Ltd. 1.07%; Tsai Yi Corp. 0.96%; Citibank (Taiwan) in Custody for UBS Europe SE Investment Account 0.90%.  |
| Prosperity Dielectrics Co., Ltd.       | Walsin Technology Corp. 43.13%; Walton Advanced Engineering, Inc. 0.75%; CHIAO, YU-HENG 0.62%; Ta-Ho Maritime Corp. 0.55%; Abc Taiwan Electronics Corp. 0.47%; Citibank (Taiwan) in Custody for UBS Europe SE Investment Account 0.44%; SHEN, WEN-CHE 0.44%; HUANG, CHUN-CHI 0.36%; LIAO, SHENG-CHI 0.34%; HUANG, TSUNG-YUAN 0.30%.  |

## Director Information (2)

| Criteria<br>Name                                    | Professional qualifications and experience  | Independence Status  | Number of other public companies concurrently serving as an Independent Director |
|---|---|--|--|
| Rep. of Winbond Electronics Corp.:<br>Yuan-Mou Su   | Mr. Yuan-Mou Su has extensive experience in corporate operations. He previously served as Vice Chairman and Deputy CEO of Winbond Electronics Corp. and has accumulated profound expertise in the semiconductor and electronics industries through his tenure at AMD (USA), Digital Equipment Corp., Integrated Device Technology, and Winbic Semiconductor Inc. With his leadership, the company has achieved steady growth. He currently serves as the Chairman and CEO of the company.   | (1) Chairman Yuan-Mou Su serves as the Chairman of the Board in his capacity as the Rep. of Winbond Electronics Corp., an Institutional Director.<br>(2) Currently serving as the CEO of the company | -  |
| Karen K Chiao                                       | Ms. Karen K Chiao has experience in corporate operations and previously served as Deputy General Manager of Strategy at WeLab Holdings. She has also gained extensive expertise in business, finance, and accounting through her tenure at renowned firms such as HSBC, Hony Capital, Fullerton Consultancy, and Goldman Sachs (Asia) L.L.C. With her diverse international financial experience, she currently serves as the Vice Chairperson of our company.  | Director Karen K Chiao and Director Arthur Yu-Cheng Chiao are second-degree relatives.   | -  |
| Arthur Yu-Cheng Chiao                               | Mr. Arthur Yu-Cheng Chiao has extensive experience in corporate management and operations. He previously served as Chairman of Walsin Lihwa Corp. and as Chairman of the TEEMA. In addition, he was honored with the ERSO Award in 2019 and was elected as a Fellow of the ITRI in its eighth term. With profound expertise in managing Taiwan Stock Exchange and Taipei Exchange listed Companies and exceptional leadership and decision-making skills, he currently serves as the Chairman and CEO of Winbond Electronics Corp.  | Director Arthur Yu-Cheng Chiao and Director Karen K Chiao are second-degree relatives.   | -  |
| Rep. of Chin Xin Investment Corp.:<br>Rehn-Lieh Lin | Mr. Rehn-Lieh Lin has extensive industry experience and previously served as Deputy General Manager of our company's business group. He possesses deep expertise and practical experience in the semiconductor and electronics industries. He currently serves as the Deputy General Manager of the Flash Memory IC Business Group at Winbond Electronics Corp.   | Director Rehn-Lieh Lin serves as a Director of Corp. Representative.   | -  |
| Chi-Lin Wea   | Mr. Chi-Lin Wea has extensive expertise and practical experience in finance and economics. He has held various key positions, including Secretary-General of the Executive Yuan, Chairman of Taiwan Land Bank, Minister of the Research, Development and Evaluation Commission of the Executive Yuan, Directorate-General of Personnel Administration of the Executive Yuan, Chairman of Taiwan Financial Asset Service Corp., Director of the Chung-Hua Institution for Economic Research, Director of the Taiwan Stock Exchange, and Director of Chung Hsing Bills Finance Corp.. With profound experience in policy planning and financial management, he currently serves as the Chairman of IBF Financial Holdings Co., Ltd., and International Bills Finance Corp.. | -  | 4  |
| Royce Yu-Chun Hong                                  | Mr. Royce Yu-Chun Hong has extensive experience in design and marketing management. He previously served as Creative Director at PChome Online Inc. and founded AGENDA Taiwan Limited, demonstrating a strong professional background in creative design. He is currently the Chairman of IPEVO Corp. and also serves as the Chairman of Xrange Co., Ltd., Xing Mobility Inc., LR Ventures Co., Ltd., Xing Propulsion Inc. and Panasonic Taiwan Co., Ltd.   | -  | 1  |

| Criteria<br>Name    | Professional qualifications and experience  | Independence Status   | Number of other public companies concurrently serving as an Independent Director |
|---------------------|---|---|--|
| Liang-Gee Chen      | Mr. Liang-Gee Chen has outstanding expertise in technology research and extensive experience across academia, industry, and government. He previously served as Minister of the MOST, R.O.C., Director General of the EORL at the ITRI and was the founding Director of the Graduate Institute of Electronics Engineering at NTU. With his strong academic background and practical experience, he possesses deep insights into trends and developments in the technology industry. He currently serves as a Director of Ganzin Technology Co., Ltd. and Himax Technologies, Inc.         | -   | 4  |
| Mark Pao-Sheng Wei  | Mr. Mark Pao-Sheng Wei has extensive expertise in finance and insurance. He previously served as Chairman of KGI Bank, Director General of the Insurance Bureau of the Financial Supervisory Commission, Executive Yuan, and held key positions as Chairman of KGI Securities, AIA Securities, and KGI Bank. With profound experience in financial regulation and business management, coupled with an exceptional international perspective and professional acumen, he currently serves as the Chairman of Shin Kong Life Insurance Co., Ltd. and Shin Kong Financial Holding Co., Ltd. | (1) Not an employee of the Company or any of its affiliates.<br>(2) Not a Director or supervisor of the Company or any of its affiliates. (Only Independent Directors Allen Shan-Ko Hsu and Jerry Hsu are concurrently Independent Director of Winbond Electronics Corp.)<br>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate number of 1% or more of the shares of the Company or ranks as one of its top ten shareholders.  | 0  |
| David Shu-Chyuan Tu | Mr. David Shu-Chyuan Tu previously served as General Manager of the Product Business Unit at Synnex Technology International Corp. and as Vice President of Business Development and Strategy at Synnex Group, where he was responsible for the company's overseas investment businesses and the expansion of its global distribution network. He is currently the Chairman of Bizwave Tech Co., Ltd., Synergy Intelligent Technology Co., Ltd., and BestCom Co., Ltd.; while also serving as a Director of Synnex Technology International Corp.   | (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the managerial officers listed in subparagraph (1) or persons listed in subparagraphs (2) and (3).<br>(5) Not a Director, supervisor or employee of an institutional shareholder holding directly 5% or more of the company's shares, being one of the top five shareholders, or being appointed a Director or supervisor of the company pursuant to Article 27, Paragraph 1 or 2 of the Company Act.  | -  |
| Allen Shan-Ko Hsu   | Mr. Allen Shan-Ko Hsu previously served as Deputy General Manager and Deputy Chief Executive of General Management at Yulon Motor Co., Ltd., and was also Vice Chairman of the Taiwan Venture Capital Association (TVCA). With deep expertise in corporate management, finance, and investment, he currently serves as the Chairman of Unus Tech Co., Ltd., 3R Life Sciences Ltd., as well as an Independent Director of Winbond Electronics Corp.  | (6) Not a Director, supervisor or employee of another company that is controlled by the same person that holds the majority seats on the board or majority votes of the Company.<br>(7) Not a Director, supervisor or employee of another company or institution that has the same chairman, president, or the equivalent or a spouse in one of the roles as the Company.   | 1  |
| Kuang-Chung Chen    | Mr. Kuang-Chung Chen previously served as Vice Chairman and CEO of Lite-On Technology Corp., where he accumulated extensive expertise and practical experience in the optoelectronics and information and communications technology (ICT) industries. He currently serves as an Independent Director of Diodes Incorporated.  | (8) Not a Director, supervisor, manager, or shareholder holding five percent or more of the shares of a specific company or institution that has a financial or business relationship with the Company.<br>(9) Not a professional who provides audit service or receives remuneration in the last two years for commercial, legal, financial, or accounting services to the Company or its affiliates, nor is an owner, partner, Director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliates. | 0  |

Note: The Company has confirmed through a search engine query that all Directors of the company currently do not have any circumstances as specified in Article 30 of the Company Act.

## **Director Information (3)**

### **Diversity on the Board**

The diversity policy for members of the Board of Directors is established in Article 20 of the Company's Corporate Governance Best Practice Principles:

The Company's Board of Directors shall direct company strategies, supervise the management, and be responsible to the Company and shareholders. The various procedures and arrangements of the corporate governance system shall ensure that, in exercising its authority, the board of Directors complies with laws, regulations, the Articles of InCorp., and the resolutions adopted by shareholders' meetings.

The structure of the Board of Directors should take into account the Company's operations, development and business scale, shareholding of major shareholders and diversity of board members. The Directors should be diverse in terms of professional backgrounds, professional knowledge and expertise, gender, or fields of work. An appropriate number of Directors ranging between nine to thirteen seats shall be elected according to practical operational needs.

The members of the Board of Directors shall be balanced between the genders and they shall possess the knowledge, skills, and experience necessary for performing their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

1. Ability to make sound business judgments.
2. Ability to conduct accounting and financial analysis.
3. Ability to manage the business.
4. Ability to manage a crisis.
5. Industry knowledge.
6. An understanding of international markets.
7. Leadership ability.
8. Decision-making ability.

Management goals and achievements of the specific management objectives for diversity policies of the seventh session (2022 to 2024) board members of the company are as follows:

1. In order to implement the national policy of gender equality and enhance the participation of women in the decision-making process, as well as strengthen the structure of the board of Directors, a management goal of appointing at least one female Director was set: this goal has been achieved in the current session.
2. To achieve the goal of sustainable operation, a succession plan for important management positions was implemented through the rotation of corporate representatives. A management goal of maintaining two seats for corporate Directors was set: this goal has also been achieved in the current session.



## Implementation of board member diversity

| Title                | Name   | Gender | Core diversification item |                              |                           |                      |              | Percentage by gender |    | Percentage of Independent Directors | Percentage of Directors who are also employees | Age distribution of all Directors |              |
|----------------------|--|--------|---------------------------|------------------------------|---------------------------|----------------------|--------------|----------------------|----|-------------------------------------|--|-----------------------------------|--------------|
|                      |  |        | Business management       | Leadership & Decision Making | Knowledge of the industry | Finance & Accounting | IT Expertise | M                    | F  |                                     |  | Age 50 and over                   | Age under 50 |
| Chairman             | Rep. of Winbond Electronics Corp.: Yuan-Mou Su   | M      | V                         | V                            | V                         | V                    | V            | 91%                  | 9% | 36%                                 | 9%   | 91%                               | 9%           |
| Vice Chairperson     | Karen K Chiao                                    | F      | V                         | V                            | V                         | V                    |              |                      |    |                                     |  |                                   |              |
| Director             | Arthur Yu-Cheng Chiao                            | M      | V                         | V                            | V                         | V                    | V            |                      |    |                                     |  |                                   |              |
| Director             | Rep. of Chin Xin Investment Corp.: Rehn-Lieh Lin | M      |                           | V                            | V                         |                      | V            |                      |    |                                     |  |                                   |              |
| Director             | Chi-Lin Wea                                      | M      | V                         | V                            | V                         | V                    | V            |                      |    |                                     |  |                                   |              |
| Director             | Royce Yu-Chun Hong                               | M      | V                         | V                            | V                         | V                    | V            |                      |    |                                     |  |                                   |              |
| Director             | Liang-Gee Chen                                   | M      |                           | V                            | V                         |                      | V            |                      |    |                                     |  |                                   |              |
| Independent Director | Mark Pao-Sheng Wei                               | M      | V                         | V                            | V                         | V                    |              |                      |    |                                     |  |                                   |              |
| Independent Director | David Shu-Chyuan Tu                              | M      | V                         | V                            | V                         |                      | V            |                      |    |                                     |  |                                   |              |
| Independent Director | Allen Shan-Ko Hsu                                | M      | V                         | V                            | V                         | V                    |              |                      |    |                                     |  |                                   |              |
| Independent Director | Kuang-Chung Chen                                 | M      | V                         | V                            | V                         | V                    | V            |                      |    |                                     |  |                                   |              |

## Independence of the Board of Directors

The Board of Directors is the highest governing body of Nuvoton Technology Corp.; The 7th Board of Directors comprises 11 Directors, including 4 Independent Directors and 1 female Director. More than half of the Directors neither serve as company managers nor employees. Two Directors have family relationships within the second degree of kinship, accounting for less than half of the board seats, in compliance with Article 26-3 of the Securities and Exchange Act. All board members possess extensive experience in business operations. They represent a broad age range, and their academic and professional backgrounds span diverse fields, equipping them with the necessary capabilities to fulfill their duties. They effectively supervise the Company's operations and provide constructive advice and strategic guidance. Institutional shareholders Winbond Electronics Corp. and Chin Xin Investment Corp. serve as corporate Directors and are major shareholders of the Company. Among them, Winbond Electronics Corp. is the largest shareholder, holding more than 50% of the Company's shares, and has served as a corporate Director since the Company's establishment. Based on the above assessment, Nuvoton's Board of Directors demonstrates independence and is capable of effectively performing its supervisory and decision-making functions.

## 2. Profile of President, Vice Presidents, Assistant Vice Presidents, and Department Directors

March 07, 2025 Unit: Shares

| Title                               | Nationality | Name                | Gender | Date of appointment | Shareholding  |                      | Shares held by spouse and underage children |                      | Shareholding by nominee arrangement |                      | Education and Work Experiences   | Current job position in other companies  | Managerial officer who is a spouse or a relative within second degree |      |              | Note   |
|-------------------------------------|-------------|---------------------|--------|---------------------|---------------|----------------------|---|----------------------|-------------------------------------|----------------------|--|--|---|------|--------------|--------|
|                                     |             |                     |        |                     | No. of shares | Percentage of shares | No. of shares                               | Percentage of shares | No. of shares                       | Percentage of shares |  |  | Title   | Name | Relationship |        |
| CEO                                 | R.O.C.      | Yuan-Mou Su         | M      | 2020.3.1            | 90,000        | 0.02%                | -   | -                    | -                                   | -                    | Master of Electrical Engineering, University of Southern California, BS in Electrical Engineering, National Chiao Tung University; Deputy Chairman and Deputy CEO, Winbond Electronics Corp.   | Chairman of Nuvoton Technology Corp. Japan (NTCJ), Director of Nuvoton Technology Corp. America (NTCA), Director of Nuvoton Technology Israel Ltd (NTIL)., and Director of Nuvoton Technology Holdings Japan (NTHJ).   | N/A   | N/A  | N/A          | Note 2 |
| Deputy CEO                          | Japan       | Kinoshita Yoshitaka | M      | 2021.2.18           | -             | -                    | -   | -                    | -                                   | -                    | Master of Electrical Engineering, Toyohashi University of Technology (Japan) President of Elpida Memory Co., Ltd., President and Rep. Director of Micron Memory Japan  | President of Nuvoton Technology Holdings Japan (NTHJ), Director of Technology Corp. Japan (NTCJ), and Director of Nuvoton Technology Singapore Pte. Ltd.   | N/A   | N/A  | N/A          |        |
| President                           | R.O.C.      | Hsin-Lung Yang      | M      | 2022.6.1            | 99,362        | 0.02%                | -   | -                    | -                                   | -                    | Master of Computer Science, National Tsing Hua University; Senior Director of Multimedia R&D Division of Cheertek Inc.; Managerial Officer of Product Planning & Marketing Technology, Novatek Microelectronics Corp.  | Chairman of Nuvoton Technology Corp. America (NTCA), Director of Nuvoton Electronics Technology (H.K.) Limited (NTHK), Director of Nuvoton Electronics Technology (Shanghai) Limited (NTSH), Director of Nuvoton Electronics Technology (Shenzhen) Limited (NTSZ), Chairman of Nuvoton Technology Israel Ltd. (NTIL), Director of Nuvoton Tec. India Private Ltd. (NTIPL), Rep. Director of Nuvoton Technology Korea Limited (NTKL), and Director of Nuvoton Technology Corp. Japan (NTCJ) | N/A   | N/A  | N/A          |        |
| President of Headquarters Functions | R.O.C.      | Hsiang-Yun Fan      | M      | 2024.8.1            | 392,463       | 0.09%                | -   | -                    | -                                   | -                    | (MBA) Master of Business Administration, National Chung Cheng University; Deputy General Manager of Administration Center, Nuvoton Technology Corp.; Vice President of Customized Memory Solution Business Group, Winbond Electronics Corp.  | Executive Vice President of Winbond Electronics Corp.; Chairman of Song Yong Investment Corp.  | N/A   | N/A  | N/A          |        |
| Vice President                      | R.O.C.      | Jing-Shiang Tseng   | M      | 2024.11.1           | 10,000        | 0.00%                | -   | -                    | -                                   | -                    | Master of Computer Science, National Tsing Hua University; Technology Deputy Director of Microcontroller Software and Application Division, Nuvoton Technology Corp.; Head of Multimedia Product Software Division of Winbond Electronics Corp.  | N/A  | N/A   | N/A  | N/A          |        |
| Vice President                      | R.O.C.      | Giann-Liang Su      | M      | 2022.7.5            | -             | -                    | -   | -                    | -                                   | -                    | Master of Electronics Engineering, National Taiwan University; BA of Electrical Engineering, National Taiwan University; Senior Manager of DRAM Business Group of Qimonda AG/Infinitix Precision Corp.; DRAM Marketing Director of Winbond Electronics Corp.; Senior Director, Compute DRAM Senior Director of Micron Technology | Director of Nuvoton Technology Corp. America (NTCA), and Nuvoton Technology Israel Ltd. (NTIL).  | N/A   | N/A  | N/A          |        |
| Vice President                      | R.O.C.      | Kuang-Lun Lin       | M      | 2018.3.1            | 843           | 0.00%                | -   | -                    | -                                   | -                    | MS in Physics, National Tsing Hua University; Deputy Plant Manager of Micro Imaging Engineering Department of Winbond Electronics Corp., and Director of Quality Assurance Division, Nuvoton Technology Corp.  | N/A  | N/A   | N/A  | N/A          |        |

| Title  | Nationality | Name          | Gender | Date of appointment | Shareholding  |                      | Shares held by spouse and underage children |                      | Shareholding by nominee arrangement |                      | Education and Work Experiences   | Current job position in other companies  | Managerial officer who is a spouse or a relative within second degree |      |              | Note |
|--|-------------|---------------|--------|---------------------|---------------|----------------------|---|----------------------|-------------------------------------|----------------------|--|--|---|------|--------------|------|
|  |             |               |        |                     | No. of shares | Percentage of shares | No. of shares                               | Percentage of shares | No. of shares                       | Percentage of shares |  |  | Title   | Name | Relationship |      |
| Vice President   | R.O.C.      | Yu-Sung Cheng | M      | 2019.10.14          | 25,000        | 0.01%                | -   | -                    | -                                   | -                    | BS in Electrical Engineering, Tamkang University; Assistant Vice President, Quality & ESH Center of Winbond Electronics Corp.  | Director of Nuvoton Electronics Technology (H.K.) Limited (NTHK), and Nuvoton Technology Singapore Pte. Ltd. (NTSG)  | N/A   | N/A  | N/A          |      |
| DGM & CFO, Spokesperson & Head of Corporate Governance | R.O.C.      | Hsiu-Fen Lai  | F      | 2020.8.1            | 75,000        | 0.02%                | -   | -                    | -                                   | -                    | MBA from University of Southern California, Master of Laws from National Chengchi University, BA of Finance from National Taiwan University; Deputy General Manager of Accounting of HTC   | Director of Nuvoton Technology Korea Limited (NTKL), Nuvoton Technology Holdings Japan (NTHJ), Nuvoton Technology Corp. Japan (NTCJ), Nuvoton Technology Corp. America (NTCA), Song Yong Investment Corp., Nuvoton Electronics Technology (H.K.) Limited (NTHK), Winbond Technology (Nanjing) Co., Ltd., and Nuvoton Electronics Technology (Shenzhen) Limited (NTSZ). | N/A   | N/A  | N/A          |      |
| Accounting Supervisor                                  | R.O.C.      | Hui-Chun Lai  | F      | 2024.11.1           | 10            | 0.00%-               | -   | -                    | -                                   | -                    | Master of Accounting from National Taipei University (NTPU); BA of Accounting from National Taiwan University (NTPU); Finance & Taxation Accounting Manager of Winbond Electronics Corp. Assistant Vice President of Audit Department, Deloitte & Touche | Supervisor of Nuvoton Electronics Technology (Nanjing) Ltd. (NTNJ); Director of Nuvoton Electronics Technology (Shanghai) Ltd. (NTSH), Nuvoton Technology Israel Ltd. (NTIL), Nuvoton Tec. India Private Ltd. (NTIPL), and Nuvoton Technology Germany GmbH (NTG).  | N/A   | N/A  | N/A          |      |
| CTO  | R.O.C.      | Wei-Chan Hsu  | M      | 2020.8.1            | -             | -                    | -   | -                    | -                                   | -                    | Ph.D. in Physics, University of Illinois at Urbana-Champaign; CEO of IC Ensemble, USA.   | N/A  | N/A   | N/A  | N/A          |      |

Note 1: Management is defined the same as the interpretation provided in the Ministry of Finance letter Tai-Cai-Zheng-San-Zi No. 0920001301, including the President, Vice President, Assistant Vice President, Chief Financial Officer, and Chief Accounting Officer (or equivalent officers).

Note 2: The Chairman of the Company concurrently serves as the Chief Executive Officer, with the aim of leading the management team in effectively implementing the resolutions of the Board of Directors and enhancing operational efficiency. In response to this arrangement, the Company has appointed four Independent Directors, and more than half of the Board members do not hold positions as employees or managerial officers of the Company.

### 3. Remunerations to Directors (including Independent Directors), Supervisors, President, and Vice Presidents in recent years

#### 3.1 Remuneration for Directors (including Independent Directors)

December 31, 2024; Unit: NT\$1,000

| Title   |                | Name                      | Director's remuneration   |  |                                |  |                                      |  |                               |  | Ratio of total (A), (B), (C), and (D) to after-tax profit (Note 6) |  | Pay received as an employee                       |  |             |  |  |   |  |                | Ratio of total (A), (B), (C), (D), (E), (F) and (G) to after-tax profit (Note 6) |  | Remuneration received from parent company or investees other than subsidiaries, if any (Note 7) |
|---|----------------|---------------------------|---------------------------|--|--------------------------------|--|--------------------------------------|--|-------------------------------|--|--|--|---|--|-------------|--|--|---|--|----------------|--|--|---|
|   |                |                           | Remuneration (A) (Note 1) |  | Severance pays and pension (B) |  | Director's remuneration (C) (Note 2) |  | Business expense (D) (Note 3) |  |  |  | Salary, bonus, and special allowance (E) (Note 4) |  | Pension (F) |  | Remuneration of employees (G) (Note 2) |   |  |                |  |  |   |
|   |                |                           | The Company               | All companies in the financial statements (Note 5) | The Company                    | All companies in the financial statements (Note 5) | The Company                          | All companies in the financial statements (Note 5) | The Company                   | All companies in the financial statements (Note 5) | The Company  | All companies in the financial statements (Note 5) | The Company                                       | All companies in the financial statements (Note 5) | The Company | All companies in the financial statements (Note 5) | The Company                            |   | All companies in the financial statements (Note 5) |                | The Company  | All companies in the financial statements (Note 5) |   |
| Chairman  | Company        | Winbond Electronics Corp. | 0                         | -  | 0                              | -  | 2,654                                | 2,654  | 4,200                         | 4,200  | 6,854<br>3.12%   | 6,854<br>3.12%                                     | 8,608   | 14,510   | 0           | 295  | 600                                    | - | 600  | -              | 16,062<br>7.31%  | 22,259<br>10.12%                                   | 96  |
|   | Representative | Yuan-Mou Su               |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Vice Chairman   |                | Karen K Chiao             |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Director  |                | Arthur Yu-Cheng Chiao     |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Director  | Company        | Chin Xin Investment Corp. |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
|   | Representative | Rehn-Lieh Lin             |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Director  |                | Chi-Lin Wea               |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Director  |                | Royce Yu-Chun Hong        |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Director  |                | Liang-Gee Chen            |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Director  |                | Ken-Shew Lu               | 2,400                     | 2,400  | 0                              | -  | 1,517                                | 1,517  | 2,400                         | 2,400  | 6,317<br>2.87%   | 6,317<br>2.87%                                     | -   | -  | -           | -  | -                                      | - | -  | 6,317<br>2.87% | 6,317<br>2.87%   | -  |   |
| Independent Director  |                | Mark Pao-Sheng Wei        |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Independent Director  |                | Allen Shan-Ko Hsu         |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| Independent Director  |                | David Shu-Chyuan Tu       |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |
| <div>1. The Company's "Evaluation Measure for Directors' Remuneration and Board Performance" clearly stipulates the remuneration of Directors and Independent Directors. The remuneration depends on the needs of the company's long-term and short-term development plan and is determined by referring to the industry's usual standards and the performance evaluation results of the Board of Directors; individual remuneration levels are determined by the Board of Directors. The spirit of the system is based on the principle of equality; if when necessary, adjustments can be made depending on different responsibilities or facts.</div> <div>2. Except as disclosed above, remuneration received by Directors in the most recent year for services rendered to the Company (e.g. acting as an non-employee consultant to parent company/all companies in the financial statements/investees): N/A.</div> |                |                           |                           |  |                                |  |                                      |  |                               |  |  |  |   |  |             |  |  |   |  |                |  |  |   |

Note 1: Remuneration to Directors in the most recent year (include Director salary, additional duty payments, severance pay, various bonuses, or incentive payments).

Note 2: The Director's remuneration of the Company in 2024 was approved by the board of Directors to allocate 1%, and according to the profit status checked by the accountant, 1% was calculated as NT\$4,170,000. As of the date of publication of the annual report, the individual remuneration of Directors as part-time employees has not yet been determined, and the above table is a provisional estimate.

Note 3: Refers to the related business expenses of Directors in the past year (including transportation allowance and etc.).

Note 4: All payments for the most recent year to Directors who are also employees of the Company (including the position of President, Vice President, other managerial officer and staff), including salary, additional pay, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, dormitory, and car. In addition, salary expenses recognized in accordance with IFRS 2 "Share-Based Payment", including obtaining employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase subscription shares, etc., should also be included in remuneration.

Note 5: Total pay to Directors from all companies in the consolidated statements (including the Company).

Note 6: Calculated by the net profit after tax means the Company's net profit after tax in 2024, which is NT\$219,849,000.

Note 7: a. This column is the amount of remuneration received by the company Directors from the subsidiary's reinvestment business.

b. Remuneration refers to pay, remuneration (including remuneration of employees, Directors, and supervisors) and remuneration for conducting business received by a Director of the Company serving as a Director, supervisor or manager of an investee of the Company other than subsidiaries.

### 3.2 Range of Remuneration

| Range of remuneration paid to all Directors               | Name of Director  |   |   |   |
|---|---|---|---|---|
|   | Sum of the 4 items of remuneration above (A+B+C+D)  |   | Sum of the 7 items of remuneration above (A+B+C+D+E+F+G)  |   |
|   | The Company   | All companies in the financial statements H   | The Company   | All investment business I   |
| Below NT\$1,000,000                                       | Winbond Electronics Corp., Chin Xin Investment Corp., Rep. of Winbond Electronics Corp.: Yuan-Mou Su; Rep. of Chin Xin Investment Corp.: Rehn-Lieh Lin, Karen K Chiao, Arthur Yu-Cheng Chiao, Chi-Lin Wea, Royce Yu-Chun Hong, Liang-Gee Chen | Winbond Electronics Corp., Chin Xin Investment Corp., Rep. of Winbond Electronics Corp.: Yuan-Mou Su; Rep. of Chin Xin Investment Corp.: Rehn-Lieh Lin, Karen K Chiao, Arthur Yu-Cheng Chiao, Chi-Lin Wea, Royce Yu-Chun Hong, Liang-Gee Chen | Winbond Electronics Corp., Chin Xin Investment Corp.; Rep. of Chin Xin Investment Corp.: Rehn-Lieh Lin, Karen K Chiao, Arthur Yu-Cheng Chiao, Chi-Lin Wea, Royce Yu-Chun Hong, Liang-Gee Chen | Winbond Electronics Corp., Chin Xin Investment Corp.; Rep. of Chin Xin Investment Corp.: Rehn-Lieh Lin, Karen K Chiao, Arthur Yu-Cheng Chiao, Chi-Lin Wea, Royce Yu-Chun Hong, Liang-Gee Chen |
| NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)    | Mark Pao-Sheng Wei, David Shu-Chyuan Tu, Allen Shan-Ko Hsu, and Kuang-Chung Chen  | Mark Pao-Sheng Wei, David Shu-Chyuan Tu, Allen Shan-Ko Hsu, and Kuang-Chung Chen  | Mark Pao-Sheng Wei, David Shu-Chyuan Tu, Allen Shan-Ko Hsu, and Kuang-Chung Chen  | Mark Pao-Sheng Wei, David Shu-Chyuan Tu, Allen Shan-Ko Hsu, and Kuang-Chung Chen  |
| NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)    |   |   |   |   |
| NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)    |   |   |   |   |
| NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)      | -   | -   | Rep. of Winbond Electronics Corp.: Yuan-Mou Su  | -   |
| NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)     | -   | -   | -   |   |
| NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)     | -   | -   | -   | Rep. of Winbond Electronics Corp.: Yuan-Mou Su  |
| NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)     | -   | -   | -   | -   |
| NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive) | -   | -   | -   | -   |
| Greater than NT\$100,000,000                              | -   | -   | -   | -   |
| Total   | 13 Persons  | 13 Persons  | 13 Persons  | 13 Persons  |

Note: When calculating the range, the remuneration received by each Director from the investment business other than the subsidiary is included in the calculation.

### 3.3 Remunerations to President and Vice President

December 31, 2024; Unit: NT\$1,000

| Title   | Name                       | Salary (A) (Note 1) |   | Severance pays and pension (B) |   | Bonus and special allowance (C)<br>(Note 2) |   | Employee remuneration (D) (Note 3) |             |   |             | Ratio of total (A), (B), (C), and<br>(D) to after-tax profit (Note 5) |   | Remuneration<br>received from<br>investees other than<br>subsidiaries, if any, or<br>parent company<br>(Note 6) |
|---|----------------------------|---------------------|---|--------------------------------|---|---|---|------------------------------------|-------------|---|-------------|---|---|---|
|   |                            | The Company         | All companies<br>in the financial<br>statements<br>(Note 4) | The Company                    | All companies<br>in the financial<br>statements<br>(Note 4) | The Company                                 | All companies<br>in the financial<br>statements<br>(Note 4) | The Company                        |             | All companies in the financial<br>statements (Note 4) |             | The Company   | All companies<br>in the financial<br>statements<br>(Note 4) |   |
|   |                            |                     |   |                                |   |   |   | Cash value                         | Share value | Cash value  | Share value |   |   |   |
| CEO   | Yuan-Mou Su                | 30,842              | 53,037  | 734                            | 1,688   | 20,410                                      | 21,520  | 2,520                              | -           | 2,520   | -           | 54,505<br>24.79%  | 78,766<br>35.83%  | 1,397   |
| Deputy CEO  | Kinoshita Yoshitaka        |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| President   | Hsin-Lung Yang             |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| President of Headquarters Functions                       | Hsiang-Yun Fan (Note 7)    |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| CTO   | Wei-Chan Hsu               |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| Vice President  | Meng-Chyi Wu (Note 8)      |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| Vice President  | Jing-Shiang Tseng (Note 9) |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| Vice President  | Jiann-Liang Su             |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| Vice President  | Kuang-Lun Lin              |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| Vice President  | Yu-Sung Cheng              |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |
| DGM & CFO, Spokesperson<br>& Head of Corporate Governance | Hsiu-Fen Lai (Note 10)     |                     |   |                                |   |   |   |                                    |             |   |             |   |   |   |

### Range of Remuneration

| Range of remuneration paid to President and Vice Presidents | Name of President and Vice Presidents   |  |
|---|---|--|
|   | The Company   | All investees  |
| Below NT\$1,000,000   | Hsiang-Yun Fan, Jing-Shiang Tseng, Kinoshita Yoshitaka, Wei-Chan Hsu                  | Hsiang-Yun Fan, Jing-Shiang Tseng                        |
| NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)      | -   | -  |
| NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)      | -   | -  |
| NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)      | -   | Kinoshita Yoshitaka                                      |
| NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)        | Yuan-Mou Su, Jiann-Liang Su, Kuang-Lun Lin, Hsiu-Fen Lai, Yu-Sung Cheng, Meng-Chyi Wu | Kuang-Lun Lin, Hsiu-Fen Lai, Yu-Sung Cheng, Meng-Chyi Wu |
| NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)       | Hsin-Lung Yang  | Hsin-Lung Yang, Jiann-Liang Su, Wei-Chan Hsu             |
| NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)       | -   | Yuan-Mou Su  |
| NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)       | -   | -  |
| NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)   | -   | -  |
| Greater than NT\$100,000,000                                | -   | -  |
| Total   | 11 persons  | 11 persons   |

Note 1: Salary, additional pay, and severance pay received by the President or Vice President in the past year.

Note 2: Bonus, reward, transportation allowance, special allowance, stipends, dormitory, car and other payments received by the President or Vice President in the past year.

Note 3: The Company's Board of Directors passed the 2023 remuneration of Directors and employees on March 5, 2024.

Note 4: The total pays to the President or Vice President from all companies in the financial statements (including the Company).

Note 5: Net profit after tax means the Company's net profit after tax in 2023.

Note 6: This field shows the amount of remuneration the president or vice president of the Company receives from investees other than subsidiaries of the Company. Remuneration refers to pay, remuneration (including remuneration distributed to employees, Directors and supervisors) and remuneration for conducting business received by the Company's President and Vice Presidents who serve as Directors, supervisors or managers at subsidiaries other than investee companies.

Note 7: Mr. Hsiang-Yun Fan has been appointed as President of Headquarters Functions of the Company, effective August 1, 2024.

Note 8: Mr. Meng-Chyi Wu will step down from his position as Vice President of the Company, effective November 1, 2024.

Note 9: Mr. Jing-Shiang Tseng has been appointed as Vice President of the Company, effective November 1, 2024.

Note 10: Ms. Hsiu-Fen Lai will be relieved of her concurrent position as Accounting Supervisor of the Company, effective November 1, 2024.

### 3.4 Remunerations to managerial officers

December 31, 2024; Unit: NT\$1,000

|                    | Title  | Name                       | Share value | Cash value | Total | Ratio of total to after-tax profit (%) |
|--------------------|--|----------------------------|-------------|------------|-------|--|
| Managerial officer | Chairman and CEO                                       | Yuan-Mou Su                | -           | 2,527      | 2,527 | 1.15%                                  |
|                    | Deputy CEO   | Kinoshita Yoshitaka        |             |            |       |  |
|                    | President  | Hsin-Lung Yang             |             |            |       |  |
|                    | President of Headquarters Functions                    | Hsiang-Yun Fan (Note 1)    |             |            |       |  |
|                    | CTO  | Wei-Chan Hsu               |             |            |       |  |
|                    | Vice President   | Meng-Chyi Wu (Note2)       |             |            |       |  |
|                    | Vice President   | Jing-Shiang Tseng (Note 3) |             |            |       |  |
|                    | Vice President   | Jiann-Liang Su             |             |            |       |  |
|                    | Vice President   | Kuang-Lun Lin              |             |            |       |  |
|                    | Vice President   | Yu-Sung Cheng              |             |            |       |  |
|                    | DGM & CFO, Spokesperson & Head of Corporate Governance | Hsiu-Fen Lai (Note 4)      |             |            |       |  |
|                    | Accounting Supervisor                                  | Hui-Chun Lai (Note 5)      |             |            |       |  |

Note 1: Mr. Hsiang-Yun Fan has been appointed as President of Headquarters Functions of the Company, effective August 1, 2024.

Note 2: Mr. Meng-Chyi Wu will step down from his position as Vice President of the Company, effective November 1, 2024.

Note 3: Mr. Jing-Shiang Tseng has been appointed as Vice President of the Company, effective November 1, 2024.

Note 4: Ms. Hsiu-Fen Lai will be relieved of her concurrent position as Accounting Supervisor of the Company, effective November 1, 2024.

Note 5: Ms. Hui-Chun Lai has been appointed as Accounting Supervisor of the Company, effective November 1, 2024.

3.5 Respectively compare and specify the analysis results for the ratios of the net incomes to individual and each financial report, and that all of the Company's total remuneration amounts paid to Company Directors, supervisors, General Managerial Officers, and Deputy General Managerial Officers in the last 2 years; and specify the relevance between the payment remuneration policies, standards and combinations, remuneration setting procedures, operating performances, and future risks:

- (1) Total remunerations to Directors, President and Vice Presidents as a percentage of profit after tax reported in standalone or individual financial statements the most recent two years

| Title                        | 2024  |   | 2023  |   |
|------------------------------|---|---|---|---|
|                              | Remunerations to Directors, President and Vice Presidents as a percentage of profit after tax |   | Remunerations to Directors, President and Vice Presidents as a percentage of profit after tax |   |
|                              | The Company   | All companies included in the consolidated financial statements | The Company   | All companies included in the consolidated financial statements |
| Director                     | 34.97%  | 48.82%  | 8.38%   | 9.30%   |
| President and Vice President |   |   |   |   |

- (2) The policy, standards and packages of remunerations to Directors, President and Vice Presidents, procedure for making such decision and correlation to business performance and future risks:

A. Policy, standard and combination of payment of remuneration; and the procedure of setting remuneration

#### (A) Director

The remuneration policy for Directors of the Company is determined according to the provisions of the Company's articles of association. It allows for the allocation of a director's remuneration of up to 1% of the current period's pre-tax net profit, after deducting employee remuneration and Director remuneration. Additionally, in accordance with the "Director Remuneration and

Board Performance Evaluation Measures" of the Company, the remuneration committee considers factors such as the Company's operating strategy, profit situation, future development, industry environment, as well as the level of involvement and contribution to the Company's operations, to propose Director remuneration recommendations. These recommendations are then submitted to the board of Directors for approval and reported to the shareholders' meeting.



## (B) President and Vice President

The remuneration of the Company's managers is determined in accordance with the Company's Articles of Association and the "Regulations for Managerial Remuneration and Performance Evaluation," which outline the systems and standards for salaries, bonuses, and employee compensation. In addition to fixed compensation—based on the responsibilities of each position, contributions to the Company's operations, and industry benchmarks—variable compensation is determined with reference to operational performance, profitability, management effectiveness, and the implementation of the Company's core values and sustainability development goals, which include environmental, social, and corporate governance (ESG) aspects. These factors serve as key performance indicators for managerial evaluations and form the basis for determining overall remuneration, thereby linking managerial pay to the Company's operational results and sustainability performance. The reasonableness of the total remuneration package is individually reviewed and assessed by the Remuneration Committee and subsequently submitted to the Board of Directors for resolution.

## B. Correlation with the business performance and future risks

To mitigate operational risks, the Company established the Compensation Committee in 2021. Annually, it conducts regular reviews of the annual performance objectives and compensation policies, systems, standards, and structures for Directors and executives. These reviews take into account the operating conditions, future risks, and relevant regulations to achieve a balance between sustainable operation and risk management for the Company. In summary, the remuneration of Directors and executives in the Company correlates positively with operational performance.

## III. Implementation of corporate governance

### 1. Board of Directors

The Board of Directors held a total of 7 meetings in the year 2024 (A).

#### (1) Attendance of Directors:

| Title    | Name   | Attendance (voting and non-voting) in person (B) | By Proxy | Attendance in person rate (%) [B/A] (Note) | Note |
|----------|--|--|----------|--|------|
| Chairman | Rep. of Winbond Electronics Corp.: Yuan-Mou Su   | 6  | 1        | 86%  | None |
| Director | Karen K Chiao                                    | 7  | 0        | 100%                                       | None |
| Director | Arthur Yu-Cheng Chiao                            | 7  | 0        | 100%                                       | None |
| Director | Rep. of Chin Xin Investment Corp.: Rehn-Lieh Lin | 7  | 0        | 100%                                       | None |
| Director | Chi-Lin Wea                                      | 7  | 0        | 100%                                       | None |

|                      |                     |   |   |      |      |
|----------------------|---------------------|---|---|------|------|
| Director             | Royce Yu-Chun Hong  | 5 | 2 | 71%  | None |
| Director             | Liang-Gee Chen      | 6 | 1 | 86%  | None |
| Independent Director | Mark Pao-Sheng Wei  | 7 | 0 | 100% | None |
| Independent Director | David Shu-Chyuan Tu | 6 | 1 | 86%  | None |
| Independent Director | Allen Shan-Ko Hsu   | 6 | 1 | 86%  | None |
| Independent Director | Kuang-Chung Chen    | 7 | 0 | 100% | None |

Note: Attendance in person is calculated by attendance in person of the Director during the period of service.

(2) Attendance by Independent Directors in each board meeting in person:

| Title                | Name                | 7 <sup>th</sup> -Term Meeting Date |          |           |           |           |            |            |
|----------------------|---------------------|------------------------------------|----------|-----------|-----------|-----------|------------|------------|
|                      |                     | 2024/2/5                           | 2024/3/5 | 2024/4/30 | 2024/5/17 | 2024/7/30 | 2024/10/31 | 2024/11/20 |
| Independent Director | Mark Pao-Sheng Wei  | O                                  | O        | O         | O         | O         | O          | O          |
| Independent Director | David Shu-Chyuan Tu | O                                  | O        | O         | O         | ☆         | O          | O          |
| Independent Director | Allen Shan-Ko Hsu   | O                                  | O        | O         | O         | O         | O          | ☆          |
| Independent Director | Kuang-Chung Chen    | O                                  | O        | O         | O         | O         | O          | O          |

Note: O-Attendance in person, \*-Attendance by proxy, X-Absent.

(3) Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, Independent Director's opinions and the Company's response to such opinions should be recorded:

- A. Items specified in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee and is therefore exempted from Article 14-3 of the Securities and Exchange Act.
- B. Aside from the above matters, other resolutions adopted by the Board of Directors to which an Independent Director has a dissenting or qualified opinion that is on record or stated in a written statement: This event did not occur at the Company.

(4) Directors recused themselves from discussion or voting on an agenda item in which they have an interest:

| Name of Director  | Agenda Item  | Reason for Recusal                         | Voting on the agenda item     | Note                           |
|---|--|--|-------------------------------|--------------------------------|
| Institutional Director of Winbond Electronics Corp.& Chin Xin Investment Corp., Rehn-Lieh Lin, Chi-Lin Wea, Royce Yu-Chun Hong, Liang-Gee Chen, Mark Pao-Sheng Wei, Shu-Chyuan Tu | Release the non-compete restrictions on Company Directors  | The Director has an interest in the matter | Did not participate in voting | 11th meeting of 7th-term Board |
| Yuan-Mou Su   | The amount of performance bonus for Mr. Yuan-Mou Su, an executive of the Company, for the year 2023. | The Director has an interest in the matter | Did not participate in voting | 11th meeting of 7th-term Board |

| <b>Name of Director</b>  | <b>Agenda Item</b>   | <b>Reason for Recusal</b>                  | <b>Voting on the agenda item</b> | <b>Note</b>                    |
|--|--|--|----------------------------------|--------------------------------|
| Yuan-Mou Su  | Remuneration of Mr. Yuan-Mou Su, a Managerial Officer of the Company                                 | The Director has an interest in the matter | Did not participate in voting    | 14th meeting of 7th-term Board |
| Institutional Director of Winbond Electronics Corp.& Chin Xin Investment Corp., Arthur Yu-Cheng Chiao, Allen Shan-Ko Hsu | Office Lease and Capital Expenditure Budget Proposal for Winbond Zhubei Building                     | The Director has an interest in the matter | Did not participate in voting    | 17th meeting of 7th-term Board |
| Institutional Director of Winbond Electronics Corp.& Chin Xin Investment Corp., Arthur Yu-Cheng Chiao, Allen Shan-Ko Hsu | Office Lease and Capital Expenditure Budget Proposal for Winbond Taipei Nangang Global One Building  | The Director has an interest in the matter | Did not participate in voting    | 18th meeting of 7th-term Board |
| Institutional Director of Winbond Electronics Corp., Arthur Yu-Cheng Chiao, Rehn-Lieh Lin, Chi-Lin Wea, Liang-Gee Chen   | Release of Non-Compete Restrictions for Directors of the Company                                     | The Director has an interest in the matter | Did not participate in voting    | 18th meeting of 7th-term Board |
| Yuan-Mou Su  | The amount of performance bonus for Mr. Yuan-Mou Su, an executive of the Company, for the year 2024. | The Director has an interest in the matter | Did not participate in voting    | 18th meeting of 7th-term Board |

## (5) Performance evaluation of Board of Directors

In order to strengthen corporate governance, enhance the functionality of the board of Directors, and improve the efficiency of board operations, the Company has established regulations in accordance with the "Director Remuneration and Board Performance Evaluation Measures." These regulations stipulate that the board of Directors must conduct performance evaluations at least once a year for the board itself, board members and the functional commits (the remuneration committee, audit committee and risk management committee). Additionally, every three years, an external professional independent organization or a team of expert scholars will conduct an evaluation.

| Evaluation Cycle   | Evaluation Period       | Evaluation Scope                                      | Evaluation Method  | Evaluation Contents  | Result  |
|--------------------|-------------------------|---|--|--|---|
| Once every year    | 2024/01/01 ~ 2024/12/31 | Board of Directors                                    | Self- evaluation of the Board, self-evaluation by Board members, and peer review | The self-evaluation of the overall performance of Board of Directors covers the following five aspects:<br>1. Participation in Company operations.<br>2. Improving the quality of the Board's decision making.<br>3. Composition and structure of the Board.<br>4. Election and continuing education of the Directors.<br>5. Internal controls.  | Excellent (96.8)  |
| Once every year    | 2024/01/01 ~ 2024/12/31 | Board of Directors                                    | Self-evaluation by Board members, and peer review                                | The measures for evaluating the performance of Board members cover the following six aspects:<br>1. Familiarity with the goals and missions of the Company.<br>2. Recognition of duties as Directors.<br>3. Degree of participation in Company operations.<br>4. Management of internal relations and communication.<br>5. Directors' professionalism and continuing education.<br>6. Internal controls.   | Excellent (96.8)  |
| Once every year    | 2024/01/01 ~ 2024/12/31 | Compensation Committee / Audit Committee              | Self- evaluation of the Board, self-evaluation by Board members, and peer review | The performance evaluation criteria for the Compensation / Audit Committee include the following items:<br>1. Level of participation in the Company's operations<br>2. Understanding of the responsibilities of the Compensation Committee<br>3. Quality of decision-making by the Compensation Committee<br>4. Composition of the Compensation Committee and the selection of its members<br>5. Internal control  | Excellent (99.6)  |
| Once every year    | 2024/01/01 ~ 2024/12/31 | Risk Management Committee                             | Self- evaluation of the Board, self-evaluation by Board members, and peer review | The performance evaluation criteria for the Risk Management Committee include the following items:<br>1. Level of participation in the Company's operations<br>2. Understanding of the responsibilities of the Risk Management Committee<br>3. Enhancement of decision-making quality of the Risk Management Committee<br>4. Composition of the Risk Management Committee and the selection of its members   | Excellent (98.0)  |
| Once every 3 years | 2022/10/01 ~ 2023/09/30 | The board of Directors and each functional committee. | Taiwan Corporate Governance Association  | The board performance evaluation covers the following eight subjects:<br>1. Composition of the board of Directors<br>2. Guidance provided by the board of Directors<br>3. Delegation of authority by the board of Directors<br>4. Oversight function of the board of Directors<br>5. Communication within the board of Directors<br>6. Internal control and risk management<br>7. Self-discipline of the board of Directors<br>8. Other supporting systems | The relevant information has been announced on our company's website. |

Note: Performance evaluation results shall be rated according to the average score: excellent for those with average score being more than 90, good for those with average score being 80-90,

moderate for those with average score being 70-80, poor for those with average score being less than 60.

(6) An evaluation of the goals set for strengthening the functions of the Board and implementation status during the current and immediately preceding fiscal years:

A. The Company has established the Rules of Procedures for Board of Directors Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, posts information on the attendance of Directors and supervisors on the Market Observation Post System after each Board meeting, and discloses important proposals on the Market Observation Post System.

B. The Company holds strategy review meetings every quarter before the scheduled board meeting, at which Directors are present to understand Company's finance and business conditions as well as the execution of major business plans. The Company endeavors to enhance the transparency of corporate information. Aside from holding regular quarter investors conferences to discuss the Company's business and financial conditions after board meetings are held, the Company also posts related information on the Market Observation Post System and our Company website.

C. The board members of our company conduct performance evaluations annually in December according to the "Director Remuneration and Board Performance Evaluation Measures." These evaluations cover five major aspects: involvement in company operations, enhancing the quality of board decisions, board composition and structure, Director selection and ongoing education, and internal controls. The evaluations aim to measure the effectiveness of the board in leading the company's strategic direction and supervising operational management to enhance long-term shareholder value. The overall assessment for 2024 was excellent, and the results have been submitted to the Compensation Committee and the board of Directors on March 07, 2025.

E. The Company purchases "Liability Insurance for Directors, Supervisors and Key Officers" for Directors, supervisors, and key officers, and reviews the policy annually to ensure that the coverage and insured amount meet the Company's needs.

## 2. Operation of the Audit Committee or the status of Supervisors participating in the operation of the Board of Directors

### 2.1 State of operations of the Audit Committee

(1) The Audit Department convened a total of 6 meetings (A) in the most recent year. The attendance of Independent Directors was as follows:

The audit committee held a total of 6 meetings (A) in 2024.

| Title                | Name               | Attendance (voting and non-voting) in person (B) | By proxy | Attendance in person rate (%) [B/A] (Note) |
|----------------------|--------------------|--|----------|--|
| Independent Director | Mark Pao-Sheng Wei | 6  | 0        | 100%                                       |

| Title                | Name                | Attendance (voting and non-voting) in person (B) | By proxy | Attendance in person rate (%) [B/A] (Note) |
|----------------------|---------------------|--|----------|--|
| Independent Director | David Shu-Chyuan Tu | 5  | 1        | 83%  |
| Independent Director | Allen Shan-Ko Hsu   | 5  | 1        | 83%  |
| Independent Director | Kuang-Chung Chen    | 6  | 0        | 100%                                       |

Note: Attendance in person is calculated by attendance in person of the Independent Director during the period of service.

The main points of work of the Audit Committee are as follows. Please refer to the table below for the operation status and content of proposals.

1. Proper presentation of the Company's financial statements.
  2. The selection (dismissal) of certified accountants, their independence and performance.
  3. Effective implementation of the Company's internal control.
  4. The Company abides by relevant laws and regulations.
  5. Management and control of the Company's existing or potential risks.
- (2) If the audit committee encounters any of the following situations, it should specify the date of the audit committee meeting, the agenda items, the opinions of Independent Directors if they oppose, reserve their opinion, or provide significant recommendations, the decision made by the audit committee, and the company's response to the opinions of the audit committee:

**A. Items specified in Article 14-5 of the Securities and Exchange Act:**

| Term/Date  | Agenda and follow-up |   |
|--|----------------------|---|
| 9 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/02/05  | 1                    | Preparation of the Company's 2023 financial report and business report.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Decision Result: Approved as proposed.                                       |
|  | 2                    | Preparation of the Company's "Internal Control System Statement for the Year 2023".<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Decision Result: Approved as proposed.                           |
|  | 3                    | Annual remuneration for the accounting firm Deloitte & Touche appointed by the Company.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Decision Result: Approved as proposed.                       |
|  | 4                    | Proposed pre-approval of the list of non-assurance services to be provided by the CPA firm for the year 2024.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Decision Result: Approved as proposed. |
| 10 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/03/05 | 1                    | Preparing the Company's 2023 earnings distribution statement.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Decision Result: Approved as proposed.   |
|  | 2                    | Drafting of the Company's capital expenditure budget for the year 2024.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Decision Result: Approved as proposed.                                       |
|  | 3                    | Proposed revocation of the non-compete restriction for Directors of the Company.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Decision Result: Approved as proposed.                              |

| Term/Date  | Agenda and follow-up  |
|--|---|
| 11 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/04/30 | Preparation of the Company's consolidated financial statements for the first quarter of 2024.<br>1 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
| 12 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/07/30 | Preparation of the Company's consolidated financial statements for the second quarter of 2024.<br>1 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
|  | There has been a change in the Company's audit supervisor.<br>2 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
|  | The Company provides endorsement guarantees for financing transactions between its subsidiary, Nuvoton Technology Corp. Japan, and financial institutions.<br>3 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed. |
|  | Propose to revise part provisions of the Company's "Audit Committee Organization Rules".<br>4 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
| 13 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/10/31 | Preparation of the Company's consolidated financial statements for the third quarter of 2024. Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
|  | Revise part provisions of the Company's "Internal Control System".<br>2 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
|  | Formulation of the Company's audit plan for the year 2025.<br>3 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
|  | Increase in capital expenditure budget for the year 2024.<br>4 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
|  | There has been a change in the Company's accounting supervisor.<br>5 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
| 14 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/11/20 | The Company proposes to conduct the first issuance of overseas unsecured convertible bonds in 2024.<br>1 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
| 15 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2025/2/14  | Preparation of the Company's 2024 financial report and business report.<br>1 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
|  | Preparation of the Company's "Internal Control System Statement for the Year 2024".<br>2 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
|  | Annual remuneration for the accounting firm Deloitte & Touche appointed by the Company<br>3 Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |

| Term/Date   | Agenda and follow-up |  |
|---|----------------------|--|
|   | 4                    | Proposed pre-approval of the list of non-assurance services to be provided by the CPA firm for the year 2024.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
|   | 5                    | The Company provides endorsement guarantees for financing transactions between its subsidiary, Nuvoton Technology Corp. Japan, and financial institutions, and has signed relevant documents.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed. |
|   | 6                    | Office Lease and Capital Expenditure Budget Proposal for Winbond Zhubei Building.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
| 16 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee 2025/3/7 | 1                    | Preparing the Company's 2024 earnings distribution statement.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |
|   | 2                    | Revise part provisions of the Company's "Internal Control System".<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
|   | 3                    | Matters related to capital increase to Japanese subsidiary -Nuvoton Technology Corp. Japan<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
|   | 4                    | Office Lease and Capital Expenditure Budget Proposal for Winbond Taipei Nangang Global One Building.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.  |
|   | 5                    | Release of Non-Compete Restrictions for Directors of the Company.<br>Audit Committee Members' Opinion: None.<br>Company's Response to Audit Committee Members' Opinion: None.<br>Resolution: Passed as proposed.   |

B. In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: N/A.

- (3) The Independent Directors' avoidance of interest motion should indicate the names of the Independent Directors, content of the motion and reasons of avoidance of interest as well as the involvement in voting:

| Name of Director                        | Agenda Item   | Reason for Recusal                         | Voting on the agenda item     | Note                                     |
|---|---|--|-------------------------------|--|
| Mark Pao-Sheng Wei, David Shu-Chyuan Tu | Removal of non-compete clause for the Directors of the Company                                      | The Director has an interest in the matter | Did not participate in voting | 10th Meeting of 3rd-Term Audit Committee |
| Allen Shan-Ko Hsu                       | Office Lease and Capital Expenditure Budget Proposal for Winbond Zhubei Building                    | The Director has an interest in the matter | Did not participate in voting | 15th Meeting of 3rd-Term Audit Committee |
| Allen Shan-Ko Hsu                       | Office Lease and Capital Expenditure Budget Proposal for Winbond Taipei Nangang Global One Building | The Director has an interest in the matter | Did not participate in voting | 16th Meeting of 3rd-Term Audit Committee |

- (4) Communication between Independent Directors and internal auditors and accountants:

Communication principles

A. Head of Internal Audit



1. The independent directors and the internal audit supervisor communicate with each other on the implementation status of the audit works through separate meetings. The internal audit unit performs the audit work according to the annual audit plan. In addition, according to the review opinion of independent directors, the focus of the audit will be strengthened, and it will be submitted to each of independent directors for review before the end of the next month after the completion of the audit item.
2. The internal audit supervisor conducts audit work reports to the Audit Committee and the Board of Directors on a quarterly basis.

| Date of Audit Committee  | Communication focus  | Proposal and Company Handling Execution Results  |
|--|--|--|
| 9 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/02/05  | <ul style="list-style-type: none"> <li>• The Company's audit work report for Q4_2023</li> <li>□ Q4_2023 tracking of defects improvements in last period.</li> <li>- Audit plan and audit findings for Q4_2023.</li> <li>• The Company's 2023 self-assessment situation of internal control system in 2021.</li> <li>• The company's 2023 internal control system statement.</li> </ul> | <ul style="list-style-type: none"> <li>• All Independent Directors have no objections</li> <li>• All Independent Directors have no objections</li> <li>• The Company's 2023 internal control system statement is submitted to the Board of Directors for resolution after review and approval.</li> </ul>  |
| 11 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/04/30 | <ul style="list-style-type: none"> <li>• The Company's audit work report for Q1_2024</li> <li>□ Q1_2024 tracking of defects improvements in last period.</li> <li>- Audit plan and audit findings for Q1_2024</li> </ul>   | <ul style="list-style-type: none"> <li>• All Independent Directors have no objections</li> </ul>   |
| 12 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/07/30 | <ul style="list-style-type: none"> <li>• The Company's audit work report for Q2_2024</li> <li>□ Q2_2024 tracking of defects improvements in last period.</li> <li>- Audit plan and audit findings for Q2_2024</li> </ul>   | <ul style="list-style-type: none"> <li>• All Independent Directors have no objections</li> </ul>   |
| 13 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/10/31 | <ul style="list-style-type: none"> <li>• The Company's audit work report for Q3_2024</li> <li>□ Q3_2024 tracking of defects improvements in last period.</li> <li>- Audit plan and audit findings for Q3_2024</li> <li>• The Company's audit plan of 2025.</li> <li>• Revise part provisions of the Company's "Internal Control System".</li> </ul>                                    | <ul style="list-style-type: none"> <li>• All Independent Directors have no objections</li> <li>• The Company's 2025 audit plan is submitted to the Board of Directors for resolution after review and approval.</li> <li>• The Company's internal control system is submitted to the Board of Directors for resolution after review and approval.</li> </ul> |

B. Communication between Independent Directors and accountants:

Independent Directors should communicate with accountants on financial status every six months and when they think it is necessary. The communication between Independent Directors and accountants is as follows:

| Date of Audit Committee   | Communication focus  | Proposal and Company Handling Execution Results  |
|---|--|--|
| 9 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/02/05 | <ul style="list-style-type: none"> <li>• Key audit matters and audit results for the year 2023.</li> <li>• Accounting firm quality management system</li> <li>• Disclosure of sustainable</li> </ul> | <ul style="list-style-type: none"> <li>• All Independent Directors have no objections</li> </ul> |

|  |  |  |
|--|--|--|
|  | development action plan and Sustainability Reporting Standards.  |  |
| 12 <sup>th</sup> meeting of 3 <sup>rd</sup> term Audit Committee<br>2024/07/30 | <ul style="list-style-type: none"> <li>• Review status of the financial statements for the second quarter of 2023.</li> <li>• Major accounting treatments for the current quarter.</li> <li>• S1 and S2 implementation schedule of IFRS Sustainability Disclosure Standards</li> </ul> | <ul style="list-style-type: none"> <li>• All Independent Directors have no objections</li> </ul> |

**1. Corporate governance implementation status and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons**

| Evaluation Items   | Implementation Status |    |  | Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------------------|----|--|--|
|  | Yes                   | No | Summary  |  |
| 1. Has the Company set and disclosed principles for practicing corporate governance according to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"                   | V                     |    | The Company has established corporate governance principles in accordance with the TWSE Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed it on the Company website.  | In line with the Corporate Governance Best-Practice Principles   |
| 2. Shareholding structure & stockholders' equity   |                       |    |  |  |
| (1) Has the Company set internal operations procedures for dealing with shareholder proposals, doubts, disputes, and litigation as well as implemented those procedures through the proper procedures? | V                     |    | (1) The Company's Shareholders Affairs Unit is in charge of shareholder services, handling shareholder suggestions, questions, and disputes in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies and the Standards for the Internal Control Systems of Shareholders Affairs Unit and establishing a complaint mechanism on the Company website.   | In line with the Corporate Governance Best-Practice Principles   |
| (2) Does the Company have a list of major shareholders of companies over which the Company has actual control and the list of ultimate owners of those major shareholders?                             | V                     |    | (2) The Company discloses the list of major shareholders and the ultimate controllers of major shareholders in accordance with regulations.  |  |
| (3) Has the Company established and implemented risk control/management and firewall mechanisms between it and affiliated Corp.s?  | V                     |    | (3) The Company has established related regulations on internal control mechanisms and "Regulations on Financial and Business Transactions among Related Parties" in accordance with regulations. Business and financial dealings between the Company and an affiliate are treated as dealings with an independent third party, which and handled by the principles of fairness and reasonableness with documented rules established, and pricing and payment terms clearly defined to thoroughly prevent non-arm's-length transactions.   |  |
| (4) Does the Company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?                                     | V                     |    | (4) The Company has established the "Management Procedures for Prevention of Insider Trading" which stipulate that directors are prohibited from trading in the company's issued securities during closed periods (i.e., 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report). The Company also includes reminders in the notes of the annual meeting schedule provided to directors to ensure compliance with the regulations. These procedures have been disclosed on the Company's website. Additionally, the Company conducts annual awareness campaigns for insiders and all employees, reminding them not to trade securities using insider information. |  |
| 3. Composition and responsibilities of the Board of Directors  |                       |    |  |  |
| (1) Has the board of Directors formulated diversity policies, specific management objectives, and implemented them effectively?  | V                     |    | (1) Article 20 of the "Corporate Governance Practice Guidelines" of the Company stipulates that the structure of the company's board of Directors should take into account the scale of the company's business development, the shareholding situation of major shareholders, and the diversification of members, such as having different   | In line with the Corporate Governance Best-Practice Principles   |

| Evaluation Items   | Implementation Status |    |   | Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Summary   |  |
| (2) In addition to establishing a Remuneration Committee and an Audit Committee, which are required by law, is the company willing to also voluntarily establish other types of functional committees?   | V                     |    | <p>professional backgrounds, genders, or fields of work. The board of Directors of the Company also includes female Directors, and there are four Independent Directors, each of whom is held by professionals with expertise in finance or industry. The members of the company's board of Directors already meet the aforementioned objectives; for specific management objectives and implementation of the 7th Board of Directors, please refer to Director Information (III).</p> <p>(2) The Company has established functional committees such as the Employee Welfare Committee, Labor Retirement Reserve Supervisory Committee, Occupational Safety and Health Committee, Environmental Protection Committee, Patent Committee, Sustainable Development Committee, and Risk Management Committee.</p>   |  |
| (3) Has the company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of Directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors? | V                     |    | <p>(3) To enhance corporate governance, the company has established the "Director Remuneration and Board Performance Evaluation Regulations." Members of the board of Directors conduct a self-assessment based on the structure and standards of the self-assessment form for the board of Directors, board members, and functional committees once annually. The assessment results are compiled by the board meeting unit and submitted to the Remuneration Committee and the board of Directors. They also serve as one of the references for the reappointment of Directors. The Company conducted an internal self-assessment in 2024, held in December 2024, and the assessment results were submitted to the Remuneration Committee and the Board of Directors on March 07, 2025. For further details, please refer to the information on the operation of the board of Directors. Additionally, the Company appoints external professional organizations every three years to conduct board performance evaluations. In 2023, the Chinese Corporate Governance Association was appointed to evaluate the effectiveness of the board of Directors externally. Through the review by professional organizations and guidance and communication with evaluation committee members, the Company obtained professional and objective evaluation results and suggestions. These results were submitted to the Remuneration Committee and the board of Directors on March 05, 2024 and disclosed on the company's website. These evaluation results continuously aim to improve and optimize the functions of the board meetings.</p> |  |
| (4) Does the company periodically evaluate the level of independence of the CPA?   | V                     |    | <p>(4) The company has established the "Auditor Evaluation and Performance Assessment Measures" in accordance with the "Certified Public Accountant Act" and the "Code of Professional Ethics for Certified Public Accountants." The Audit Committee evaluates the independence and suitability of the auditor annually based on these measures. They check whether the auditor is a Director, shareholder, or receives remuneration from the company to confirm whether they are a related party. The evaluation results are then reported to the Audit Committee and the Board of Directors. In 2024, the Audit Committee and the Board of Directors evaluated and considered the 2023 Audit Quality Indicators Report (assessment period: 2023/6/1 to 2024/5/31;</p>   |  |

| Evaluation Items  | Implementation Status   |        |   |        | Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
|---|---|--------|---|--------|--|---|--|--|--|--|-----|-----------|--------|--|--------|-----|----|---|--|---|--|--|---|---|---|--|--|---|---|---|--|--|---|---|---|--|--|---|---|---|--|--|---|---|---|--|--|---|---|---|--|--|---|--|---|--|--|---|--|---|--|--|----|---|---|--|--|----|--|---|--|--|----|---|---|--|--|----|---|---|--|--|--|
|   | Yes   | No     | Summary   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
|   |   |        | <p>AQI Report). They disclosed the audit quality at the "firm level" and the "audit case level" based on 5 dimensions and 13 indicator items such as professionalism, quality control, independence, supervision, and innovation capability, as outlined in Note 1. This served as a reference for appointing auditors annually. Additionally, auditors are required to abstain from matters in which they or their firms have direct or indirect interests, and auditor rotations are conducted in compliance with relevant regulations. The same CPA has not consecutively provided attestation services for more than five years. The evaluation results for the most recent year were discussed and approved by the Audit Committee on February 5th, 2025, and subsequently submitted to the Board of Directors for resolution on passing independence and suitability assessment of the auditors on February 5th, 2025.</p> <p>Note 1: Indicators for assessing the independence and suitability of auditors.</p> <table><tr><th colspan="5">Indicators for assessing the independence and suitability of auditors</th></tr><tr><th rowspan="2">No.</th><th rowspan="2">Indicator</th><th colspan="2">Result</th><th rowspan="2">Remark</th></tr><tr><th>Yes</th><th>No</th></tr><tr><td>1</td><td>Is the certified public accountant qualified to perform accounting services?</td><td>V</td><td></td><td></td></tr><tr><td>2</td><td>Has the certified public accountant served for no more than seven consecutive years in the company?</td><td>V</td><td></td><td></td></tr><tr><td>3</td><td>Does the certified public accountant have no direct or significant indirect financial interests with the company?</td><td>V</td><td></td><td></td></tr><tr><td>4</td><td>Is there no familial relationship between the certified public accountant or audit service team members and Directors, executives, or individuals with significant influence on audit matters of the company?</td><td>V</td><td></td><td></td></tr><tr><td>5</td><td>Has the certified public accountant or audit service team members not served as Directors, executives, or individuals with significant influence on audit matters for audit clients currently or in the past two years?</td><td>V</td><td></td><td></td></tr><tr><td>6</td><td>Has the certified public accountant not served as a Director, executive, or individual with significant influence on audit matters of the company within one year of resignation?</td><td>V</td><td></td><td></td></tr><tr><td>7</td><td>Has the certified public accountant not allowed others to use their name?</td><td>V</td><td></td><td></td></tr><tr><td>8</td><td>Do the certified public accountant and audit service team members not hold shares of the company or its related enterprises?</td><td>V</td><td></td><td></td></tr><tr><td>9</td><td>Has the certified public accountant not promoted or intermediated the issuance of stocks or other securities of the company?</td><td>V</td><td></td><td></td></tr><tr><td>10</td><td>Is there no monetary lending between the certified public accountant and the company, its related enterprises, Directors, supervisors, executives, or managers?</td><td>V</td><td></td><td></td></tr><tr><td>11</td><td>Is there no joint investment or profit-sharing relationship between the certified public accountant and the company, its related enterprises, Directors, supervisors, executives, or managers?</td><td>V</td><td></td><td></td></tr><tr><td>12</td><td>Does the certified public accountant not hold a regular job in the company or its related enterprises and receive fixed salaries?</td><td>V</td><td></td><td></td></tr><tr><td>13</td><td>Is there no potential employment relationship between the certified public accountant and the company or its related enterprises?</td><td>V</td><td></td><td></td></tr></table> |        |  | Indicators for assessing the independence and suitability of auditors |  |  |  |  | No. | Indicator | Result |  | Remark | Yes | No | 1 | Is the certified public accountant qualified to perform accounting services? | V |  |  | 2 | Has the certified public accountant served for no more than seven consecutive years in the company? | V |  |  | 3 | Does the certified public accountant have no direct or significant indirect financial interests with the company? | V |  |  | 4 | Is there no familial relationship between the certified public accountant or audit service team members and Directors, executives, or individuals with significant influence on audit matters of the company? | V |  |  | 5 | Has the certified public accountant or audit service team members not served as Directors, executives, or individuals with significant influence on audit matters for audit clients currently or in the past two years? | V |  |  | 6 | Has the certified public accountant not served as a Director, executive, or individual with significant influence on audit matters of the company within one year of resignation? | V |  |  | 7 | Has the certified public accountant not allowed others to use their name? | V |  |  | 8 | Do the certified public accountant and audit service team members not hold shares of the company or its related enterprises? | V |  |  | 9 | Has the certified public accountant not promoted or intermediated the issuance of stocks or other securities of the company? | V |  |  | 10 | Is there no monetary lending between the certified public accountant and the company, its related enterprises, Directors, supervisors, executives, or managers? | V |  |  | 11 | Is there no joint investment or profit-sharing relationship between the certified public accountant and the company, its related enterprises, Directors, supervisors, executives, or managers? | V |  |  | 12 | Does the certified public accountant not hold a regular job in the company or its related enterprises and receive fixed salaries? | V |  |  | 13 | Is there no potential employment relationship between the certified public accountant and the company or its related enterprises? | V |  |  |  |
| Indicators for assessing the independence and suitability of auditors |   |        |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| No.   | Indicator   | Result |   | Remark |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
|   |   | Yes    | No  |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 1   | Is the certified public accountant qualified to perform accounting services?  | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 2   | Has the certified public accountant served for no more than seven consecutive years in the company?   | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 3   | Does the certified public accountant have no direct or significant indirect financial interests with the company?   | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 4   | Is there no familial relationship between the certified public accountant or audit service team members and Directors, executives, or individuals with significant influence on audit matters of the company?           | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 5   | Has the certified public accountant or audit service team members not served as Directors, executives, or individuals with significant influence on audit matters for audit clients currently or in the past two years? | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 6   | Has the certified public accountant not served as a Director, executive, or individual with significant influence on audit matters of the company within one year of resignation?                                       | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 7   | Has the certified public accountant not allowed others to use their name?   | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 8   | Do the certified public accountant and audit service team members not hold shares of the company or its related enterprises?  | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 9   | Has the certified public accountant not promoted or intermediated the issuance of stocks or other securities of the company?  | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 10  | Is there no monetary lending between the certified public accountant and the company, its related enterprises, Directors, supervisors, executives, or managers?   | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 11  | Is there no joint investment or profit-sharing relationship between the certified public accountant and the company, its related enterprises, Directors, supervisors, executives, or managers?                          | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 12  | Does the certified public accountant not hold a regular job in the company or its related enterprises and receive fixed salaries?   | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |
| 13  | Is there no potential employment relationship between the certified public accountant and the company or its related enterprises?   | V      |   |        |  |   |  |  |  |  |     |           |        |  |        |     |    |   |  |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |   |   |  |  |   |  |   |  |  |   |  |   |  |  |    |   |   |  |  |    |  |   |  |  |    |   |   |  |  |    |   |   |  |  |  |

| Evaluation Items  | Implementation Status                   |   |  |  |   |  |  | Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
|---|---|---|--|--|---|--|--|--|---------------|--------------|-------------|-------|------------|---|---|-----|------------|---|---|-----|------------|------------------|---|-----|--|
|   | Yes                                     | No  | Summary  |  |   |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
|   |   |   | 14   | Has the certified public accountant not received any commission related to business?   | V |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
|   |   |   | 15   | Does the certified public accountant's firm not overly rely on a single client (the company) as a source of income?  | V |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
|   |   |   | 16   | Has the certified public accountant not received significant gifts, favors, or special discounts from the company, its Directors, executives, or major shareholders? | V |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
|   |   |   | 17   | Are the certified public accountant and audit service team members not responsible for keeping the company's money?  | V |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
|   |   |   | 18   | As of now, has the certified public accountant not been subject to any disciplinary action or compromise of independence principles?                                 | V |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
| 4. Has the publicly-listed company appointed qualified and suitable number of corporate governance personnel and appointed a Corporate Governance Officer to handle governance related affairs (including but not limited to supplying information requested by the Directors and supervisors, assisting Directors and Supervisors with legal compliance matters, processing company matters related to board meetings and shareholders' meetings according to laws, and preparing minutes of the board meetings and shareholders' meetings)? | V                                       |   | <p>The Shareholders Affairs Unit under the Company's Finance Center is responsible for related affairs for corporate governance. Its responsibilities include company registration, affairs related to board meetings and shareholders' meetings, providing information required for Directors to perform their duties, update of related corporate governance regulations, affairs related to investor relations, and other relevant items specified in the Company's Articles of InCorp. or contracts. The post of chief governance officer is set up on February 18, 2021. The current corporate governance officer of the company is Vice President Hsiu-Fen Lai, who has over three years of experience in financial management positions in publicly traded companies, meeting the statutory qualifications for the corporate governance officer.</p> <p>The business execution status for the fiscal year is as follows:</p> <p>(1) Summarize the agenda proposed by each department for the board meetings and provide sufficient meeting materials, which are sent out with the meeting notices. Notify relevant personnel to attend and explain the agenda items. (7 meetings held in 2024)</p> <p>(2) Invite the auditors to report on audit matters or relevant accounting issues at the board meetings every half fiscal year.</p> <p>(3) Organize shareholder meetings by preparing registration, meeting notices, agendas, and minutes. Publicize relevant documents before the specified deadline and provide an English translation for global investors to review. (1 meeting held in 2024)</p> <p>(4) Organize relevant training courses based on the company's industry characteristics and the needs of the Directors. All Directors completed at least 6 hours of training in the fiscal year 2024.</p> <p>(5) Conduct performance evaluations for the Board of Directors and functional committees.</p> <p>Corporate Governance Executive Training</p> <table><tr><th>Training Date</th><th>Hosting Unit</th><th>Course Name</th><th>Hours</th></tr><tr><td>2024/03/14</td><td>Taiwan Corporate Governance Association</td><td>Opportunities and Challenges of Generative AI; Leveraging Climate Regulation and Economic Tools to Address Scope 3 Carbon Reduction Challenges— A Case Study of Micro-mobility Carbon Credits</td><td>3.0</td></tr><tr><td>2024/03/14</td><td>Taiwan Corporate Governance Association</td><td>Blossoms in Turbulent Times: Dialogue on Current Economic Conditions and Geopolitical Contradictions; Mozart: A Musical Messenger from Heaven</td><td>3.0</td></tr><tr><td>2024/08/08</td><td>Taiwan Corporate</td><td>Climate Change and the Trends and Challenges of Corporate</td><td>3.0</td></tr></table> |  |   |  |  |  | Training Date | Hosting Unit | Course Name | Hours | 2024/03/14 | Taiwan Corporate Governance Association | Opportunities and Challenges of Generative AI; Leveraging Climate Regulation and Economic Tools to Address Scope 3 Carbon Reduction Challenges— A Case Study of Micro-mobility Carbon Credits | 3.0 | 2024/03/14 | Taiwan Corporate Governance Association | Blossoms in Turbulent Times: Dialogue on Current Economic Conditions and Geopolitical Contradictions; Mozart: A Musical Messenger from Heaven | 3.0 | 2024/08/08 | Taiwan Corporate | Climate Change and the Trends and Challenges of Corporate | 3.0 | In line with the Corporate Governance Best-Practice Principles |
| Training Date   | Hosting Unit                            | Course Name   | Hours  |  |   |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
| 2024/03/14  | Taiwan Corporate Governance Association | Opportunities and Challenges of Generative AI; Leveraging Climate Regulation and Economic Tools to Address Scope 3 Carbon Reduction Challenges— A Case Study of Micro-mobility Carbon Credits | 3.0  |  |   |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
| 2024/03/14  | Taiwan Corporate Governance Association | Blossoms in Turbulent Times: Dialogue on Current Economic Conditions and Geopolitical Contradictions; Mozart: A Musical Messenger from Heaven   | 3.0  |  |   |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |
| 2024/08/08  | Taiwan Corporate                        | Climate Change and the Trends and Challenges of Corporate   | 3.0  |  |   |  |  |  |               |              |             |       |            |   |   |     |            |   |   |     |            |                  |   |     |  |

| Evaluation Items  | Implementation Status |    |  |   |  | Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |  |
|---|-----------------------|----|--|---|--|--|--|
|   | Yes                   | No | Summary  |   |  |  |  |
|   |                       |    |  | Governance Association                  | Sustainability; Exploring Business Challenges and Responses through the Growth Journeys of Well-known Multinational Corp.s   |  |  |
|   |                       |    | 2024/08/08   | Taiwan Corporate Governance Association | Global Economic Outlook  | 1.5  |  |
|   |                       |    | 2024/11/14   | Taiwan Corporate Governance Association | NVIDIA's Trillion-Dollar Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence/Generative AI Application and Management Trends | 3.0  |  |
| 5. Has the Company established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a dedicated stakeholder section on the company website, as well as appropriately responded to important corporate and social responsibility issues of concern to stakeholders? | Y                     |    | The Company values communication with stakeholders and has established diverse communication channels. A stakeholder section has been set up on the company's website to effectively address important sustainability issues raised by stakeholders. The communication status for the year 2023 was reported to the Board of Directors on July 30, 2024, with detailed information disclosed on the Company's website.   |   |  |  | In line with the Corporate Governance Best-Practice Principles |
| 6. Has the Company hired a professional agency to handle tasks and issues related to convening shareholder's meeting?   | Y                     |    | The Company has engaged the service of CTBC Bank Co., Ltd. Transfer Agency Department to handle tasks and issues related to shareholder's meeting.   |   |  |  | In line with the Corporate Governance Best-Practice Principles |
| 7. Information Disclosure   |                       |    |  |   |  |  | In line with the Corporate Governance Best-Practice Principles |
| (1) Has the Company established a corporate website to disclose information regarding the Company's financial, business, and corporate governance status?   | Y                     |    | (1) The Company regularly discloses financial business (Monthly\Quarterly\Yearly) and corporate governance information on the Company website (http://www.nuvoton.com).  |   |  |  |  |
| (2) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?  | Y                     |    | (2) The Company maintains an English website and related departments including investor relations, shareholder affairs and public relations collect and disclose related information in accordance with regulations. The Company has also established a spokesperson system and the presentation files and videos of the investor conferences are available on the Company website for external parties.   |   |  |  |  |
| (3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?   | Y                     |    | (3) To help investors access sufficient and accurate financial information, the Company submits the annual financial report to the Audit Committee and the Board of Directors for approval within two months after the end of the year and the financial report is published on the Market Observation Post System after it is passed in the meeting of the Board of Directors. The Q1, Q2, and Q3 financial reports and operation status of each month are also fully disclosed on the Market Observation Post System before the prescribed deadline. |   |  |  |  |

| Evaluation Items  | Implementation Status |    |   | Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons |
|---|-----------------------|----|---|--|
|   | Yes                   | No | Summary   |  |
| 8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of Directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for Directors and supervisors)? | V                     |    | <p>(1) Employee rights, interests, and wellbeing: The Company has established comprehensive management rules for the rights, obligations, and benefits of employees. The Company has also established complaint filing protocols to safeguard employee rights and interests. The Company has established employee communication channels to encourage the employees to communicate directly with managerial officers.</p> <p>(2) Investor relations: The Company holds periodic investor conferences to communicate with investors and has established a designated section on company website for investors and periodically discloses financial information and information related to corporate governance.</p> <p>(3) Supplier relations: The Company has established rules for supplier relations.</p> <p>(4) Stakeholder interests: The Directors of the Company recuse themselves from voting on agenda items in which they have an interest.</p> <p>(5) Continuing education of Directors and supervisors: The Company arranges continuing education courses for Directors and supervisors every year and provides from time-to-time information on professional courses offered by external institutions. The continuing education courses taken by Directors and supervisors are disclosed on the Market Observation Post System.</p> <p>(6) Implementation of risk management policies and risk assessment standards: The Company has established management rules for important managerial targets and implements them in accordance with the established rules.</p> <p>(7) The implementation of customer relations policies: The Company strictly adheres to the contracts signed with customers and relevant provisions to safeguard customers' rights and interests.</p> <p>(8) Status of purchase of liability insurance by the Company for Directors and supervisors: The Company has purchased liability insurance for Directors and supervisors in accordance with regulations in order to mitigate and disperse the risk of any material damages to the Company and its shareholders caused by any error or negligence of Directors. Please refer to the Company's information disclosure on the Corporate Governance/Directors and Supervisors' Liability Insurance section of the Company Information Disclosure Platform.</p> | In line with the Corporate Governance Best-Practice Principles   |
| <p>9. Please describe improvements in terms of the results of the Corporate Governance Evaluation System in recent years and propose areas and measures to be given priority where improvement will be needed.</p> <p>The Company attaches great importance to corporate governance, and continuously evaluates and refines the evaluation indicators and standards of the "Corporate Governance Evaluation" of the Securities and Exchange Fund to improve corporate governance.</p>                           |                       |    |   |  |



#### 4. Composition, duties, and operation of the Remuneration Committee

##### (1) Information on members of the Remuneration Committee

| Identity                                 | Criteria<br>Name    | Professional qualifications and experience  | Independence Status   | Number of companies concurrently serving as members of the remuneration committee of other publicly traded companies |
|--|---------------------|---|---|--|
| Member/Independent Director<br>Committee | Mark Pao-Sheng Wei  | Mr. Mark Pao-Sheng Wei has extensive expertise in finance and insurance. He previously served as Chairman of KGI Bank, Director General of the Insurance Bureau of the Financial Supervisory Commission, Executive Yuan, and held positions as Chairman of KGI Securities, AIA Securities, and KGI Bank. With profound experience in financial regulation and business management, coupled with an exceptional international perspective and professional acumen, he currently serves as the Chairman of Shin Kong Life Insurance Co., Ltd. and Shin Kong Financial Holding Co., Ltd. | (1)Not an employee of the Company or any of its affiliates;<br>(2)Not a Director or supervisor of the Company or any of its affiliates. (Only Independent Directors Allen Shan-Ko Hsu and Jerry Hsu are concurrently Independent Director of Winbond Electronics Corp.)<br>(3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate number of 1% or more of the shares of the Company or ranks as one of its top ten shareholders.   | 0  |
| Convenor/Independent Director            | David Shu-Chyuan Tu | Mr. David Shu-Chyuan Tu previously served as General Manager of the Product Business Unit at Synnex Technology International Corp. and as Vice President of Business Development and Strategy at Synnex Group, where he was responsible for the company's overseas investment businesses and the expansion of its global distribution network. He is currently the Chairman of Bizwave Tech Co., Ltd., Synergy Intelligent Technology Co., Ltd., and BestCom Co., Ltd.; while also serving as a Director of Synnex Technology International Corp.                                     | (4)Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the managerial officers listed in subparagraph (1) or persons listed in subparagraphs (2) and (3);<br>(5)Not a Director, supervisor or employee of an institutional shareholder holding directly 5% or more of the Company's shares, being one of the top five shareholders, or being appointed a Director or supervisor of the company pursuant to Article 27, Paragraph 1 or 2 of the Company Act.<br>(6)Not a Director, supervisor or employee of another company that is controlled by the same person that holds the majority seats on the board or majority votes of the Company. | -  |
| Member/Independent Director<br>Committee | Allen Shan-Ko Hsu   | Mr. Allen Shan-Ko Hsu previously served as Deputy General Manager and Deputy Chief Executive of General Management at Yulon Motor Co., Ltd., and was also Vice Chairman of the Taiwan Venture Capital Association (TVCA). With deep expertise in corporate management, finance, and investment, he currently serves as the Chairman of Unus Tech Co., Ltd., 3R Life Sciences Ltd., as well as an Independent Director of Winbond Electronics Corp.  | (7)Not a Director, supervisor or employee of another company or institution that has the same chairman, president, or the equivalent or a spouse in one of the roles as the Company.<br>(8)Not a Director, supervisor, manager, or shareholder holding five percent or more of the shares of a specific company or institution that has a financial or business relationship with the Company.  | 0  |
| Member/Independent Director<br>Committee | Kuang-Chung Chen    | Mr. Kuang-Chung Chen previously served as Vice Chairman and CEO of Lite-On Technology Corp., where he accumulated extensive expertise and practical experience in the optoelectronics and information and communications technology (ICT) industries. He currently serves as an Independent Director of Diodes Incorporated.  | (9)Not a professional who provides audit service or receives remuneration in the last two years for commercial, legal, financial, or accounting services to the Company or its affiliates, nor is an owner, partner, Director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliates.   | 0  |

##### (2) Operation of Remuneration Committee

The Company's Remuneration Committee is responsible for formulating and reviewing the policies, systems, standards and structures of the performance evaluation and remuneration of the Company's Directors and managerial officers, as well as the individual remunerations, and submitting the proposed recommendations to the Board of Directors for discussion.

1. Regularly review the organizational regulations of the Remuneration Committee and propose amendments.
2. Formulate and regularly review the policies, systems, standards and structures of Directors' and managerial officers' annual performance goals and remuneration.

3. Regularly evaluate the achievement of the performance goals of Directors and managerial officers and determine the content and amount of their individual remunerations.
4. 1. The Company's Remuneration Committee consists of 4 members, composed of all Independent Directors.
4. 2. The term of the current Committee members: from June 02, 2022 to June 01, 2025
5. In 2024, the Remuneration Committee totally held 3 meetings (A). The attendance status of the Committee members is as follows:

| Title            | Name                | Attendance in person (B) | Attendance by proxy | Attendance in person rate (%) [B/A] (Note) | Notes |
|------------------|---------------------|--------------------------|---------------------|--|-------|
| Convener         | David Shu-Chyuan Tu | 2                        | 1                   | 67%  | N/A   |
| Committee member | Mark Pao-Sheng Wei  | 3                        | 0                   | 100%                                       | N/A   |
| Committee member | Allen Shan-Ko Hsu   | 3                        | 0                   | 100%                                       | N/A   |
| Committee member | Kuang-Chung Chen    | 3                        | 0                   | 100%                                       | N/A   |

Other matters that require reporting:

- i. If the Board of Directors did not adopt or revise the recommendations of the remuneration committee, it should describe the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the Company in response to the opinion of the remuneration committee: This event did not occur at the Company.
- ii. If a member opposes a resolution the Committee has adopted or has reservations with a written record or a statement, the date and session of the meeting, the resolution, opinions of all the members, and the response to their opinions shall be indicated: This event did not occur at the Company.

Note: The actual attendance rate (%) is calculated based on the number of meetings held during the year when the member holds the position and the number of meetings actually attended by each member of the Compensation Committee.

- (3) Discussions and resolutions made by the Remuneration Committee in the latest year and the Company's response to opinions of the Committee members:

| Term/Date   | Agenda and Follow-Up |   |
|---|----------------------|---|
| 5 <sup>th</sup> meeting of 5 <sup>th</sup> -term 2024/03/05 | 1                    | The total amount and individual amounts of Director remuneration for the year 2023 within the Company.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.    |
|   | 2                    | The individual amounts of performance bonuses for the company's managerial officers for the year 2023.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.    |
|   | 3                    | The performance bonus amount for Mr. Yuan-Mou Su, a managerial officer of the company, for the year 2023.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed. |
| 6 <sup>th</sup> meeting of 5 <sup>th</sup> -term 2024/07/30 | 1                    | Proposed appointment of Mr. Hsiang-Yun Fan as President of Headquarters Functions.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.                        |

| Term/Date   | Agenda and Follow-Up |   |
|---|----------------------|---|
|   | 2                    | Determination of the profit allocation ratio for Directors' remuneration for the year 2024.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.                             |
|   | 3                    | Determination of the profit allocation ratio for employees' remuneration for the year 2024.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.                             |
|   | 4                    | Individual compensation for the Company's managerial officers for the year 2024.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.  |
|   | 5                    | Individual amounts of employee remuneration and patent bonuses for the Company's managerial officers for the year 2023.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed. |
|   | 6                    | Remuneration of Mr. Yuan-Mou Su, a managerial officer of the Company.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.   |
|   |                      |   |
| 7 <sup>th</sup> meeting<br>of 5 <sup>th</sup> -term<br>2024/10/31 | 1                    | Adjustment of the position of Accounting Supervisor of the Company.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.   |
|   | 2                    | Discussion on the proposed appointment and remuneration of Mr. Jing-Shiang Tseng as Vice President of the Company.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.      |
| 8 <sup>th</sup> meeting<br>of 5 <sup>th</sup> -term<br>2025/03/07 | 1                    | Total and individual amounts of Directors' remuneration for the year 2024.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.  |
|   | 2                    | Individual amounts of performance bonuses and patent bonuses for the Company's managerial officers for the year 2024.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.   |
|   | 3                    | Compensation for the Company's managerial officers for the year 2025.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.   |
|   | 4                    | Performance bonus amount for Mr. Yuan-Mou Su, a managerial officer of the Company, for the year 2024.<br>Opinions of the Remuneration Committee members: N/A.<br>The Company's response to Remuneration Committee opinions: N/A.<br>Resolution: Passed as proposed.                   |

## 5. Implementation status of sustainable development and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

| Companies and Reasons   |   | Implementation Status  |  |  | Deviations from Corporate Sustainable Development Practice Principles for TWSE/TPEX listed companies and reasons |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
|---|---|--|--|--|--|------|-----------------|-----------------------|------------------------------------|------------|-----------------|--|---|---|--|--|-----------------------|--|---|-----------|--|--|--|
| Driving Items   | Yes   | No   | Summary  |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
| 1. Has the company established a governance structure for promoting sustainable development and set up a unit that supports CSR practices on a full-time or part-time basis? Is the CSR unit operated by senior managers as authorized by the board of Directors, and supervised by the board of Directors? | V   |  | Complying with the Company's sustainable management vision and mission of "the invisible champion who enriches human life with green semiconductor technology", the "Corporate Social Responsibility Management Committee" was established in 2012, and the name was changed to "Sustainable Development Committee" in 2021, which is the highest level of decision-making center on sustainable development in the Company. The Committee is chaired by the President, or a senior executive appointed by the President, responsible for promoting the Company's sustainable development businesses. The committee comprises five functional sub-groups: Corporate Governance, Human Rights and Social Inclusion, Green Products, Environmental Sustainability, and Sustainable Supply Chain. It holds meeting of the Sustainable Development Committee once per every quarter to set sustainable development project plans, performance goals, tracks down the plan progress and makes regulatory compliance review. In order to implement the supervision of the Board of Directors, the Committee reports the progress of sustainable development to the Board of Directors on a regular basis every year Implementation results, the Board of Directors proposed the management policy, strategy, and goals of the steering Committee. The meeting date for Q3 2024 was on July 30. In addition, according to the regulations of the Financial Supervisory Commission, the sustainability reports are disclosed on the Company's website.   |  | In line with the Sustainable Development Practice Principles   |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
| 2. Has the company assessed the environmental, social, and corporate governance risks of its operations based on the principle of materiality and established related risk management policies or strategies?   | V   | V  | (1) This disclosure covers the Company's sustainable development performance in major locations from January 2024 to December 2024. The corporate governance part of the risk assessment boundary is mainly based on the Company, including subsidiaries in Taiwan and overseas, and the environmental and social part includes the Company's Taiwan base.<br><br>(2) The Company follows the GRI General Standard 2021 version GRI 3, assessing the actual and potential impacts on governance, economy, environment, and people (including their human rights) throughout its operations and business relationships. It conducts relevant risk assessments on significant issues and develops risk management policies or strategies based on the assessed risks as follows:   |  | In line with the Sustainable Development Practice Principles   |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
|   |   |  | <table><tr><th>Type</th><th>Material Issues</th><th>Risk Assessment Items</th><th>Risk Management Policy or Strategy</th></tr><tr><td rowspan="3">Governance</td><td>Risk Management</td><td>Reduce the negative impact and losses caused by significant risk events, protect the interests of stakeholders, and maintain the image of the company.</td><td>By implementing risk management policies and measures, we aim to reduce the impact of various risks on our company's operations, while also striving to transform risks into opportunities.</td></tr><tr><td>Integrity in Business Operations and Corporate Governance</td><td>This includes compliance with regulations, operational transparency, and conflict of interest issues. Failure to adhere to anti-corruption, internal control, or information disclosure regulations may expose a company to legal liabilities, fines, and reputational damage. Additionally, inadequate governance mechanisms may compromise the supervisory effectiveness of the Board, reduce decision-making transparency, and erode the trust of investors and stakeholders.</td><td>The Company adheres to relevant regulations and corporate ethics standards, strengthens internal audit and risk management systems, and ensures the fairness of decision-making and operational transparency through effective Board operations and internal supervisory mechanisms. Furthermore, the Company continuously promotes integrity education and whistleblowing mechanisms among employees to foster a strong corporate governance culture and enhance long-term competitiveness.</td></tr><tr><td>Regulatory Compliance</td><td>Regularly conduct applicability testing and compliance verification of relevant regulations that are newly added or revised.</td><td>Regularly conduct regulatory compliance inspections to ensure that the applicable regulations are updated in a timely manner, and that management practices comply with changes in regulations.</td></tr><tr><td>Economics</td><td>Productivity and Operational Performance</td><td>Actively deploying globalization to enhance the international reputation of the company; continuously improving productivity and reducing costs; developing market strategies and exploring new markets to maintain industry</td><td>Develop comprehensive and forward-looking business strategies to enhance the company's operational performance and fulfill the responsibility to shareholders.</td></tr></table> |  |  | Type | Material Issues | Risk Assessment Items | Risk Management Policy or Strategy | Governance | Risk Management | Reduce the negative impact and losses caused by significant risk events, protect the interests of stakeholders, and maintain the image of the company. | By implementing risk management policies and measures, we aim to reduce the impact of various risks on our company's operations, while also striving to transform risks into opportunities. | Integrity in Business Operations and Corporate Governance | This includes compliance with regulations, operational transparency, and conflict of interest issues. Failure to adhere to anti-corruption, internal control, or information disclosure regulations may expose a company to legal liabilities, fines, and reputational damage. Additionally, inadequate governance mechanisms may compromise the supervisory effectiveness of the Board, reduce decision-making transparency, and erode the trust of investors and stakeholders. | The Company adheres to relevant regulations and corporate ethics standards, strengthens internal audit and risk management systems, and ensures the fairness of decision-making and operational transparency through effective Board operations and internal supervisory mechanisms. Furthermore, the Company continuously promotes integrity education and whistleblowing mechanisms among employees to foster a strong corporate governance culture and enhance long-term competitiveness. | Regulatory Compliance | Regularly conduct applicability testing and compliance verification of relevant regulations that are newly added or revised. | Regularly conduct regulatory compliance inspections to ensure that the applicable regulations are updated in a timely manner, and that management practices comply with changes in regulations. | Economics | Productivity and Operational Performance | Actively deploying globalization to enhance the international reputation of the company; continuously improving productivity and reducing costs; developing market strategies and exploring new markets to maintain industry | Develop comprehensive and forward-looking business strategies to enhance the company's operational performance and fulfill the responsibility to shareholders. |
| Type  | Material Issues   | Risk Assessment Items  | Risk Management Policy or Strategy   |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
| Governance  | Risk Management   | Reduce the negative impact and losses caused by significant risk events, protect the interests of stakeholders, and maintain the image of the company.   | By implementing risk management policies and measures, we aim to reduce the impact of various risks on our company's operations, while also striving to transform risks into opportunities.  |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
|   | Integrity in Business Operations and Corporate Governance | This includes compliance with regulations, operational transparency, and conflict of interest issues. Failure to adhere to anti-corruption, internal control, or information disclosure regulations may expose a company to legal liabilities, fines, and reputational damage. Additionally, inadequate governance mechanisms may compromise the supervisory effectiveness of the Board, reduce decision-making transparency, and erode the trust of investors and stakeholders. | The Company adheres to relevant regulations and corporate ethics standards, strengthens internal audit and risk management systems, and ensures the fairness of decision-making and operational transparency through effective Board operations and internal supervisory mechanisms. Furthermore, the Company continuously promotes integrity education and whistleblowing mechanisms among employees to foster a strong corporate governance culture and enhance long-term competitiveness.   |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
|   | Regulatory Compliance                                     | Regularly conduct applicability testing and compliance verification of relevant regulations that are newly added or revised.   | Regularly conduct regulatory compliance inspections to ensure that the applicable regulations are updated in a timely manner, and that management practices comply with changes in regulations.  |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
| Economics   | Productivity and Operational Performance                  | Actively deploying globalization to enhance the international reputation of the company; continuously improving productivity and reducing costs; developing market strategies and exploring new markets to maintain industry   | Develop comprehensive and forward-looking business strategies to enhance the company's operational performance and fulfill the responsibility to shareholders.   |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
|   |   |  |  |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
|   |   |  |  |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |
|   |   |  |  |  |  |      |                 |                       |                                    |            |                 |  |   |   |  |  |                       |  |   |           |  |  |  |

| Driving Items  | Implementation Status |    |         |   |  | Deviations from Corporate Sustainable Development Practice Principles for TWSE/TPEx listed companies and reasons  |  |  |
|--|-----------------------|----|---------|---|--|---|--|--|
|  | Yes                   | No | Summary |   |  |   |  |  |
|  |                       |    |         |   | leadership.  |   |  |  |
|  |                       |    |         | Supply Chain Management   | This includes supplier compliance, supply chain disruptions, and sustainable procurement challenges. For example, suppliers that fail to meet environmental regulations or social responsibility standards may hinder the achievement of the Company's ESG goals. Additionally, extreme weather, geopolitical tensions, or raw material shortages may lead to supply chain disruptions, affecting production and delivery. | The Company employs rigorous supplier selection and audit processes to ensure that partners meet environmental and social responsibility requirements. At the same time, supply chain diversification is also promoted to enhance resilience. Furthermore, the company actively implements green procurement practices, prioritizing low-carbon and environmentally certified suppliers to promote sustainable supply chain development.                    |  |  |
|  |                       |    |         | Research and Development Innovation   | By implementing effective management of innovative research and development, we maintain our company's leading position in the industry and continue to provide customers with products featuring cutting-edge technology.   | Regularly disclose the amount of R&D expenditures and the number of newly acquired patents.   |  |  |
|  |                       |    |         | Green Products  | In the contest of stricter environmental regulations, intensified market competition, and technological and cost challenges, products that fail to meet the latest environmental standards may impact market sales and corporate image. Moreover, the development of eco-friendly materials and low-carbon technologies can enhance competitiveness, but such development may also incur additional costs.                 | The Company ensures that its products comply with international standards such as RoHS and REACH and actively invests in green technology research and development to enhance the sustainability value of its products. Additionally, through product lifecycle management, the Company reduces carbon footprints and incorporates recyclable designs to achieve circular economy goals.  |  |  |
|  |                       |    |         | Environment   | Energy and Greenhouse Gas Management   | The Company's energy consumption data to is analyzed to identify opportunities for energy management or reduction.  | Establishing an energy management policy and maintaining an energy management system to ensure operational resilience in energy management issues.   |  |
|  |                       |    |         |   | Energy and Greenhouse Gas Management   | In accordance with the Company's sustainability strategy, the Company seeks opportunities and technologies to reduce greenhouse gas emissions, continuously lowering the use and emission of greenhouse gases.  | To effectively respond to and mitigate climate change actions, the Company continues to set carbon reduction targets in line with international standards, comprehensively implementing climate change mitigation initiatives, including process optimization, installation of energy-efficient and carbon-reducing equipment, and full employee participation to achieve set goals.   |  |
|  |                       |    |         | Human rights  | Talent Management  | This includes challenges such as talent retention, labor disputes, workplace safety risks, and diversity and inclusion. If compensation and benefits lack competitiveness or career development opportunities are insufficient, it may affect talent attraction and retention, thereby weakening corporate competitiveness. Additionally, inadequate labor-management communication mechanisms may lead to labor disputes, impacting operational stability. | The Company ensures that talent has access to growth opportunities through market-based compensation strategies and comprehensive training and development programs. It also strengthens human rights and equality policies, promotes a culture of diversity and inclusion, and establishes open channels for labor-management communication to safeguard the rights of both parties. Furthermore, the Company implements occupational health and safety management systems to provide a safe and healthy work environment, ensuring employee well-being and corporate sustainability. |  |
| 3. Environmental Issues  |                       |    |         | The Company follows environmental protection regulations and related international norms to protect the natural environment and strive for a balanced development of the economy, society and the environment in conducting business to achieve the goal of a sustainable environment.  |  |   |  |  |
| (1) Has the Company established a proper environmental management system based on the characteristics of the industry? |                       | V  |         | (1) The Company has established an environmental safety and sanitary management system and a hazardous material management system and passed ISO 14001, ISO 45001, OHSAS 18001, and QC 080000 certification in 2008. In 2023, the Company also obtained ISO 50001 certification for its Energy Management System to address issues related to climate change. The Company continues to maintain and operate various systems and has appointed professional environmental management personnel to operate and maintain a wide range of environmental protection equipment. |  |   |  | In line with the Sustainable Development Practice Principles |

| Driving Items  | Implementation Status               |                  |   | Deviations from Corporate Sustainable Development Practice Principles for TWSE/TPEX listed companies and reasons |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|--|-------------------------------------|------------------|---|--|--|--|------------------|------|------|--|------------------------|---------|--------|--------|-------------------------------------|---|-----|-----|-------------------------------------|---|-----|-----|---------------------------------------|--------------------|--------|--------|--------|--|-------------------------------------|---|------|------|-------------------------------------|---|------|------|--|--------------------|------|------|------|--|-------------------------------------|---|------|-------|-------------------------------------|---|------|-------|------------------------------------|-----------------------------|-----|-----|-----|---------------------------|---------------------|-----|-----|-----|--|-----------------------|--|-------|
|  | Yes                                 | No               | Summary   |  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| (2) Is the Company committed to improving the efficiency of the various resources and using recycled materials which have a low impact on the environment?   | V                                   |                  | (2) To effectively enhance the efficiency of energy and resource utilization, the company has clearly stated in its publicly available Safety, Health, and Environmental Protection Policy that it will implement continuous improvement measures to reduce the consumption of water and electricity, critical chemical raw materials, and major pollutant emissions. In accordance with this policy, reduction targets are established and the progress toward these targets is tracked on a quarterly and annual basis.   |  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| (3) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?  | V                                   |                  | (3) According to the Company’s assessment, climate change has a direct impact on the operations of the manufacturing industry. Faced with risks such as flooding, water supply disruptions, power shortages, and rising raw material costs, the Company is committed to continuously mitigating these risks to enhance its green competitiveness. This not only helps seize global business opportunities but also strengthens stakeholder recognition and support. To adapt to the operational impact of climate change, the Company conducts carbon footprint verification to understand the distribution of carbon emissions across the product life cycle. This data is then applied to strategies for energy conservation and greenhouse gas (GHG) reduction, such as continued efforts to reduce electricity consumption and emissions of perfluorinated gases. In terms of implementation, the Company sets reduction targets and tracks progress quarterly. In addition, we continue to invest in environmentally sustainable machinery and equipment. In 2023, the Company invested approximately NT\$ 50 million in green equipment. In 2024, a further investment of NT\$ 78 million was made to install various systems, including energy monitoring, high-efficiency energy-saving equipment, and fluorinated gas reduction systems. As a result of these initiatives, the Company achieved a GHG emission reduction of approximately 9,500 t CO2e (carbon dioxide equivalent) in 2024.  |  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| (4) Does the Company calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and waste production? | V                                   |                  | (4) In summary, the following table outlines information on greenhouse gas emissions, electricity usage, water usage, and total weight of waste for the years 2023and 2024, using 2021 as the base year: <table><tr><td></td><td></td><td>2021 (Base Year)</td><td>2023</td><td>2024</td></tr><tr><td rowspan="3">Greenhouse gas emissions*<sup>1</sup><br/>- CO2e (carbon dioxide equivalent)</td><td>Emissions for the year</td><td>105,570</td><td>65,213</td><td>54,318</td></tr><tr><td>Reduction compared to last year (%)</td><td>-</td><td>34%</td><td>17%</td></tr><tr><td>Reduction compared to base year (%)</td><td>-</td><td>38%</td><td>49%</td></tr><tr><td>Electricity usage*<sup>1</sup> (kWh)</td><td>Usage for the year</td><td>74,146</td><td>71,853</td><td>71,246</td></tr><tr><td rowspan="2"></td><td>Reduction compared to last year (%)</td><td>-</td><td>0.6%</td><td>0.8%</td></tr><tr><td>Reduction compared to base year (%)</td><td>-</td><td>3.1%</td><td>3.9%</td></tr><tr><td>Water usage*<sup>2</sup> (10,000 m<sup>3</sup>)</td><td>Usage for the year</td><td>39.7</td><td>40.2</td><td>42.4</td></tr><tr><td rowspan="2"></td><td>Reduction compared to last year (%)</td><td>-</td><td>2.9%</td><td>-5.5%</td></tr><tr><td>Reduction compared to base year (%)</td><td>-</td><td>-1.3</td><td>-6.8%</td></tr><tr><td>Water recycling rate*<sup>3</sup></td><td>Recycling rate for the year</td><td>68%</td><td>66%</td><td>68%</td></tr><tr><td>Total weight of waste (t)</td><td>Weight for the year</td><td>871</td><td>727</td><td>771</td></tr><tr><td></td><td>Reduction compared to</td><td></td><td>10.5%</td><td>-6.1%</td></tr></table> |  |  |  | 2021 (Base Year) | 2023 | 2024 | Greenhouse gas emissions* <sup>1</sup><br>- CO2e (carbon dioxide equivalent) | Emissions for the year | 105,570 | 65,213 | 54,318 | Reduction compared to last year (%) | - | 34% | 17% | Reduction compared to base year (%) | - | 38% | 49% | Electricity usage* <sup>1</sup> (kWh) | Usage for the year | 74,146 | 71,853 | 71,246 |  | Reduction compared to last year (%) | - | 0.6% | 0.8% | Reduction compared to base year (%) | - | 3.1% | 3.9% | Water usage* <sup>2</sup> (10,000 m <sup>3</sup> ) | Usage for the year | 39.7 | 40.2 | 42.4 |  | Reduction compared to last year (%) | - | 2.9% | -5.5% | Reduction compared to base year (%) | - | -1.3 | -6.8% | Water recycling rate* <sup>3</sup> | Recycling rate for the year | 68% | 66% | 68% | Total weight of waste (t) | Weight for the year | 871 | 727 | 771 |  | Reduction compared to |  | 10.5% |
|  |                                     | 2021 (Base Year) | 2023  | 2024   |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| Greenhouse gas emissions* <sup>1</sup><br>- CO2e (carbon dioxide equivalent)   | Emissions for the year              | 105,570          | 65,213  | 54,318   |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|  | Reduction compared to last year (%) | -                | 34%   | 17%  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|  | Reduction compared to base year (%) | -                | 38%   | 49%  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| Electricity usage* <sup>1</sup> (kWh)  | Usage for the year                  | 74,146           | 71,853  | 71,246   |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|  | Reduction compared to last year (%) | -                | 0.6%  | 0.8%   |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|  | Reduction compared to base year (%) | -                | 3.1%  | 3.9%   |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| Water usage* <sup>2</sup> (10,000 m <sup>3</sup> )   | Usage for the year                  | 39.7             | 40.2  | 42.4   |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|  | Reduction compared to last year (%) | -                | 2.9%  | -5.5%  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|  | Reduction compared to base year (%) | -                | -1.3  | -6.8%  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| Water recycling rate* <sup>3</sup>   | Recycling rate for the year         | 68%              | 66%   | 68%  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
| Total weight of waste (t)  | Weight for the year                 | 871              | 727   | 771  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |
|  | Reduction compared to               |                  | 10.5%   | -6.1%  |  |  |                  |      |      |  |                        |         |        |        |                                     |   |     |     |                                     |   |     |     |                                       |                    |        |        |        |  |                                     |   |      |      |                                     |   |      |      |  |                    |      |      |      |  |                                     |   |      |       |                                     |   |      |       |                                    |                             |     |     |     |                           |                     |     |     |     |  |                       |  |       |

| Driving Items   | Implementation Status |    |   |   |   | Deviations from Corporate Sustainable Development Practice Principles for TWSE/TPEx listed companies and reasons |  |  |
|---|-----------------------|----|---|---|---|--|--|--|
|   | Yes                   | No | Summary   |   |   |  |  |  |
|   |                       |    |   | <div><div>last year (%)</div><div>Reduction compared to base year (%)</div><div>- General waste weight (t)</div><div>- Hazardous waste weight (t)</div></div> | <div><div></div><div></div><div>305</div><div>565</div></div> | <div><div></div><div>16.5%</div><div>320</div><div>407</div></div>   | <div><div></div><div>11.5%</div><div>272</div><div>499</div></div> |  |
|   |                       |    | <div>Note*</div> <div>1. Calculated using the emission factors and global warming potentials (GWP) from the "Greenhouse Gas Emission Factors" announced by the Ministry of Environment on February 5, 2023, and the electricity factor of 0.474 kgCO<sub>2</sub>e/kWh announced by the Energy Bureau of the Ministry of Economic Affairs for 2024.</div> <div>2. Water usage is recorded based on the Company's internal water meter readings.</div> <div>3. The water recycling rate is calculated according to the water balance chart submitted to the Hsinchu Science Park Bureau. Among it, water usage per product unit is 45.3L/layer-wafer mask in 2024, lowered by 5.5% compared to that in 2021.</div> <div>4. The total weight of waste is the declared value in accordance with the Waste Disposal Act. The waste generation per unit of product is 0.083 kg per layer-wafer mask, lowered by 7.8% compared to that in 2023.</div>  |   |   |  |  |  |
| <div>4. Social Issues</div> <div>(1) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</div>                                    | V                     |    | <div>(1) The Company adheres to relevant labor laws such as the Labor Standards Act, respecting and supporting the protection principles and basic principles of various international human rights conventions, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We also follow the Responsible Business Alliance Code of Conduct and have established a Code of Conduct for Sustainable Development, based on which internal management policies and procedures are formulated to support and safeguard the labor rights of employees. These rights include the freedom to choose employment, prohibition of child labor, protection of young workers, compliance with statutory working hours, compliance with statutory wages and benefits, humane and non-discriminatory treatment, and respect for employees' freedom of association. Clear reward and punishment items are specified in the work rules for employees to follow. Furthermore, to strengthen the implementation of labor rights, environmental protection, health and safety, and ethical standards, and to perfect the management of integrity in business operations, the Company conducts regular sustainability education and training sessions. These sessions are considered mandatory courses for employees each year, aiming to enhance awareness of human rights protection among staff. In 2024, a total of 1,557 employees underwent training with a completion rate of 100%. In 2024, “Nuvoton Human Rights Policy” has been established and published. Human rights due diligence process has been introduced to carry out human rights risk assessment on employees of Taiwan Headquarters, and 2024 human rights due diligence results has been disclosed under the section of sustainable development of the Company’s website.</div> |   |   |  |  | In line with the Sustainable Development Practice Principles |
| <div>(2) Has the company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits) and reflected the business performance or results in employee remuneration appropriately?</div> | V                     |    | <div>(2) The Company establishes a reasonable salary and remuneration policy by referring to the market pay level, and has prescribed in the Articles of InCorp. that if the Company is profitable for the year, at least 1% of the profit shall be appropriated as employee remuneration. The Company has also established Performance Management Rules that links business performance to employee remuneration through periodic performance assessment as a means to reflect business results in employee pay. To provide employees a working environment conducive to body mind balance, the Company offers a leave system superior than statutory requirements and actively reminds employees to take holidays at appropriate intervals to build a healthy workplace. With regard to</div>   |   |   |  |  |  |

| Driving Items  | Implementation Status |    |  | Deviations from Corporate Sustainable Development Practice Principles for TWSE/TPEx listed companies and reasons |
|--|-----------------------|----|--|--|
|  | Yes                   | No | Summary  |  |
| (3) Does the Company provide a safe and healthy working environment and provide employees with regular safety and health training? | V                     |    | <p>employee benefits, the Company offers group insurance with terms superior than statutory requirements to protect the employees' work and life security. With regard to encouraging employees to get married and have children, the Company provides parking spaces for pregnant employees, breastfeeding room, mommy packs, prenatal checkup leave, paternity leave, family care leave, marriage leave, and childbirth cash gift and child rearing subsidy from the Employee Welfare Committee.</p> <p>(3) The Company has a dedicated occupational safety and health unit responsible for the operation and management of the occupational safety and health management system. The unit has obtained ISO 45001:2018 certification and follows the PDCA (Plan-Do-Check-Act) management system approach. It regularly conducts occupational safety and health risk assessments, plans and executes safety measures, and provides education and training to provide employees with a safe and healthy working environment. In 2024, the Company organized a total of 90 safety and health education training sessions to provide learning opportunities for employees and enhance hazard prevention awareness. The attendance rate for these sessions was 97.8%. During the year, there were no fatal occupational accidents or cases of occupational diseases. However, there was one case of disabling injuries (damage caused by chemical splash), involving a total of one individual. The rate of occupational accident per 1,000 persons was 0.63. The frequency of disabling injuries (excluding commuting accidents) was 0.32, and the severity rate of disabling injuries (excluding commuting accidents) was 2.91. Investigations and root cause analyses were conducted for each incident throughout the year, and improvement measures were proposed to improve the usage work environment. There is no disabling injury occurred to non-employees.</p>  |  |
| (4) Has the Company established an effective career development and capability training program for employees?                     | V                     |    | <p>(4) The Company has established a comprehensive "Education and Training Management Procedure" to create a conducive learning environment aligned with the Company's strategy, vision, and values. Organizational culture serves as the core, and a complete learning and development system is constructed based on hierarchy and capabilities. Training plans tailored to job categories and position requirements are developed to meet employees' learning needs. Various training resources and flexible learning methods are provided to supervisors and employees at different levels:</p> <p>①. Management Capability Training: Tailored management capability training is provided based on the management competency blueprint for different levels of management. This includes courses to assist frontline supervisors in developing correct management thinking and enhancing management skills, internal supervisor exchange sessions to share management experiences, and lectures by industry experts to cover various topics. These training activities continuously strengthen the management capabilities of supervisors at all levels.</p> <p>②. Professional Skills Training: Tailored near, medium, and long-distance professional skills training is provided based on employees' professional skill needs. Both internal and external training resources are offered to cultivate employees' learning momentum, continuously improve their technical skills, and support breakthroughs and advancements in professional fields.</p> <p>③. Onboarding Training for New Employees: To help new employees adapt to the environment quickly, the Company provides relevant training courses, including introduction to work systems and planning, organizational product introduction, introduction to company culture, and compliance with relevant regulations. These courses assist newcomers in integrating into the company, establishing an understanding of the organization, and creating a safe and healthy work environment.</p> |  |
| (5) In terms of the customer health and safety, right to privacy, marketing and  | V                     |    | <p>(5) The Company's quality control mechanisms cover each step in the manufacturing process. We ensure the quality of the products through continuous monitoring on the manufacturing process and rapid and efficient</p>   |  |



| Driving Items  | Implementation Status |    |   | Deviations from Corporate Sustainable Development Practice Principles for TWSE/TPEX listed companies and reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Summary   |  |
| <p>labeling of products and services, has the Company followed relevant laws, regulations, and international norms and set up relevant consumer protection policies and complaint procedures?</p> <p>(6) Has the Company formulated supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights and requested their reports on the implementation of such regulations?</p> | V                     |    | <p>detection of problems. We conduct comprehensive defect analyses for defective products returned by customers to verify the source of the defective products and implement improvements. We also use continuous innovation and improvement of products, procedures, and services to provide high-quality services and outstanding quality and become irreplaceable partners for customers. With regard to customer complaint channels, the Company periodically implements customer satisfaction surveys to understand whether the Company is providing satisfying products and services and to improve the quality of after-sales services.</p> <p>The Company strives to design, procure, manufacture and market products that contain no hazardous materials in accordance with international regulations and to satisfy customers' requests. We also enforce measures to protect the environment and fulfill responsibilities as a social citizen. The products provided comply with EU regulations and customer requirements, and safeguard the health of users.</p> <p>(6) As stipulated in the Company's internal rules, we incorporate quality, price, environmental protection and labor rights into the assessment for qualified suppliers.</p> <p>1. Environmental and occupation health safety management system certification</p> <p>The Company requires that suppliers must acquire international certifications, e.g. ISO 14001 and ISO 45001 and safety and health management systems. If the supplier is unable to acquire these credentials on time, they are asked to provide a time table for the certification process.</p> <p>2. Social requirements</p> <p>To ensure the labor rights of our suppliers, the Company has actively adopted the Code of Conduct of the Responsible Business Alliance (RBA). The Code was previously known as the Electronic Industry Code of Conduct (EICC) and requires suppliers of the Company's supply chain to follow EICC requirements on environmental protection, safety and sanitation, labor rights and labor conditions. In the semi-annual evaluation of suppliers, the Company employs the power of procurement to request suppliers to fulfill environmental and social responsibilities.</p> <p>The Company requests all suppliers in its supply chain to sign mutual agreements on regulating industrial practices and confidentiality agreements that require suppliers to carry out various transactions in good faith and not to damage the Company's interests and image.</p> <p>The sustainability report issued by our company is compiled with reference to the Global Reporting Initiative (GRI) Standards, the Semiconductor Sustainability Accounting Standard 2018 (SSB) by the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). It has been verified by a third-party independent verification entity, Taiwan Inspection Technology Co., Ltd., and uploaded to the Taiwan Stock Exchange Corp.'s Market Observation Post System and our company website by the end of August.</p> |  |
| <p>5. Has the company prepared and published reports such as its Corporate Social Responsibility Report to disclose non-financial information of the Company in accordance with international standards or guidelines? Has the Company received assurance or certification of the aforementioned reports from a third-party certification institution?</p>   | V                     |    | <p>The ESG Report published by the Company is prepared in accordance with the Global Reporting Initiative (GRI) Standards (GRI framework 2021 version for certain items) meeting the AA1000AS TYPE1 medium assurance level verification standard, and we have obtained the certification from an impartial third-party agent, TUV RHEINLAND TAIWAN LTD. We will also upload the information to the Market Observation Post System and the Company's website before the end of June.</p> <p>Company Website : <a href="https://www.nuvoton.com/">https://www.nuvoton.com/</a><br/> Company sustainability website: <a href="https://esg.nuvoton.com/">https://esg.nuvoton.com/</a><br/> ESG Report download : <a href="https://esg.nuvoton.com/resource/download">https://esg.nuvoton.com/resource/download</a></p>  | In line with the Sustainable Development Practice Principles   |
| <p>6. If the Company has established corporate social responsibility principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please describe any difference between the principles and their implementation:</p>  |                       |    |   |  |

| Driving Items   | Implementation Status |    |         | Deviations from Corporate Sustainable Development Practice Principles for TWSE/TPEX listed companies and reasons |
|---|-----------------------|----|---------|--|
|   | Yes                   | No | Summary |  |
| The Company has established “Corporate Social Responsibility Best Practices Principles” to make sure our daily operations comply with regulations and international norms to ensure that the Company provides a safe working environment, the employees receive respect and dignity from their work, and the Company bears environmental protection responsibilities and follows moral principles in corporate governance to fully implement the Company's CSR policy and statement. There is no significant difference from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.   |                       |    |         |  |
| 7. Other key information useful for understanding the implementing status of the Company's driving sustainable developments: (1) The Company has established sustainable development policy statement and Business Continuity Planning (BCP/BCM) in all dimensions of ESG such as environmental protection, human rights, occupational safety and health, management systems, and sustainability information management to achieve sustainable development visions and respond to interested parties with practical deeds. Please refer to the official website of sustainable development policy statement, and suppliers are also required to observe the foregoing requirements and accelerate the implementation.<br>1.) In environmental protection, Nuvoton has established and implemented effective management systems from product quality, green products, environmental protection, occupational safety and health, and other dimensions based on various international standards such as ISO 9001, IATF 16949, IECQ QC080000, ISO 14001 and ISO 45001. All materials used in the entire series of products have completed REACH SVHC, RoHS, TSCA compliance declaration and met halogen-free requirements. In accordance with the Kunming-Montreal Global Biodiversity Framework, a preliminary assessment and action of biodiversity conservation and habitat restoration in the county or city where the plant is located has been conducted from the end of 2024. Under the implementation of the management system, nature-based climate solutions will be simultaneously attempted<br>2.) In labor rights, the Company observes international labor rights regulations and prohibits the hiring of workers under 15 years of age and involuntary workers (including coerced, collateral, in debt, bound by contracts, enslaved and human trade) and prohibits harassment, illegal discrimination, coercion and inhumane treatment of employees (including potential employees), and there has not been major labor-management disputes in 2024.<br>3.) In terms of occupational health and safety, the Company promises to provide employees with a safe and healthy working environment:<br>(1) The Company establishes and records nursing personnel according to the Occupational Safety and Health Act to handle labor health services. We have completed the labor health service matters specified in Articles 9 to 11 of the Labor Health Protection Regulations. The occupational disease incidence rate among employees was 0% in 2024.<br>(2) Nurses provide 24-hour health services and emergency care. Every month, occupational disease physicians from medical centers are stationed for consultations. We combine this with visits to the work site by safety and health management units to care about employees’ working conditions, thus avoiding potential hazards via careful observation.<br>(3) We prioritize employee health management and promotion as important strategies for business operations to enhance the company's competitiveness. We have established health management and promotion plans such as the prevention of human-caused hazards, prevention of illegal violations, prevention of abnormal workloads, maternal health protection, and health care for middle-aged and elderly groups. We conduct workplace health risk assessments and health management with occupational safety and health unit, human resources unit and employing unit.<br>(4) Employees are entitled to an annual health check-up to achieve the goal of early diagnosis and treatment. The participation rate for employee health check-ups was 100% in 2024.<br>(5) Health promotion initiatives: we held health seminars on topics such as pressure relief, prevention of cardiovascular disease and sleep in 2024, with total 1,122 participants.<br>(6) Cancer prevention programs involve screening high-risk groups based on the Ministry of Health and Welfare's list of the top ten cancers among Taiwanese people. We offer free or subsidized checks to achieve early diagnosis and treatment. The total number of preventive examinations conducted in 2024 was approximately 880, and the cancer screening coverage rate reached 55.5%, with follow-ups for those with abnormalities.<br>(7) We encourage employees to establish clubs to balance work and leisure. Services such as a visually impaired massage area within the Company to have been provided to relieve stress and fatigue. Total 3,985 persons have enjoyed the visually impaired massage service in 2024.<br>(8) Nuvoton Technology upholds the principle of taking from society and giving back to society, continuously caring for the underprivileged, and promoting social welfare activities to create mutual prosperity. In 2024, Nuvoton donated NT\$ 540,400 to help Hsinchu Renai Children's Home and Angel Heart Family Social Welfare Foundation.<br>(9) The Company has established sustainability partner with Regional Innovation Center of National Tsing Hua University to promote Xiangshan District’s lychees and friendly rice from Donghai Village (Zhubei City), and carried out local food and agriculture education. We pay attention to water resource issues and participate in the Water Resources Agency's cleanup of the Toucian River. At the same time, we serve as an environmental cleaning volunteer in Xian Gong Village to create friendly communities and assist neighbors in cleaning up the environment. Second-hand book collection activities have been carried out inside the Company to assist children in remote areas in reading and learning, and jointly help plan logic courses for rural education, demonstrate Nuvoton 's emphasis on sustainable contributions to corporate culture.<br>4.) With regard to the management system, the Company has established comprehensive internal control mechanisms to monitor internal operations; in moral obligations, we prohibit behaviors such as bribery, corruption, blackmail and illegal use of company funds. We also do not participate in political activities. The Company is focused on corporate governance and Supervisors monitor the operations of the Company, the Company's compliance of regulations, financial transparency, instant disclosure of important information and make sure that there is no internal corruption.<br>5.) In terms of sustainable information management, total 12 internal control points have been set up, and sustainable information management has been included into the internal control and internal audit plan. The audit and internal control self-assessment work will be carried out every year, and the implementation of all control points will be checked and recorded on a regular basis. In this way, sustainability performance can be guaranteed from the source, and major sustainability risks and opportunities identified by Nuvoton can be effectively echoed and linked. |                       |    |         |  |

## 6. Execution Status of Climate-related Information

| Item  | Execution Status   |
|---|--|
| <p>1. Description of the supervision and governance of climate-related risks and opportunities by the Board of Directors and management team.</p> | <p>Nuvoton Technology Corp.'s climate change governance and management framework are overseen by the Board of Directors, which is ultimately responsible for supervising significant climate-related risks and guiding management strategies, key action plans, and goal achievements. The "Sustainability Committee," chaired by the General Manager or appointed senior executives, is responsible for formulating corporate sustainability strategies and visions, promoting relevant work and management, and regularly reporting on the execution of sustainability, including climate change issues, to the Board of Directors. The Finance Center is responsible for planning and guiding the identification and management of climate change risks and opportunities by the relevant departments, and it regularly reports trends, impacts, and performance on related issues to the Sustainability Committee.</p> <p>Roles related to climate change are described as follows:</p> <ul style="list-style-type: none"> <li>• - Board of Directors: <ol style="list-style-type: none"> <li>(1) The Board of Directors serves as the highest governing body of our company, responsible for making significant decisions. The Sustainability Committee regularly reports to the Board of Directors on the progress of various sustainability initiatives, including climate risk management, and implements strategies based on the Board's discussions and recommendations to ensure the company's sustainable development.</li> <li>(2) The Board of Directors is responsible for reviewing the company's annual budget, business plans, and significant capital expenditures. It incorporates business execution plans and budget expenditures derived from responses to climate change risks and opportunities, or other sustainability issues, into its review and planning.</li> <li>(3) The Board of Directors and the Remuneration Committee regularly assess and determine the remuneration of Directors and executives, taking into account non-financial sustainability performance related to economic, environmental, and social impacts, in addition to individual performance and company operational performance.</li> </ol> </li> <li>• Sustainability Committee: <ol style="list-style-type: none"> <li>(1) The Sustainability Committee is responsible for implementing and managing the promotion organization of climate change risks and opportunities. It reports to the Board of Directors once annually on corporate governance and sustainability operational risk issues (including climate change issues), risk assessments, and control measures, and the Board of Directors makes decisions on important issues.</li> <li>(2) The Sustainability Committee is responsible for implementing the climate change management policies and major decisions under annual plan reviewed by the Board of Directors. It establishes various working groups to implement risk mitigation and opportunity realization regarding climate change.</li> </ol> </li> <li>• Finance Center: <ol style="list-style-type: none"> <li>(1) The Finance Center is responsible for regularly tracking international climate change development trends and enhancing employees' awareness of global risk trends and climate change.</li> <li>(2) The Finance Center is responsible for identifying and evaluating climate change risks and opportunities, coordinating regular climate change discussion meetings, convening the Risk Management Team to identify physical risks, transition risks, and opportunities related to climate change; guiding to propose corresponding improvement measures and goals to strengthen climate risk and opportunity management work.</li> </ol> </li> </ul> |

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the company (short-term, medium-term, long-term).

In the fiscal year 2023, our company identified a total of 4 significant climate change-related risks and 4 significant opportunities. The summarized periods of impact and aspects affected are as follows:

| Risk   | Impacting Time       | The aspects affected by the risks   |
|--|----------------------|---|
| Risk 1 - Increased severity of extreme weather events such as typhoons and droughts. | Short term           | Drought-induced water restrictions can lead to reduced factory capacity, affecting revenue. Efforts are required to implement water-saving measures or search for alternative water sources, increasing costs. Raw material supply disruptions can raise procurement costs, and limited domestic water supplies in plant areas may result in the suspension of certain services. Extreme weather events can damage equipment, increasing maintenance and operational costs, and supply chain disruptions can further impact revenue and potentially erode customer trust and investment intentions.   |
| Risk 2 - Costs of transitioning to low-carbon technologies.                          | Short to medium term | Developing low-carbon products will increase R&D and production costs, including additional R&D expenses, process conversions, equipment upgrades, and personnel training. Immature technologies may lead to additional operational expenses, and varying national energy efficiency standards may require product diversification, further increasing costs. If low-carbon products do not meet customer expectations, it may affect revenue. Additionally, low-carbon operational measures such as electric vehicles and energy-efficient designs also increase expenditures, while carbon taxes drive up raw material and operational costs. |
| Risk 3 - Pricing of greenhouse gas emissions.  | Short term           | Carbon taxes increase operational costs and may necessitate product price increases, affecting sales volume. Responding to greenhouse gas policies, low-carbon raw materials and processes increase procurement costs. Global supply chains face varying national climate policies, increasing supply chain uncertainties and risks.  |
| Risk 4 - Rise in average temperatures.   | Short to medium term | Rising temperatures lead to increased health and safety risks, such as heatstroke and infectious diseases, resulting in higher labor costs and product price fluctuations. Additionally, increased air conditioning usage during hot summers leads to higher operational costs.   |
| Opportunities  | Impacting Time       | The aspects affected by the opportunities   |
| Opportunity 1: Energy substitution/diversification                                   | Short to medium term | Increasing the use of diversified energy sources, such as solar energy and natural gas, reduces the risk of operational disruptions. Adopting low-carbon solutions to meet customer demand for low-carbon products enhances corporate image and increases revenue. By establishing a low-carbon supply chain and adopting mature low-carbon technologies, carbon emissions and related costs are reduced, leading to increased profitability.   |
| Opportunity 2: Research and innovation in developing new products and services       | Short to medium term | Developing low-carbon products enhances market competitiveness and revenue, meeting the increasing demand for energy efficiency and environmentally friendly products. Entering new markets through diversification of low-carbon products and technological innovations increases sales, enhances corporate reputation, and promotes a sustainable image. Additionally, the development of low-carbon technologies helps reduce production costs, especially in applications within the automotive and industrial sectors.   |
| Opportunity 3: Participation in incentivizing policies                               | Short to medium term | By reducing greenhouse gas emissions and promoting low-carbon products, organizations can receive incentives such as government subsidies and tax exemptions. Additionally, companies that comply with climate change action standards are more likely to obtain preferential financing from financial institutions, reducing financing costs while enhancing corporate image and reputation.   |
| Opportunity 4: Development of climate adaptation measures                            | Short to medium term | Enhancing operational and supply chain resilience through the implementation of Business Continuity Plans (BCP/BCM) helps identify the production priority sequence for critical products to ensure supply stability. This enhances customer trust, reputation, and subsequently increases revenue. Additionally, systematic management of supplier and customer relationships further reduces operational costs.   |

| 3. Describe the impact of extreme weather events and transition actions on finances.   | Regarding the financial impact of extreme climate events (such as operational disruptions) and transition actions, please refer to the explanation provided in Item 2 above.   |   |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
|--|--|---|--|--|---|----------------------|--|---|--|-----------------|---|---|----------------------|---|---|
| 4. Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.  | <ul style="list-style-type: none"><li>● To effectively manage climate-related risks and opportunities, the Company's finance center includes climate change-related risks in the overall risk management scope, focusing on climate risks that may impact operations, including international regulatory requirements and extreme weather events. It estimates financial impacts and management costs, adjusts management mechanisms, and proposes response strategies to increase operational resilience.</li><li>● Departments collaborate on assessing climate risks, comprehensively evaluating the potential impacts of relevant risks on operational processes. Through education and training, employees' awareness of global risk trends and climate change is enhanced, guiding them to identify potential climate-related risks and opportunities and assess their likelihood, impacts, and effects.</li><li>● To establish a climate risk management mechanism and propose response strategies, the Company convenes a second meeting to address integrated risks and opportunities. Departmental supervisors or colleagues familiar with departmental business processes participate, identifying high-risk and high-severity risks and formulating appropriate management strategies (e.g., reduction, transfer, acceptance, or control).</li></ul>   |   |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
| 5. If using scenario analysis to assess resilience to climate change risks, explain the scenario, parameters, assumptions, analysis factors, and major financial impacts.      | <p>Our Company follows the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and conducts risk and opportunity scenario simulations based on four climate change scenarios.</p> <table><tr><th>Climate-related Risk and Opportunity Types</th><th>Evaluation Scenario for Response Strategies</th><th>Scenario Description</th></tr><tr><td>1. Transition Risk<br/>2. Opportunity</td><td><ul style="list-style-type: none"><li>● NDC: ROC defines the expected contribution</li><li>● IEA NZE 2050</li></ul></td><td><ul style="list-style-type: none"><li>● Analyze the risks faced by enterprises during low-carbon transformation in accordance with the Republic of China's nationally determined contributions to limit global warming to 1.5°C.</li><li>● Set the pathway to stabilize global warming at 1.5°C based on scenarios provided by the International Energy Agency's World Energy Outlook (WEO).</li></ul></td></tr><tr><td>Physical Risks</td><td><ul style="list-style-type: none"><li>● Global warming scenario SSP3-7.0 in the IPCC Sixth Assessment Report.</li><li>● Global warming scenario SSP5-8.5 in the IPCC Sixth Assessment Report.</li></ul></td><td><ul style="list-style-type: none"><li>● Evaluate the climate risks that enterprises may face based on scenarios used in the Intergovernmental Panel on Climate Change's Sixth Assessment Report (AR6) released in August 2021. SSP3-7.0 represents a high to medium emission scenario where greenhouse gas emissions are expected to peak around 2060.</li><li>● Under the extreme high greenhouse gas emission scenario SSP5-8.5, climate change exacerbates future changes in average temperature, extreme heat, annual total rainfall, intensity of the largest 1-day rainfall, number of consecutive days without rainfall, and the proportion of strong typhoons, impacting the operations of the Company and its value chain.</li></ul></td></tr></table> |   |  | Climate-related Risk and Opportunity Types | Evaluation Scenario for Response Strategies | Scenario Description | 1. Transition Risk<br>2. Opportunity   | <ul style="list-style-type: none"><li>● NDC: ROC defines the expected contribution</li><li>● IEA NZE 2050</li></ul> | <ul style="list-style-type: none"><li>● Analyze the risks faced by enterprises during low-carbon transformation in accordance with the Republic of China's nationally determined contributions to limit global warming to 1.5°C.</li><li>● Set the pathway to stabilize global warming at 1.5°C based on scenarios provided by the International Energy Agency's World Energy Outlook (WEO).</li></ul> | Physical Risks  | <ul style="list-style-type: none"><li>● Global warming scenario SSP3-7.0 in the IPCC Sixth Assessment Report.</li><li>● Global warming scenario SSP5-8.5 in the IPCC Sixth Assessment Report.</li></ul> | <ul style="list-style-type: none"><li>● Evaluate the climate risks that enterprises may face based on scenarios used in the Intergovernmental Panel on Climate Change's Sixth Assessment Report (AR6) released in August 2021. SSP3-7.0 represents a high to medium emission scenario where greenhouse gas emissions are expected to peak around 2060.</li><li>● Under the extreme high greenhouse gas emission scenario SSP5-8.5, climate change exacerbates future changes in average temperature, extreme heat, annual total rainfall, intensity of the largest 1-day rainfall, number of consecutive days without rainfall, and the proportion of strong typhoons, impacting the operations of the Company and its value chain.</li></ul> |                      |   |   |
| Climate-related Risk and Opportunity Types   | Evaluation Scenario for Response Strategies  | Scenario Description  |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
| 1. Transition Risk<br>2. Opportunity   | <ul style="list-style-type: none"><li>● NDC: ROC defines the expected contribution</li><li>● IEA NZE 2050</li></ul>  | <ul style="list-style-type: none"><li>● Analyze the risks faced by enterprises during low-carbon transformation in accordance with the Republic of China's nationally determined contributions to limit global warming to 1.5°C.</li><li>● Set the pathway to stabilize global warming at 1.5°C based on scenarios provided by the International Energy Agency's World Energy Outlook (WEO).</li></ul>  |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
| Physical Risks   | <ul style="list-style-type: none"><li>● Global warming scenario SSP3-7.0 in the IPCC Sixth Assessment Report.</li><li>● Global warming scenario SSP5-8.5 in the IPCC Sixth Assessment Report.</li></ul>  | <ul style="list-style-type: none"><li>● Evaluate the climate risks that enterprises may face based on scenarios used in the Intergovernmental Panel on Climate Change's Sixth Assessment Report (AR6) released in August 2021. SSP3-7.0 represents a high to medium emission scenario where greenhouse gas emissions are expected to peak around 2060.</li><li>● Under the extreme high greenhouse gas emission scenario SSP5-8.5, climate change exacerbates future changes in average temperature, extreme heat, annual total rainfall, intensity of the largest 1-day rainfall, number of consecutive days without rainfall, and the proportion of strong typhoons, impacting the operations of the Company and its value chain.</li></ul> |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
| 6. If there is a transition plan to manage climate-related risks, explain the plan's content, indicators, and goals used to identify and manage physical and transition risks. | <table><tr><th>Project</th><th>Indicator</th><th>Target</th></tr><tr><td colspan="3">Risk 1 - Severity Increase of Extreme Weather Events such as Typhoons and Droughts</td></tr><tr><td>Risk assessment</td><td><ul style="list-style-type: none"><li>● Conduct risk assessments for each operational site based on SSP 5 - 8.5.</li></ul></td><td><ul style="list-style-type: none"><li>● Complete risk assessments for 100% of operational sites before 2030.</li></ul></td></tr><tr><td>Risk mitigation plan</td><td><ul style="list-style-type: none"><li>● Research and develop or implement climate monitoring equipment such as weather simulators and observation instruments to take early action in response to extreme weather conditions, reducing potential impacts and financial losses. Increase investment to enhance the</li></ul></td><td><ul style="list-style-type: none"><li>● Achieve a 100% ratio of operational sites equipped with suitable and cost-effective backup power sources before 2030.</li><li>● Reduce water consumption by 10% by the year 2030 (baseline year: 2021).</li></ul></td></tr></table>   |   |  | Project                                    | Indicator                                   | Target               | Risk 1 - Severity Increase of Extreme Weather Events such as Typhoons and Droughts |   |  | Risk assessment | <ul style="list-style-type: none"><li>● Conduct risk assessments for each operational site based on SSP 5 - 8.5.</li></ul>  | <ul style="list-style-type: none"><li>● Complete risk assessments for 100% of operational sites before 2030.</li></ul>  | Risk mitigation plan | <ul style="list-style-type: none"><li>● Research and develop or implement climate monitoring equipment such as weather simulators and observation instruments to take early action in response to extreme weather conditions, reducing potential impacts and financial losses. Increase investment to enhance the</li></ul> | <ul style="list-style-type: none"><li>● Achieve a 100% ratio of operational sites equipped with suitable and cost-effective backup power sources before 2030.</li><li>● Reduce water consumption by 10% by the year 2030 (baseline year: 2021).</li></ul> |
| Project  | Indicator  | Target  |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
| Risk 1 - Severity Increase of Extreme Weather Events such as Typhoons and Droughts   |  |   |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
| Risk assessment  | <ul style="list-style-type: none"><li>● Conduct risk assessments for each operational site based on SSP 5 - 8.5.</li></ul>   | <ul style="list-style-type: none"><li>● Complete risk assessments for 100% of operational sites before 2030.</li></ul>  |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |
| Risk mitigation plan   | <ul style="list-style-type: none"><li>● Research and develop or implement climate monitoring equipment such as weather simulators and observation instruments to take early action in response to extreme weather conditions, reducing potential impacts and financial losses. Increase investment to enhance the</li></ul>  | <ul style="list-style-type: none"><li>● Achieve a 100% ratio of operational sites equipped with suitable and cost-effective backup power sources before 2030.</li><li>● Reduce water consumption by 10% by the year 2030 (baseline year: 2021).</li></ul>   |  |  |   |                      |  |   |  |                 |   |   |                      |   |   |

|  |  |   |   |
|--|--|---|---|
|  |  | resilience of buildings to extreme weather and install backup power sources to ensure continuous operations.<br>• Promote water conservation measures.  |   |
|  | <b>Risk 2 - Costs of Low-carbon Technology Transition</b>  |   |   |
|  | Early Market Demand Research   | <ul style="list-style-type: none"> <li>Evaluate global energy-saving regulations risks, formulate production plans, gain in-depth understanding of market demand and consumer preferences to meet customer needs and reduce product design adjustment time. Focus on innovation and optimization of low-carbon products to enhance performance, reduce costs, and increase market acceptance. Actively respond to changes in energy-saving standards by developing compact, decarbonized green products that meet the demands of the energy-saving market.</li> </ul> | <ul style="list-style-type: none"> <li>90% of the sales market proportion is based on market demand research and analysis.</li> <li>Completion of 100% of the preliminary market demand research for new product submissions.</li> </ul>  |
|  | Enhancing Design and Production Efficiency   | <ul style="list-style-type: none"> <li>Drive digital transformation by introducing artificial intelligence technology to enhance the efficiency of low-carbon design, thereby reducing potential development costs and negative financial impacts that may arise from increased product development.</li> </ul>   | <ul style="list-style-type: none"> <li>Reduction in manpower costs for product development.</li> </ul>  |
|  | <b>Risk 3 - Increase in greenhouse gas emission pricing.</b>   |   |   |
|  | Establishing a carbon accounting system  | <ul style="list-style-type: none"> <li>Phasing in internal carbon pricing gradually to quantify and monetize greenhouse gas emissions, enhancing internal incentives for emissions reduction and managing the financial impacts of external policies.</li> </ul>  | <ul style="list-style-type: none"> <li>Complete the establishment of carbon accounting system by 2026.</li> <li>Complete product carbon footprint calculation by 2026.</li> </ul>   |
|  | Reducing greenhouse gas emissions  | <ul style="list-style-type: none"> <li>Actively participating in domestic carbon trading systems, aiming to achieve carbon neutrality through high-quality carbon credits.</li> <li>Establishing and collecting greenhouse gas emission baselines and reduction targets from key suppliers, and assisting suppliers without targets to set their emission reduction goals.</li> </ul>   | <ul style="list-style-type: none"> <li>Complete 5,000 tons of carbon credits by 2027</li> <li>NTC TW accumulates carbon credits equivalent to one year's worth of carbon emissions in Taiwan region by 2035 (Scope 1 and Scope 2).</li> <li>Reduce greenhouse gas emissions of major suppliers of NTC TW by 15% by 2030 (baseline year: 2021).</li> </ul> |
|  | Increasing investment in low-carbon equipment  | <ul style="list-style-type: none"> <li>Install fluorinated greenhouse gas reduction equipment to mitigate greenhouse gas emissions.</li> <li>Install energy-saving production equipment to reduce greenhouse gas emissions.</li> </ul>  | <ul style="list-style-type: none"> <li>Scope 1 greenhouse gas emissions reduction by NTC Global: &gt;73% by 2025, &gt;77% by 2030 (baseline year: 2021).</li> <li>Scope 2 greenhouse gas emissions reduction by NTC Global: &gt;25% by 2025, &gt;28% by 2030 (baseline year: 2021).</li> </ul>  |
|  | <b>Risk 4-Average atmosphere temperature rising</b>  |   |   |
|  | Regular assessment of heat-related risks   | <ul style="list-style-type: none"> <li>Identify potential risks associated with global warming and improve personnel management.</li> </ul>   | <ul style="list-style-type: none"> <li>Complete warming potential assessments for 100% of production and operational sites before 2030.</li> </ul>  |
|  | Mitigation of health risks   | <ul style="list-style-type: none"> <li>Develop strategies to prevent disasters caused by global warming and mitigate health hazards to personnel.</li> </ul>  | <ul style="list-style-type: none"> <li>Continuous increase in the number of consecutive days without accidents.</li> </ul>  |
|  |  |   |   |
| 7. If using internal carbon pricing as a planning tool, explain the pricing basis. | Internal carbon pricing introduction plan and the specific framework for its formulation has not been finalized yet. |   |   |

| 8. If setting climate-related goals, provide information on the covered activities, scope of greenhouse gas emissions, planning timeframe, annual progress, etc. If using carbon offsets or Renewable Energy Certificates (RECs) to achieve these goals, explain the source and quantity of the offset carbon credits or RECs. | <p>In response to the risks and opportunities posed by extreme weather conditions, Nuvoton Technology Corp. has adopted the vision of "Being the Invisible Champion of Enriching Human Life with Green Semiconductor Technology." The company actively pursues various carbon reduction initiatives and establishes greenhouse gas reduction targets within the group. A dedicated energy-saving and emission reduction team has been established to develop a green and low-carbon operational model. Through continuous technological innovation and research and development capabilities, the company aims to enhance the path of green processes (green semiconductor technology) and improve green products.</p> <ul style="list-style-type: none"><li>Net-Zero Pathways (-t CO2e)<table><tr><th colspan="2">Sites and Scope</th><th>Baseline Year<br/>Emission (2021*)</th><th>2025<br/>Projected Emission</th><th>2030<br/>Emission Target</th></tr><tr><td rowspan="2">NTC_TW</td><td>1</td><td>68,319</td><td>13,291</td><td>11,000</td></tr><tr><td>2</td><td>37,251</td><td>34,884</td><td>33,400</td></tr><tr><td colspan="2">Sub-total</td><td>105,570</td><td>48,175</td><td>44,400</td></tr><tr><td rowspan="2">NTC_Japan</td><td>1</td><td>30,700</td><td>13,648</td><td>12,234</td></tr><tr><td>2</td><td>83,400</td><td>53,793</td><td>49,566</td></tr><tr><td colspan="2">Sub-total</td><td>114,100</td><td>67,441</td><td>61,800</td></tr><tr><td colspan="2">Other Nuvoton overseas subsidiaries</td><td></td><td>1,620</td><td>1,820</td></tr><tr><td colspan="2">Total</td><td>219,670</td><td>117,236</td><td>108,020</td></tr></table></li><li>Carbon reduction strategies<table><tr><th>Main Strategies:</th><th>Action Plans:</th><th>2024 Execution Results:</th></tr><tr><td>Green Manufacturing Processes</td><td><ul style="list-style-type: none"><li>Equipped with a local scrubber for handling greenhouse gas emissions.)</li><li>Development of Renewable Energy Sources</li></ul></td><td><ul style="list-style-type: none"><li>Installation of 2 sets of combustion exhaust gas treatment and washing equipment at NTC_TW.</li><li>NTCJ purchases 2,225 tons of non-fossil fuel certificates</li><li>OSAT outsourced assembly, packaging, and testing facility purchased 1 million kWh/year of green electricity.</li><li>Nuvoton Technology Corp._Taiwan is projected to own 1,040,000 kWh/year of green electricity (solar) by 2024.</li></ul></td></tr><tr><td>Sustainable Operations</td><td><ul style="list-style-type: none"><li>Implementation of Carbon Pricing</li><li>Enhancement of Energy Efficiency</li><li>Carbon Reduction Initiatives with Suppliers</li></ul></td><td>Carbon reduction of suppliers:<ul style="list-style-type: none"><li>Set the long-, medium-, and long-term greenhouse gas reduction goals (reduction by 4% at 2024 than 2021)</li><li>Suppliers were requested to set reduction targets for 2030, and main suppliers have all set their long-term goal.</li></ul></td></tr><tr><td>Eco-Friendly Products</td><td><ul style="list-style-type: none"><li>Sustainable Product Development</li><li>Miniaturization of Chips</li></ul></td><td><ul style="list-style-type: none"><li>Proportion of sustainable products reached 65% in the Manufacturing Business Group.</li><li>Chip packaging area reduced by 12-80% compared with previous generation products</li></ul></td></tr></table></li></ul> | Sites and Scope   |                            | Baseline Year<br>Emission (2021*) | 2025<br>Projected Emission | 2030<br>Emission Target | NTC_TW | 1 | 68,319 | 13,291 | 11,000 | 2 | 37,251 | 34,884 | 33,400 | Sub-total |  | 105,570 | 48,175 | 44,400 | NTC_Japan | 1 | 30,700 | 13,648 | 12,234 | 2 | 83,400 | 53,793 | 49,566 | Sub-total |  | 114,100 | 67,441 | 61,800 | Other Nuvoton overseas subsidiaries |  |  | 1,620 | 1,820 | Total |  | 219,670 | 117,236 | 108,020 | Main Strategies: | Action Plans: | 2024 Execution Results: | Green Manufacturing Processes | <ul style="list-style-type: none"><li>Equipped with a local scrubber for handling greenhouse gas emissions.)</li><li>Development of Renewable Energy Sources</li></ul> | <ul style="list-style-type: none"><li>Installation of 2 sets of combustion exhaust gas treatment and washing equipment at NTC_TW.</li><li>NTCJ purchases 2,225 tons of non-fossil fuel certificates</li><li>OSAT outsourced assembly, packaging, and testing facility purchased 1 million kWh/year of green electricity.</li><li>Nuvoton Technology Corp._Taiwan is projected to own 1,040,000 kWh/year of green electricity (solar) by 2024.</li></ul> | Sustainable Operations | <ul style="list-style-type: none"><li>Implementation of Carbon Pricing</li><li>Enhancement of Energy Efficiency</li><li>Carbon Reduction Initiatives with Suppliers</li></ul> | Carbon reduction of suppliers: <ul style="list-style-type: none"><li>Set the long-, medium-, and long-term greenhouse gas reduction goals (reduction by 4% at 2024 than 2021)</li><li>Suppliers were requested to set reduction targets for 2030, and main suppliers have all set their long-term goal.</li></ul> | Eco-Friendly Products | <ul style="list-style-type: none"><li>Sustainable Product Development</li><li>Miniaturization of Chips</li></ul> | <ul style="list-style-type: none"><li>Proportion of sustainable products reached 65% in the Manufacturing Business Group.</li><li>Chip packaging area reduced by 12-80% compared with previous generation products</li></ul> |
|--|---|---|----------------------------|-----------------------------------|----------------------------|-------------------------|--------|---|--------|--------|--------|---|--------|--------|--------|-----------|--|---------|--------|--------|-----------|---|--------|--------|--------|---|--------|--------|--------|-----------|--|---------|--------|--------|-------------------------------------|--|--|-------|-------|-------|--|---------|---------|---------|------------------|---------------|-------------------------|-------------------------------|--|---|------------------------|---|---|-----------------------|--|--|
| Sites and Scope  |   | Baseline Year<br>Emission (2021*)   | 2025<br>Projected Emission | 2030<br>Emission Target           |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| NTC_TW   | 1   | 68,319  | 13,291                     | 11,000                            |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
|  | 2   | 37,251  | 34,884                     | 33,400                            |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Sub-total  |   | 105,570   | 48,175                     | 44,400                            |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| NTC_Japan  | 1   | 30,700  | 13,648                     | 12,234                            |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
|  | 2   | 83,400  | 53,793                     | 49,566                            |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Sub-total  |   | 114,100   | 67,441                     | 61,800                            |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Other Nuvoton overseas subsidiaries  |   |   | 1,620                      | 1,820                             |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Total  |   | 219,670   | 117,236                    | 108,020                           |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Main Strategies:   | Action Plans:   | 2024 Execution Results:   |                            |                                   |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Green Manufacturing Processes  | <ul style="list-style-type: none"><li>Equipped with a local scrubber for handling greenhouse gas emissions.)</li><li>Development of Renewable Energy Sources</li></ul>  | <ul style="list-style-type: none"><li>Installation of 2 sets of combustion exhaust gas treatment and washing equipment at NTC_TW.</li><li>NTCJ purchases 2,225 tons of non-fossil fuel certificates</li><li>OSAT outsourced assembly, packaging, and testing facility purchased 1 million kWh/year of green electricity.</li><li>Nuvoton Technology Corp._Taiwan is projected to own 1,040,000 kWh/year of green electricity (solar) by 2024.</li></ul> |                            |                                   |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Sustainable Operations   | <ul style="list-style-type: none"><li>Implementation of Carbon Pricing</li><li>Enhancement of Energy Efficiency</li><li>Carbon Reduction Initiatives with Suppliers</li></ul>   | Carbon reduction of suppliers: <ul style="list-style-type: none"><li>Set the long-, medium-, and long-term greenhouse gas reduction goals (reduction by 4% at 2024 than 2021)</li><li>Suppliers were requested to set reduction targets for 2030, and main suppliers have all set their long-term goal.</li></ul>   |                            |                                   |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| Eco-Friendly Products  | <ul style="list-style-type: none"><li>Sustainable Product Development</li><li>Miniaturization of Chips</li></ul>  | <ul style="list-style-type: none"><li>Proportion of sustainable products reached 65% in the Manufacturing Business Group.</li><li>Chip packaging area reduced by 12-80% compared with previous generation products</li></ul>  |                            |                                   |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |
| 9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans.  | Please refer to the table below for relevant information regarding our company.   |   |                            |                                   |                            |                         |        |   |        |        |        |   |        |        |        |           |  |         |        |        |           |   |        |        |        |   |        |        |        |           |  |         |        |        |                                     |  |  |       |       |       |  |         |         |         |                  |               |                         |                               |  |   |                        |   |   |                       |  |  |

## 1-1 Greenhouse Gas (GHG) Inventory and Assurance Information for the Past Two Years

### 1-1-1 GHG Inventory Information

**Provide a description of GHG emissions (in t CO<sub>2</sub>e), intensity (in t CO<sub>2</sub>e per NT\$1 million), and data coverage for the most recent two years.**

1. Parent companies shall begin their GHG inventory from 2026 (hereinafter the same).

2. Subsidiaries included in consolidated financial reports shall begin their GHG inventory from 2027.

Nuvoton Technology Corp. Taiwan, established in 2008, has been conducting annual GHG inventories for its wafer manufacturing facilities for 16 consecutive years to understand its carbon emissions and identify "hotspots" for establishing targeted energy-saving and carbon-reduction strategies.

Consolidated companies have established a GHG inventory mechanism in accordance with the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development (WBCSD) and The World Resources Institute (WRI), as well as the ISO 14064-1 standard published by the International Organization for Standardization (ISO). Since 2020, the Company has conducted annual inventories for the parent company, and since 2023, it has included GHG emissions from subsidiaries in consolidated financial reports to comprehensively manage GHG use and emissions and verify the effectiveness of reduction actions. Additionally, the most recent two years of GHG inventory data have been summarized using the operational control approach, covering the parent company and all subsidiaries in consolidated financial reports, as follows:

|   |                                 | 2024                              |   | 2023                              |   |
|---|---------------------------------|-----------------------------------|---|-----------------------------------|---|
|   |                                 | Emissions<br>(tCO <sub>2</sub> e) | Intensity<br>(tCO <sub>2</sub> e/NT\$1 million revenue) | Emissions<br>(tCO <sub>2</sub> e) | Intensity<br>(tCO <sub>2</sub> e/NT\$1 million revenue) |
| Parent Company                                    | Scope 1: Direct GHG Emissions   | 20,547                            |   | 29,718                            |   |
|   | Scope 2: Indirect GHG Emissions | 33,771                            |   | 35,495                            |   |
|   | Subtotal                        | 54,318                            |   | 65,213                            |   |
| All subsidiaries in consolidate financial reports | Scope 1: Direct GHG Emissions   | 17,971                            |   | 21,045                            |   |
|   | Scope 2: Indirect GHG Emissions | 51,238                            |   | 62,855                            |   |
|   | Subtotal                        | 69,209                            |   | 83,900                            |   |
| <b>Total</b>                                      |                                 | <b>123,527</b>                    | <b>3.92</b>   | <b>149,113</b>                    | <b>3.91</b>   |



## 1-1-2 GHG Assurance Information

Describe the assurance status for the most recent two years as of the annual report printing date, including assurance scope, assurance institution, assurance standard, and assurance opinion.

1. Parent companies shall begin executing assurance from 2027.
2. Subsidiaries included in consolidated financial reports shall begin executing assurance from 2028.

For the GHG total emissions disclosed in 1-1-1, the assurance scope of consolidated companies for the years 2023 and 2024 was covered the parent company, and since 2024, it has covered 100% of the total emissions from subsidiaries in consolidated financial reports. The emission accounts for 100% of total emission of subsidiaries in consolidated financial reports at that year. The assurance was conducted by DNV Business Assurance Co., Ltd. and the Japan Quality Assurance Organization (JQA) in accordance with ISO 14064-3:2019, resulting in unqualified opinions with reasonable assurance.

The following is an explanation regarding the assurance level of the implementation of greenhouse gas inventories conducted by our company and its subsidiaries included in the consolidated financial reports for the most recent two years:

| Execution Scope of Assured Matters                |   | Emissions (tCO <sub>2</sub> e) of 2024  | Emissions (tCO <sub>2</sub> e) of 2023   |
|---|---|---|--|
| Parent Company                                    | Scope 1: Direct GHG Emissions   | 20,547  | 29,718   |
|   | Scope 2: Indirect GHG Emissions   | 33,771  | 35,495   |
|   | Subtotal  | 54,318  | 65,213   |
|   | Percentage of Assured Data from Previously Disclosed 1-1-1 Inventory Data | 100%  | 100%   |
| All subsidiaries in consolidate financial reports | Scope 1: Direct GHG Emissions   | 17,971  | 21,045   |
|   | Scope 2: Indirect GHG Emissions   | 51,238  | 62,855   |
|   | Subtotal  | 69,209  | 83,900   |
|   | Percentage of Assured Data from Previously Disclosed 1-1-1 Inventory Data | 100% <sup>[2]</sup>   | 100%   |
| Assurance Institution                             |   | I. DNV Business Assurance Co., Ltd. (DNV Taiwan)                                    | I. DNV Business Assurance Co., Ltd. (DNV Taiwan)<br>II. Japan Quality Assurance Organization (JQA) |
| Assurance Description                             |   | ISO 14064-3:2019 issued by the International Organization for Standardization (ISO) | ISO 14064-3:2019 issued by the International Organization for Standardization (ISO)                |
| Assurance Opinion/Conclusion                      |   | Unqualified Opinion   | Unqualified Opinion  |

Describe the baseline year for greenhouse gas reduction along with its data, reduction targets, strategies, specific action plans, and the progress in achieving the reduction targets.

### **GHG Reduction Baseline Year and Targets (Baseline Year: 2021<sup>[3]</sup>)**

Nuvoton Technology Corp. has integrated carbon management into its operational strategy, including the establishment of a carbon management platform and the implementation of an ISO 50001 energy management system to identify carbon reduction opportunities. In response to international carbon pricing trends, the anticipated carbon fees under Taiwan's "Climate Change Response Act," and global carbon emission regulations, the Company assesses opportunities for low-carbon transformation and continuously adjusts its policies and plans. This includes measures such as improving energy efficiency, purchasing energy-efficient equipment, installing solar power

systems, reducing greenhouse gas emissions from raw materials, setting up high-efficiency greenhouse gas destruction facilities, and evaluating the adoption of low-carbon fuels/energy sources to ensure alignment with reduction targets, actively reduce carbon reduction impact, and enhance operational competitiveness.

Carbon reduction initiatives include process improvements, low-carbon investments, and the installation and procurement of renewable energy.

#### Short- to Medium-Term Targets:

1. Scope 1: Continue installing process fluorinated gas treatment equipment to reduce fluorinated gas emissions and optimize cogeneration efficiency in Japanese facilities to lower direct energy consumption. Targets: 70.3% reduction by 2025 and 75.7% by 2030.

2. Scope 2: Through the installation of solar renewable energy equipment, purchase of green electricity, and various energy-saving measures, targets: 35.25% reduction by 2025 and 40.30% by 2030.

3. Combined Reduction: Total reduction targets of 50.45% by 2025 and 55.0% by 2030.

Long-Term Target: Achieve net-zero emissions by 2050.

Estimated total GHG emissions for Scopes 1 and 2 in 2025 and 2030 are 117,068-117,236 t CO<sub>2</sub>e and 109,624-108,020 t CO<sub>2</sub>e, respectively.

#### **GHG Reduction Strategies and Action Plans**

Nuvoton Technology Corp. continues to plan GHG reduction strategies, having completed its first global inventory and third-party verification for consolidated companies in 2023. The following strategies and proposed action plans for responding to climate change and greenhouse management are in place to achieve short- (2024), medium- (2025), and long-term (2030) targets.

Nuvoton Technology Corp. has set a long-term ultimate goal of achieving net-zero emissions by 2050, actively responding to the global trend toward net-zero emissions.

Nuvoton Technology Corp. plans to establish an energy management system (ISO 50001), and expects to employ energy management to systematically and traceably reduce indirect CO<sub>2</sub> emissions from burning fossil fuels during electricity consumption. The Company has obtained certification for Nuvoton Technology Corp. Taiwan, and its other operational site, Nuvoton Technology Corp. Japan, is in the process of implementation, with certification expected by 2025.

For Scope 1 and 2 emissions, Nuvoton Technology Corp. has added greenhouse gas treatment equipment after reviewing its operational and manufacturing processes. Such addition aims to reduce emissions, improve operational efficiency, lower energy consumption, and actively increase its renewable energy installations.

For Scope 3 emissions, the Company continues to collaborate with suppliers to advance the path of energy conservation and carbon reduction. By reducing product carbon footprints and enhancing efficiency, Nuvoton Technology Corp. assists customers in reducing emissions during the manufacturing process and lowering energy consumption during product use, thereby achieving energy-saving and carbon-reduction goals through product efficacy.

The energy-saving and carbon-reduction projects promoted by Nuvoton Technology Corp. include hardware investments in the construction of solar renewable energy facilities and fluorinated gas reduction equipment in manufacturing processes. Each production base has implemented energy-saving measures tailored to local conditions (including the replacement of ice machines, the updating of cogeneration equipment, and the optimization of operations). Specific achievements include the completion of 8% of the contracted renewable energy capacity (881 million kWh annually) in Nuvoton Technology Corp. Taiwan in 2023. The installation and operation of three fluorinated gas reduction units in 2023 and two additional units in 2024 are ongoing, with plans to incrementally install additional units (ice machines, reduction units, energy-saving equipment, etc.) in subsequent years to further increase emission reductions.

Nuvoton Technology Corp.'s products, such as those for electric vehicles and power management applications, continue to innovate with energy-efficient designs that minimize leakage currents and overall power consumption during the initial development stages.

## 7. Ethical corporate management and measures adopted:

| Evaluation items  | Implementation status |    |  | Departure from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Summary  |   |
| <p>1. Establishment of ethical corporate management policy and approaches</p> <p>(1) Has the Company established the ethical corporate management policies approved by the Board of Directors and stated the policies and practices in its bylaws or external correspondence to maintain business integrity? Are the Board of Directors and the managerial officers committed in fulfilling this commitment?</p> <p>(2) Has the company established a risk assessment mechanism against unethical conduct, analyzed and assessed operating activities with higher risk of unethical conducts on a regular basis, and established prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(3) Does the Company have any measures against dishonest conducts? Are these measures supported by proper procedures, behavioral guidelines, disciplinary actions and complaint systems? Does the Company review the policies on a regular basis?</p> | V                     |    | <p>(1) The Company conducts business activities on the principle of integrity. To implement integrity policy and actively prevent unethical behavior, the Company has established Ethical Corporate Management Principles that has been approved by the Board of Directors and announced on the Company's external webpage, outlining for the employees of the Company in detail the important issues in conducting business.</p> <p>(2) The Company has established "Rules for Ethical Corporate Management" which clearly defines the content of unethical behavior. The employees of the Company should not, in principle, accept gifts, except for the maintenance of business etiquette which stipulates direct or indirect exchanges, promise or request for money, gifts, services, discounts, entertainment, meals, investment stock options or other interests; it is only appropriate if a gift can be classified in the preceding conditions and the employee follows the "Rules for Ethical Corporate Management" and files for approval through related procedures. The Rules have been announced to all employees and have been incorporated into the Company's training programs on sustainable development. The Company has also established "Rules for Reporting Unethical Business Conducts" to delineate the procedures for processing such cases where the Company's employees or others violate ethical business practices. The Rules also provide a legal report channel and process that keeps the identity of the reporter and the content of the report confidential to protect the reporter from reprisals.</p> <p>(3) The Company's "Rules for Ethical Corporate Management" clearly restricts the supply and acceptance of unlawful interests and the Company has established "Procedures Governing the Processing of the Acceptance of Unlawful Interests" and "Procedures Governing the Restriction on Facilitating Payments" (including "Operating Rules for Political Donations," "Operating Rules for Charity Donations," and the requirement of "Conflict of Interest Recusal") for employees to follow.</p> | In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies             |
| <p>2. Implementation of ethical corporate management</p> <p>(1) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(2) Does the Company have a unit under the Board of Directors that is charged with promoting ethical corporate management and regularly (at least once every year) reports to the Board of</p>  | V                     |    | <p>(1) The Company requests all major suppliers to sign a supplier statement for code of conduct as a declaration of Company's ethical corporate management principles. The Company also evaluates the integrity of suppliers before establishing business relationships and communicates with business counterparts the Company's ethical corporate management policy to prevent the occurrence of unethical conduct. In addition, the Company's purchase orders will include a clause requiring compliance with the Company's ethical corporate management policy.</p> <p>(2) The Company has established the "Corporate Social Responsibility Committee" in July 2012, which has its name changed to "Sustainability Committee" in 2021. The Chairman appoints a high-level officer to serve as chair of the Committee to take</p>  | In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies             |

| Evaluation items   | Implementation status |    |  | Departure from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Summary  |   |
| Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?   |                       |    | <p>charge of promoting ethical management policy, and the amendment, implementation, interpretation and consultation service of the "Rules for Ethical Corporate Management", as well as login and filing of the reporting content and execution under overseeing. The Committee is in charge of following items, and should report to the Board of Directors once a year. Nuvoton Technology Corp. pays attention to anti-corruption management, and the Sustainability Committee should report to the Board of Directors at least once a year on the implementation results of the promotion and training on integrity operation for the current year. Relevant units shall complete self-assessment and review on a regular basis every year, and the audit unit shall review in accordance with the regulations to ensure that the Company complies with internal control and relevant laws and regulations. In 2024, no employee corruption incidents or other violations of integrity operations occurred in the Company. Moreover, the implementation of the Company's Code of Conduct for Business Integrity was submitted to the Board of Directors on October 31, 2024. The annual work plan is</p> <ol style="list-style-type: none"> <li>①. Assist the integrity and business ethics into the company's operation strategies and develop corruption and fraud prevention measures in accordance with relevant laws and regulations to ensure honest business practices.</li> <li>②. Develop programs for preventing unethical practices, with standard operation procedures and codes of conduct specified in each program.</li> <li>③. Plan internal organization, personnel assignment and the duties of such personnel, so as to ensure mutual-monitoring, and check and balance mechanisms are in place for business activities with higher risk of unethical conduct.</li> <li>④. Promote and coordinate business integrity policy through employee education and training.</li> <li>⑤. Develop a whistleblowing policy and ensure its feasibility and effectiveness.</li> <li>⑥. Assist the board and management to check and assess whether corruption and fraud prevention measures are effectively implemented and report compliance status in relevant business processes on a regular basis.</li> </ol> |   |
| (3) Has the Company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?                                 | V                     |    | (3) The Company has also established the "Rules for Reporting Unethical Business Conducts" which clearly stipulates the policy of preventing conflicts of interests. When an employee, in the execution of company business, discovers that the employee him/herself or an institution he/she represents is in a conflict of interest, or if the employee, spouse, parents, children or other interested parties stands to benefit unlawfully, the employee should notify his/her direct superior and the Company's designated unit simultaneously. The employee's direct superior should provide adequate guidance to solve the issue. The Company holds periodic education on the prevention of insider trading for Directors and managerial officers.   |   |
| (4) Has the Company established effective accounting systems and internal control systems for enforcing ethical corporate management? Has the Company designated its internal audit unit | V                     |    | (4) The Company has established an effective accounting system and internal control institutions in accordance with regulations and established related procedures for   |   |

| Evaluation items  | Implementation status |    |   | Departure from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Summary   |   |
| to devise relevant audit plans and audit the compliance with the prevention programs accordingly based on the results of assessment of the risk of involvement in unethical conduct or commissioned a CPA to conduct the audit?                           |                       |    | internal auditing staff to conduct periodic auditing and ensure the design and implementation of various systems continues to be effective.   |   |
| (5) Did the Company periodically provide internal and external training programs on integrity management?   | V                     |    | (5) The Company periodically holds corporate ethics education on sustainable development and ethical corporate management each year. In 2024, 1,557 employees participated in the training. The employees' training completion rate for "Ethical Management" and "Sustainable Development Policy" courses was 100%.   |   |
| 3. Implementation of the Company's whistleblowing System<br>(1) Has the Company established concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused? | V                     |    | (1) The Company has established multiple reporting and complaint channels including the complaint email address, physical employee opinion letterbox and a complaint channel on company website. The Company has also established "Rules for Reporting Unethical Business Conducts" for related personnel to report on any improper business conduct through the system. The Company's designated senior managerial officer will personally handle the complaint. If the complaint is proven valid that violation of related laws or the Company's related policies on ethical corporate management does exist, the reported person will be asked to stop all related activities immediately and subject to appropriate actions. If deemed necessary, the Company may demand damages through legal process to uphold the reputation and interests of the Company. | In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies             |
| (2) Has the company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?  | V                     |    | (2) The Company has implemented standard procedures and confidentiality measures for handling complaints filed. The Company has included the principles of ethical corporate management as part of employees' performance assessment and the Company's human resource policy. There are clear and effective systems in place to enforce discipline and reporting of unethical conduct. If any of the Company's personnel seriously violates ethical conduct rules, the Company shall dismiss the person in accordance with applicable laws and regulations or internal human resources guidelines. There are internal investigation procedures in place that requests confidentiality from all personnel concerned. All related documents are treated as confidential.  |   |
| (3) Has the Company adopted measures for protecting the whistleblower against improper treatment or retaliation?  | V                     |    | (3) The Company has delineated in the "Rules for Reporting Unethical Business Conducts" and "Complaint Procedures" the necessary protection measures for whistleblowers and all supervisors and employees are prohibited from discriminating, coercing or acting hostile against the employee filing the complaint.   |   |
| 4. Enhancing information disclosure<br>(1) Has the Company disclosed its integrity principles and progress onto its website and M.O.P.S.?   | V                     |    | (1) The Company has announced the "Ethical Corporate Management Principles" approved by the Board of Directors on the Company website ( <a href="https://www.nuvoton.com/about-nuvoton/investors/compliance/">https://www.nuvoton.com/about-nuvoton/investors/compliance/</a> ) to disclose related information on ethical corporate management. The Company has also placed the Annual Report which includes related information on ethical corporate management on the M.O.P.S. to allow insiders and outsiders to be aware.  | In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies             |

| Evaluation items  | Implementation status |    |         | Departure from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|-----------------------|----|---------|---|
|   | Yes                   | No | Summary |   |
| 5. The Company shall establish its own Code of Business Integrity based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and clearly articulate the differences between its operations and the established code. The Company has established "Ethical Corporate Management Principles" and "Rules for Ethical Corporate Management" in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies." |                       |    |         |   |
| 6. Other important information to facilitate better understanding of the Company's implementation of ethical corporate management: (e.g. review/revision of the Company's Ethical Corporate Management Best Practice Principles):<br><br>The Company constantly watches the development of ethical management related rules and regulations at home and abroad, and based on which, reviews and improves its own policies to enhance performance in ethical management.                     |                       |    |         |   |

8. Other significant information which may improve the understanding of corporate governance and operation: The Company continues to improve corporate governance and promptly discloses its corporate governance information on the Market Observation Post System and the Company website in a timely manner.

## 9. Status of implementation of internal control system

### (1) Statement on Internal Control:

Please refer to the Market Observation Post System, index URL:

<https://mops.twse.com.tw/mops/web/t06sg20>.

### (2) If the Company engages an accountant to examine its internal control system, disclose the CPA audit report: N/A.

## 10. Important resolutions adopted in shareholders meeting and Board of Directors' meeting in the past year and up to the date of report

### (1) Important resolutions adopted at the 2024 general shareholders' meeting and their implementation:

| Date       | Important resolutions and implementation |   |
|------------|--|---|
| 2024/05/28 | 1  | Ratify 2023 business report and financial report<br>Resolution: Passed as proposed. (For details of the resolution, please visit Market Observation Post System)<br>Implementation status: Per resolution adopted   |
|            | 2  | Acknowledge the 2023 earnings distribution plan<br>Resolution: Passed as proposed. (For details of the resolution, please visit Market Observation Post System)<br>Implementation status: The Chairman decided on March 5, 2024 that the ex-dividend base date is August 4, 2024, and the distribution date is August 23, 2024. (NT\$3 per share) |
|            | 3  | Passed the proposed removal of non-compete clause for Directors.<br>Resolution: Passed as proposed. (For details of the resolution, please visit Market Observation Post System)<br>Implementation status: Completed the material information announcement on the day of the shareholders' meeting.   |

### (2) Important resolutions adopted by the Board of Directors in 2024 and up to the date of this report (March 07, 2025)

| Date       | Important Resolutions |  |
|------------|-----------------------|--|
| 2024/02/05 | 1                     | Approval of the company's financial report and operating report for the year 2023.   |
|            | 2                     | Approval of the company's internal control system statement for the year 2023.   |
|            | 3                     | Approval of the business plan and operating budget for the year 2024 by the company.   |
|            | 4                     | Approval of the annual remuneration for the accounting firm Deloitte & Touche appointed by the company.  |
|            | 5                     | Approval of the pre-approval for the list of non-assurance services to be provided by the accounting firm for the year 2024.   |
|            | 6                     | Approval of the purchase of Directors and Officers Liability Insurance (referred to as D&O insurance) by the company.  |
|            | 7                     | Approval for the company to obtain short-term comprehensive credit/derivative financial instrument facilities from financial institutions and to sign related documents. |
|            | 8                     | Approval of the company's financial report and operating report for the year 2023.   |
| 2024/03/05 | 1                     | Approval of the profit distribution plan for the year 2023 by the company.   |
|            | 2                     | Approval of the capital expenditure budget proposal for the year 2024 by the company.  |
|            | 3                     | Approval of the resolution to lift the non-compete restrictions on Directors of the company.   |
|            | 4                     | Approval of the proposal to convene the shareholders' meeting at 9:00 am on May 28, 2024 by the company.   |
|            | 5                     | Approval of the retrospective case for the company to engage in derivative financial instrument transactions.  |
|            | 6                     | Approval of the total amount and individual amounts of Director remuneration for the year 2023 by the company.   |
|            | 7                     | Approval of the total amount of employee remuneration for the year 2023 by the company.  |

| Date       | Important Resolutions |  |
|------------|-----------------------|--|
|            | 8                     | Approval of the individual amounts of performance bonuses for company executives for the year 2023.  |
|            | 9                     | Approval of the performance bonus amount for Mr. Yuan-Mou Su, a company executive, for the year 2023.  |
| 2024/04/30 | 1                     | Approved the Q1 2024 consolidated financial report.  |
|            | 2                     | Approval for the company to engage in derivative financial instrument transactions.  |
| 2024/05/17 | 1                     | Approved the negotiation of investment opportunities with potential overseas strategic investment targets and issuance of letters of intent.   |
|            | 2                     | Approval for the company to engage in derivative financial instrument transactions.  |
| 2024/07/30 | 1                     | Approved the Q2 2024 consolidated financial report.  |
|            | 2                     | Approved the change in the company's audit supervisor.   |
|            | 3                     | Approval for the company to provide endorsement guarantees for financing transactions between its subsidiary, Nuvoton Technology Corp. Japan, and financial institutions, and to sign related documents. |
|            | 4                     | Approved the revision of certain provisions of the "Board of Directors Meeting Procedures" for submission and approval.  |
|            | 5                     | Approved the revision of certain provisions of the "Audit Committee Organization Regulations".   |
|            | 6                     | Approval of the company's Sustainability Report for the year 2023.   |
|            | 7                     | Approved the opening of a securities account with DBS Bank India Limited.  |
|            | 8                     | Approval for the company to obtain short-term comprehensive credit/derivative financial instrument facilities from financial institutions and to sign related documents.                                 |
|            | 9                     | Approval for the company to engage in derivative financial instrument transactions.  |
|            | 10                    | Approved the establishment of a Managerial Officer Training Committee and formulation of its organization regulations.   |
|            | 11                    | Approval of the establishment of the Headquarters Functions organization effective from August 1, 2024   |
|            | 12                    | Approved the appointment of Mr. Hsiang-Yun Fan as the "President of Headquarters Functions".   |
|            | 13                    | Approved the lifting of non-compete restrictions for Mr. Hsiang-Yun Fan as the President of Headquarters Functions.  |
|            | 14                    | Approval for the allocation ratio of director remuneration for the year 2024.  |
|            | 15                    | Approval for the allocation ratio of employee remuneration for the year 2024.  |
|            | 16                    | Approval for individual salary compensation of company managerial officers for the year 2024.  |
|            | 17                    | Approval for the individual amounts of employee remuneration for the fiscal year 2023 for company executives.  |
|            | 18                    | Approval of the remuneration for Mr. Yuan-Mou Su, a company managerial officer.  |
| 2024/10/31 | 1                     | Approved the Q3 2024 consolidated financial report.  |
|            | 2                     | Approved the revision of certain provisions of the "Internal Control System".  |
|            | 3                     | Approval of the audit plan for the year 2025 by the company.   |
|            | 4                     | Approval of an increase in the capital expenditure budget for the year 2024.   |
|            | 5                     | Approval for the company to obtain short-term comprehensive credit/derivative financial instrument facilities from financial institutions and to sign related documents.                                 |
|            | 6                     | Approval for the company to engage in derivative financial instrument transactions.  |
|            | 7                     | Approved the change in the company's accounting supervisor.  |
|            | 8                     | Approved the removal of Mr. Meng-Chyi Wu from the position of Deputy General Manager and appointment of Mr. Jing-Shiang Tseng as the new Deputy General Manager, including approval of his remuneration. |
| 2024/11/20 | 1                     | Approval of the issuance of the first overseas unsecured convertible corporate bonds for the year 2024.  |
|            | 2                     | Approval for the company to engage in derivative financial instrument transactions.  |
| 2025/02/14 | 1                     | Approval of the company's financial report and operating report for the year 2024.   |
|            | 2                     | Approval of the company's internal control system statement for the year 2024.   |
|            | 3                     | Approval of the business plan and operating budget for the year 2025 by the company.   |
|            | 4                     | Approval of the annual remuneration for the accounting firm Deloitte & Touche appointed by the company.  |



| Date       | Important Resolutions |   |
|------------|-----------------------|---|
|            | 5                     | Approval of the pre-approval for the list of non-assurance services to be provided by the accounting firm for the year 2025.  |
|            | 6                     | Approval of the purchase of Directors and Officers Liability Insurance by the company.  |
|            | 7                     | Approval for the company to provide endorsement guarantees for financing transactions between its subsidiary, Nuvoton Technology Corp. Japan, and financial institutions. |
|            | 8                     | Approval of the lease of office space in Winbond Zhubei Building and its associated capital expenditure budget.   |
|            | 9                     | Approval for the company to obtain short-term comprehensive credit/derivative financial instrument facilities from financial institutions and to sign related documents.  |
|            | 10                    | Approval for the company to engage in derivative financial instrument transactions.   |
| 2025/03/07 | 1                     | Approval of the profit distribution plan for the year 2024 by the company.  |
|            | 2                     | Approved the revision of certain provisions of the “Articles of Association”.   |
|            | 3                     | Approved the revision of certain provisions of the “Internal Control System”.   |
|            | 4                     | Approval of matters related to the capital increase of the company's Japanese subsidiary, Nuvoton Technology Corp. Japan.   |
|            | 5                     | Approval of the lease of office space in Winbond Taipei Nangang Global One Building and its associated capital expenditure budget.  |
|            | 6                     | Approval of the resolution to lift the non-compete restrictions on directors of the company.  |
|            | 7                     | Approval for the election of directors (including independent directors) in accordance with Article 15 of the company's Articles of Association.                          |
|            | 8                     | Approval of the list of candidates nominated by the Board of Directors for the eighth term of directors (including independent directors).                                |
|            | 9                     | Approval of the resolution to lift the non-compete restrictions on directors of the company.  |
|            | 10                    | Approval of the proposal to convene the shareholders' meeting at 9:00 am on May 26, 2025 by the company.  |
|            | 11                    | Approval for the company to engage in derivative financial instrument transactions.   |
|            | 12                    | Approval of the total amount and individual amounts of director remuneration for the year 2024 by the company.  |
|            | 13                    | Approval of the total amount of employee remuneration for the year 2024 by the company.   |
|            | 14                    | Approval of the individual amounts of performance bonuses and patent bonuses for company managerial officers for the year 2024.   |
|            | 15                    | Approval of the remuneration for company managerial officers for the year 2024.   |
|            | 16                    | Approval of the performance bonus amount for Mr. Yuan-Mou Su, a company managerial officer, for the year 2024.  |

11. Dissenting or qualified opinion of Directors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report: N/A.

**IV. Information on fees to CPA:**

**1. Information on Fees to CPA**

Unit: NT\$1,000

| Name of accounting firm | Name of Accountants | Audit period (Note 1) | Audit fee | Non-audit fee (Note 2) | Total  | Note   |
|-------------------------|---------------------|-----------------------|-----------|------------------------|--------|--|
| Deloitte & Touche       | Kuo-Tien Hung       | 2024                  | 16,140    | 1,455                  | 17,595 | (1) The other items in the non-audit fee are tax-related service fees. |
|                         | Shu-Lin Liu         |                       |           |                        |        |  |

2. If the company changes accounting firm and the amount of audit fee paid in the year of change is less than that in the year before, the amount of decrease and reason: N/A
3. If the audit fee is more than 10% less than that paid in the previous year, the amount and percentage of decrease and reason: The 2024 audit fee did not decrease by more than 10% than the amount paid in 2023. This is therefore not applicable.

**V.** The changes to the accountants before and after the two most recent years: None

**VI.** The Chairman, President and Financial or Accounting Managerial Officer of the Company who had worked for the Independent CPA or the affiliate in the past year: N/A.

**VII.** Share transfer by Directors, supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report: Please refer to the Market Observation Post System for information.

# **VIII. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)**

March 28, 2025; Unit: Shares

| Name   | Shareholding  |                      | Shares Held by Spouse and Underage Children |                      | Total Shareholding by Nominee Arrangement |                      | Titles, Names and Relationships between Top 10 Shareholders (Related Party, Spouse, or Kinship within the Second Degree) |  | Note |
|--|---------------|----------------------|---|----------------------|---|----------------------|--|--|------|
|  | No. of shares | Percentage of shares | No. of shares                               | Percentage of shares | No. of shares                             | Percentage of shares | Title (or name)  | Relationship   |      |
| Winbond Electronics Corp.<br>Rep.: Arthur Yu- Cheng Chiao  | 218,554,635   | 52.06%               | -<br>-                                      | -<br>-               | -<br>-                                    | -<br>-               | Chin Xin Investment Corp.  | Same individual as the chairman of the institutional shareholder | N/A  |
| Fubon Life Insurance Co., Ltd.   | 16,518,000    | 3.94%                | -   | -                    | -   | -                    | -  | -  | N/A  |
| Chin Xin Investment Corp.<br>Rep.: Arthur Yu- Cheng Chiao  | 5,440,219     | 1.30%                | -   | -                    | -   | -                    | Winbond Electronics Corp.  | Same individual as the chairman of the institutional shareholder | N/A  |
| Cathay Life Insurance Co., Ltd.  | 3,810,000     | 0.91%                | -<br>-                                      | -<br>-               | -<br>-                                    | -<br>-               | -  | -  | N/A  |
| Chase in custody for J.P. Morgan Funds Investment Account  | 3,560,000     | 0.85%                | -   | -                    | -   | -                    |  |  | N/A  |
| JPMorgan SAR Greater China Fund under the custody of Business Department, Standard Chartered Bank  | 2,625,000     | 0.63%                | -   | -                    | -   | -                    |  |  | N/A  |
| New System Labor Pension Fund  | 2,384,902     | 0.57%                | -   | -                    | -   | -                    | -  | -  | N/A  |
| Trustee Being HSBC Institutional Trust Services (Asia) Limited, Manulife China Value Fund Serie II under the custody of HSBC Bank (Taiwan) Limited | 2,273,000     | 0.54%                | -   | -                    | -   | -                    | -  | -  | N/A  |
| Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds under the custody of Chase                       | 2,161,000     | 0.51%                | -   | -                    | -   | -                    | -  | -  | N/A  |
| HSBC in custody for Dadong Life Insurance that entrusted to Lion Partners Investment Co., Ltd.   | 2,040,000     | 0.49%                | -   | -                    | -   | -                    | -  | -  | N/A  |

**IX.** The shareholding of the Company, Director, Supervisor, Managerial Officers and an enterprise that is directly or indirectly controlled by the Company in the invested company

December 31, 2024; Unit: Shares

| Invested entity (Note 1)                         | Investment by the Company<br>(A) |                           | Investments by Directors,<br>supervisors, managerial officers<br>and directly or indirectly<br>controlled enterprises (B) |                           | Combined investment<br>(A+B) |                           |
|--|----------------------------------|---------------------------|---|---------------------------|------------------------------|---------------------------|
|  | Shares                           | Shareholding<br>ratio (%) | Shares  | Shareholding<br>ratio (%) | Shares                       | Shareholding<br>ratio (%) |
| Nuvoton Electronics Technology<br>(H.K.) Limited | 107,400,000                      | 100                       | -   | -                         | 107,400,000                  | 100                       |
| Marketplace Management Limited                   | 8,897,789                        | 100                       | -   | -                         | 8,897,789                    | 100                       |
| Nuvoton Investment Holding Ltd.                  | 15,633,161                       | 100                       | -   | -                         | 15,633, 161                  | 100                       |
| Song Yong Investment Corp.                       | 3,850,000                        | 100                       | -   | -                         | 3,850,000                    | 100                       |
| Nuvoton Technology India Private<br>Limited      | 600,000                          | 100                       | -   | -                         | 600,000                      | 100                       |
| Nuvoton Technology Corp. America                 | 60,500                           | 100                       | -   | -                         | 60,500                       | 100                       |
| Nuvoton Technology Holding Japan                 | 100                              | 100                       | -   | -                         | 100                          | 100                       |
| Nuvoton Technology Singapore Pte.<br>Ltd.        | 45,100,000                       | 100                       | -   | -                         | 45,100,000                   | 100                       |
| Nuvoton Technology Korea Limited                 | 280,000                          | 100                       | -   | -                         | 280,000                      | 100                       |
| Nuvoton Technology Germany GmbH                  | 2,000,000                        | 100                       | -   | -                         | 2,000,000                    | 100                       |

Note 1: Accounted for using equity method

# CH3

## Information on Capital Raising Activities

- I. Capital and Shareholding
- II. Corporate bond issuance status
- III. Issuance of preferred stocks: N/A
- IV. Issuance of global depositary receipts (GDR)
- V. Exercise of employee stock option plan (ESOP)
- VI. Restricted stock awards: N/A
- VII. Issuance of new shares for merger or acquiring shares of other companies: N/A
- VIII. Implementation of capital allocation plan

## Chapter 3 Information on Capital Raising Activities

### I. Capital and Shareholding

#### (1) Sources of capital stock

Unit: Share; NT\$1,000

| Year<br>Month | Issuing<br>price<br>(NT\$) | Authorized capital |           | Paid-in capital  |           | Note   |  |                              |
|---------------|----------------------------|--------------------|-----------|------------------|-----------|--|--|------------------------------|
|               |                            | No. of<br>shares   | Amount    | No. of<br>shares | Amount    | Share capital source   | Shares<br>acquired by<br>non-cash assets | Other                        |
| 9704          | 10                         | 300,000,000        | 3,000,000 | 100,000          | 1,000     | Founding cash capital NT\$1,000,000  | N/A                                      | Yuan-Shang No.<br>0970009659 |
| 9707          | 10                         | 300,000,000        | 3,000,000 | 250,000,000      | 2,500,000 | Distribution from split NT\$2,499,000,000  | N/A                                      | Yuan-Shang No.<br>0970019973 |
| 9809          | -                          | 300,000,000        | 3,000,000 | 190,000,000      | 1,900,000 | Cash capital decrease of NT\$600,000,000   | N/A                                      | Yuan-Shang No.<br>0980028478 |
| 9809          | 10                         | 300,000,000        | 3,000,000 | 200,070,000      | 2,000,700 | Capital surplus of NT\$ 100,700,000<br>transferred to common stock   | N/A                                      | Yuan-Shang No.<br>0980028736 |
| 9906          | 10                         | 300,000,000        | 3,000,000 | 207,554,400      | 2,075,544 | 2009 earning and employee bonuses of<br>NT\$74,844,000 transferred to common<br>stock  | N/A                                      | Yuan-Shang No.<br>0990016508 |
| 10811         | 10                         | 300,000,000        | 3,000,000 | 287,554,400      | 2,875,544 | Cash capital increase of NT\$800,000,000   | N/A                                      | Zhu-Shang No.<br>1080032110  |
| 10912         | 10                         | 500,000,000        | 5,000,000 | 375,961,571      | 3,759,616 | Cash capital increase of NT\$800,000,000<br>Conversion of the first issuance of unsecured<br>convertible bonds to common shares<br>totaling NT\$84,072,000 | N/A                                      | Zhu-Shang No.<br>1090036975  |
| 11003         | 10                         | 500,000,000        | 5,000,000 | 388,393,556      | 3,883,936 | Conversion of the first issuance of unsecured<br>convertible bonds to common shares<br>totaling NT\$124,320,000  | N/A                                      | Zhu-Shang No.<br>1100006770  |
| 11006         | 10                         | 500,000,000        | 5,000,000 | 390,673,646      | 3,906,736 | Conversion of the first issuance of unsecured<br>convertible bonds to common shares totaling<br>NT\$22,800,000   | N/A                                      | Zhu-Shang No.<br>1100018330  |
| 11009         | 10                         | 500,000,000        | 5,000,000 | 410,042,700      | 4,100,427 | Conversion of the first issuance of unsecured<br>convertible bonds to common shares totaling<br>NT\$193,691,000  | N/A                                      | Zhu-Shang No.<br>1100026039  |
| 11012         | 10                         | 500,000,000        | 5,000,000 | 417,210,062      | 4,172,101 | Conversion of the first issuance of unsecured<br>convertible bonds to common shares totaling<br>NT\$71,674,000   | N/A                                      | Zhu-Shang No.<br>1100035642  |
| 11103         | 10                         | 500,000,000        | 5,000,000 | 419,765,268      | 4,197,653 | Conversion of the first issuance of unsecured<br>convertible bonds to common shares<br>totaling NT\$25,552,000   | N/A                                      | Zhu-Shang No.<br>1110006604  |

March 07, 2025; Unit: shares

| Type of Shares | Authorized capital |                 |             | Note         |
|----------------|--------------------|-----------------|-------------|--------------|
|                | Outstanding shares | Unissued shares | Total       |              |
| Common shares  | 419,765,268        | 80,234,732      | 500,000,000 | Listed stock |

Note: Information for shelf registration: N/A

## (II) Major shareholders

Names, shares and percentage of shareholding of top ten shareholders with more than 5% of equity:

March 28, 2025 Unit: Shares

| Shares  |             |                |
|---|-------------|----------------|
| Name of major shareholders  | Shares held | Percentage (%) |
| Winbond Electronics Corp.<br>Rep.: Arthur Yu- Cheng Chiao   | 218,554,635 | 52.06%         |
| Fubon Life Insurance Co., Ltd.  | 16,518,000  | 3.94%          |
| Chin Xin Investment Corp.<br>Rep.: Arthur Yu- Cheng Chiao   | 5,440,219   | 1.30%          |
| Cathay Life Insurance Co., Ltd.   | 3,810,000   | 0.91%          |
| Chase in custody for J.P. Morgan Funds Investment Account   | 3,560,000   | 0.85%          |
| JPMorgan SAR Greater China Fund<br>under the custody of Business Department, Standard Chartered Bank  | 2,625,000   | 0.63%          |
| New System Labor Pension Fund   | 2,384,902   | 0.57%          |
| Trustee Being HSBC Institutional Trust Services (Asia) Limited, Manulife China<br>Value Fund Serie II under the custody of HSBC Bank (Taiwan) Limited | 2,273,000   | 0.54%          |
| Vanguard Emerging Markets Stock; Index Fund, a series of Vanguard<br>International Equity Index Funds under the custody of Chase                      | 2,161,000   | 0.51%          |
| HSBC in custody for Dadong Life Insurance that entrusted to Lion Partners<br>Investment Co., Ltd.   | 2,040,000   | 0.49%          |

## (III) Company Dividend Policy and Implementation

### 1. Company dividend policy:

Under the Company Act and Nuvoton's Articles of InCorp., the Company shall, after covering prior years' losses and paying all taxes and dues, set aside 10% of its earnings as legal reserve until such reserve equals the paid-in capital. Of the remainder in the preceding paragraph plus undistributed earnings in prior years or of distributable earnings resulting from this year's loss plus undistributed earnings in prior years, special reserve shall be set aside or reversed according to laws or the competent authority. The remainder surplus may be set aside as special reserve or retained in view of business needs. For the remainder, after dividends for preferred stocks are set aside according to the Articles of InCorp., the Board of Directors may propose an earnings distribution plan for dividends for shareholders and submit the plan to the shareholders' meeting for approval.

The Board of Directors shall be authorized to determine the cash distribution of the aforementioned earnings, legal reserve, and additional paid-in capital with resolution adopted by a majority vote in a board meeting attended by more than two thirds of the Directors and report to the shareholder's meeting.

Our dividend policy is set up in accordance with the Company Act and the Articles of InCorp. of our Company in consideration of factors including capital, financial structure, operating status, earnings, industry characteristics and cycle, etc. The retained earnings may be retained as appropriate or distributed in cash dividend or both stock dividend and cash dividend so as to ensure the sustainable development of the Company. The appropriation of dividends must take into consideration future operations and cash requirements, and dividends distributed shall be no less

than 50% of the net profit after tax of the year after making up for cumulative losses and deducting the allocations for legal reserve and special reserve. Cash dividend shall not be lower than 10% of total dividends. The current dividend policy for retained earnings and dividends with respect to their conditions, timing, amount and type would be adjusted from time to time in accordance with economic and industrial fluctuations and the Company's future development needs and profitability.

## 2. Dividend distribution to be proposed to the Shareholders' Meeting:

The Company's 2024 earnings distribution plan was determined in the March 07, 2025 meeting of the Board of Directors as shown in the chart below. This plan will be carried out in accordance with related rules after it is approved in the Shareholders' Meeting scheduled for May 26, 2025.

### Earning Distribution Plan

2024

Unit: NT\$

| Item   | Amount           |
|--|------------------|
| Undistributed earnings from previous years                                     | \$ 2,585,198,248 |
| Plus: Net profit of 2024   | 219,848,681      |
| Minus: Re-measurement of defined benefit plan converted into retained earnings | ( 7,304,031 )    |
| Minus: 10% legal reserve appropriated  | ( 21,254,465 )   |
| Minus: Set aside special reserve   | ( 23,218,965 )   |
| Distributable earnings as of year-end 2024                                     | 2,753,269,468    |
| Distribution items:  |                  |
| Cash dividends to common shares (NT\$0.4 per share)                            | ( 167,906,107 )  |
| Undistributed earnings at end of year  | \$ 2,585,363,361 |

(IV) The effects of the stock dividends proposed by the shareholders' meeting on the Company's business performances and earnings per share: N/A.

## (V) Remuneration of employees, Directors and supervisors

### 1. Percentages or ranges of remuneration of employees and Directors under the Articles of InCorp.

According to the amended Company Act and the amended Articles of InCorp., if the Company has been profitable in the year, the remuneration for employees shall be over 1% (inclusive) and the remuneration for Directors will be under 1% (inclusive) of the earnings before tax and before deducting remuneration for employees and Directors.

The allocation of employees' and Directors' remuneration shall be reported to the shareholders' meeting.

The recipients of the Company's treasury stock buyback and transfer, distribution of employee stock options, employee subscription of new shares, issuance of new restricted employee shares, and payment of compensation to employees include employees of controlling or subordinate companies that meet the criteria. The specific criteria shall be determined by a resolution of the Board of Directors.



The recipients of remuneration for Directors and related matters shall be processed in accordance with related laws and determined by the Board of Directors.

2. Basis for estimating the amount of remuneration to employees and Directors/Supervisors, basis for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

The basis for estimating the Company's 2024 remuneration for employees and Directors is 6% and 1% of the earnings before tax and before deducting remuneration for employees and Directors. The preceding estimation basis is based on the amended Company Act and the amended Articles of InCorp. If there are changes made to the amount of the estimated remuneration to employees and Directors after the date of the consolidated annual financial statements, the changes will be applied in accordance with accounting estimation changes and will be included in the financial statements of the following year.

3. Remuneration proposals passed by the board of Directors

- (1) The difference, reasons and handling of discrepancies between the cash or stock appropriation of remuneration to employees and Directors and the annual recognized costs:

According to the amended Company Act and the amended Articles of InCorp., if the Company has been profitable in the year, the remuneration for employees shall be over 1% (inclusive) and the remuneration for Directors will be under 1% (inclusive) of the earnings before tax and before deducting remuneration for employees and Directors. The Company has approved the appropriation of NT\$4,170,000 in remuneration for Directors and remuneration of NT\$25,023,000 for employees in the meeting of the Board of Directors on March 07, 2025. The preceding amounts are consistent with the estimated amount of the recognized costs for the year.

- (2) The amount of employee bonus to be paid in stocks out of the current company-level financial report in terms of the sum of net profit after tax and employee bonus: Not applicable.

#### 4. Actual remuneration to employees, Directors and supervisors for 2023:

Unit: Share; NT\$ 1,000

| Item                                      | Actual amount distributed (Note) |                  |             | Amount approved by the Board of Directors | Difference |
|---|----------------------------------|------------------|-------------|---|------------|
|   | Amount                           | Equitable shares | Stock price |   |            |
| Remuneration to Directors and supervisors | 27,910                           | -                | -           | 27,910                                    | N/A        |
| Cash bonus for employees                  | 167,459                          | -                | -           | 167,459                                   | N/A        |

Note: The remuneration of Directors, supervisors and employees above have been passed in Board of Directors' meeting on March 5, 2024. There is no difference between the actual amount distributed and the amount recognized in the 2023 financial statements.

(VI) Stock buyback status: N/A.

#### II. Corporate bond issuance status

##### (I) Corporate bond issuance status

|  |   |
|--|---|
| Type of corporate bonds                          | The first issue of overseas unsecured convertible bonds in 2024   |
| Date of issue                                    | January 21, 2025  |
| Par value  | US\$200,000   |
| Place of issue and trading                       | Singapore Exchange Limited  |
| Issue price                                      | Issued at 100% par value  |
| Total amount                                     | US\$150,000,000   |
| Interest rate                                    | The annual nominal interest rate is 0%  |
| Maturity   | The maturity date is January 21, 2030, i.e. upon the lapse of five years following the issue date   |
| Guarantor  | None  |
| Trustee  | Citicorp International Limited  |
| Underwriter(s)                                   | Foreign lead underwriter: UBS AG Hong Kong Branch<br>Domestic lead underwriter: CTBC Securities Co. Ltd.  |
| Certified lawyers                                | Lee and Li Attorneys-at-Law   |
| CPAs   | Deloitte & Touche   |
| Way of repayment                                 | Unless redeemed, repurchased, canceled or exercised in advance, the bonds shall be redeemed by the Company on January 21, 2030 through conversion into US dollars based on the par value plus a yield calculated at the annual rate of 1.55 percent (on a semi-annual basis). The redemption amount at maturity will be converted into TWD at a fixed exchange rate, and then the amount in TWD converted into US dollars at the then-current exchange rate (i.e. the fixing exchange rate announced at 11:00 a.m. by Taipei Forex Inc.) for redemption or repayment.   |
| Outstanding principal                            | 150,000,000 US dollars (as at March 7, 2025)  |
| Provisions on redemption or early bond repayment | 1. The Company may, at its option, redeem the Bonds, in whole or in part, during the period from the next day following the lapse of three years after the issue date of the bonds to the maturity date, the closing price for 20 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the Company's common shares on the TWSE is at least 130% of the quotient of the Early Redemption Amount (as defined below) multiplied by the prevailing Conversion Price, divided by the principal amount of the Bonds. |

|  |   |  |
|--|---|--|
|  |   | <p>2. The Company may, at its option, redeem the Bonds, in whole but not in part, at the Early Redemption Amount if more than 90% of the Bonds have been previously redeemed, repurchased and cancelled or converted.</p> <p>3. The Company may, at its option, redeem the Bonds, in whole but not in part, at the Early Redemption Amount if there occur any changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Company. Bondholders may elect not to have their Bonds redeemed but with no entitlement to any additional amount or reimbursement of additional tax.</p> <p>4. “Early Redemption Amount” refers to the amount of the bond’s par value plus interest compensation calculated at the annual interest rate of 1.55% on a semi-annual basis. It will be converted to TWD at a fixed exchange rate, and then the amount in TWD converted into US dollars at the then-current exchange rate (i.e. the fixing exchange rate announced at 11:00 a.m. by Taipei Forex Inc.) for repayment.</p> |
| Restrictions   |   | None   |
| Name of credit rating agency, date of rating, rating result of the corporate bond  |   | None   |
| Other rights attached  | Common shares that have been converted (exchanged or subscribed) as at the publication date of this annual report; amounts of overseas depository receipts and other securities | Not all have been converted yet  |
|  | Issuance and conversion (exchange or share subscription) method   | For more details, visit the Market Observation Post System – Investment Section – Bond Credit Section  |
| Issuance and conversion; exchange or share subscription method; potential dilutive effect of issuance conditions on equity and their impact on existing shareholders’ rights and interests |   | After the issuance, the bonds will be converted at the conversion price into common stocks. In case of full conversion, the original shareholders’ equity will be diluted by approximately 9.02%, which suggests a relatively limited dilutive effect on the original shareholders’ equity.  |
| Name of the depository for the exchange target   |   | N/A  |

III. Issuance of preferred stocks: N/A.

IV. Issuance of global depository receipts (GDR): N/A.

V. Exercise of employee stock option plan (ESOP): N/A.

VI. Restricted stock awards: N/A.

VII. Issuance of new shares for merger or acquiring shares of other companies: N/A.

VIII. Implementation of capital allocation plan: You can check the fundraising plan execution area of the Market Observation Post System.

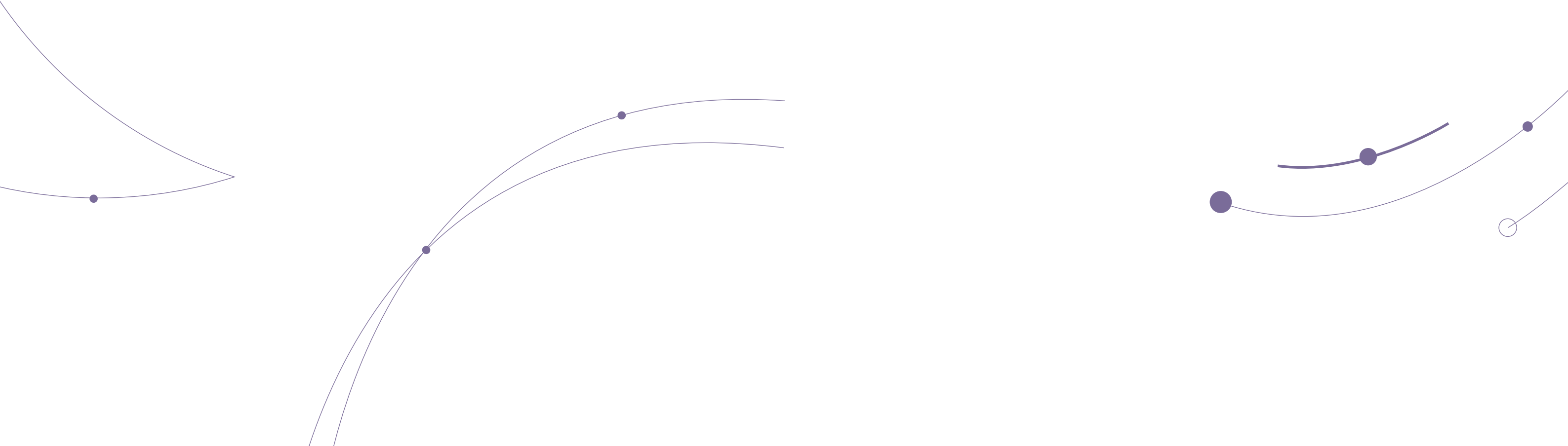


# CH4

## Business Overview



- I. Business Activities
- II. Market, production and sales
- III. Employees
- IV. Spending on environmental protections
- V. Employees-employer relations
- VI. Information security management
- VII. Important contracts



## Chapter 4 Business Overview

### I. Business Activities

#### (I) Business Scope

##### 1. Major business activities

The Company's primary business consists of the research and development, design and sales of integrated circuits and semiconductor foundry services, providing customers with customized total solutions from design, system integration, and manufacture to market.

##### 2. Revenue breakdown

Unit: NT\$1,000

| Key products           | 2024              |                |
|------------------------|-------------------|----------------|
|                        | Operating revenue | Percentage (%) |
| IC income              | 29,206,855        | 92%            |
| Foundry service income | 2,000,170         | 6%             |
| Others                 | 716,265           | 2%             |
| Total                  | 31,923,290        | 100%           |

##### 3. Current products and services

The Company primarily operates in the design, sales, and wafer fabrication outsourcing business of integrated circuits (ICs). Integrated circuits are the main products, with a diverse range of applications, including microcontrollers, audio, cloud security, image sensing, battery monitoring, IoT applications, semiconductor components, and others. These IC products can be applied in various markets such as industrial, automotive, communication, consumer electronics, and computer. Additionally, the company owns a 6-inch wafer fabrication plant, equipped with diverse process technology capabilities, to provide specialized wafer outsourcing services.

- A. Microcontroller unit (MCU)/ Microprocessor Unit (MPU)
- B. Audio system on a chip
- C. Audio conversion/amplification chip
- D. Input/output chip
- E. Embedded controller chip
- F. Baseboard management controller chip
- G. Trusted platform module chip
- H. High-speed transmission chip
- I. MOSFET
- J. Signal processing chip
- K. Image sensor
- L. Battery monitoring chip
- M. Motor drive/control chip
- N. NFC Tag chip
- O. 6-inch wafer foundry services

#### 4. New products in the pipeline

| Fields of Application    | New Products in the Pipeline   |
|--------------------------|--|
| 1. Computers and servers | 1. Next-generation Embedded Controller (“EC”) for laptops<br>2. Next-generation trusted platform module (TPM)<br>3. Microcontroller unit (MCU) for expansion docking stations<br>4. Mixed-signal controller for computers and peripheral applications<br>5. Satellite Management Controller (auxiliary management controller) for peripheral sub-system management   |
| 2. Vehicles              | 1. Next-generation battery monitoring chip<br>2. Next-generation 3D TOF sensor<br>3. Next-generation automotive audio power amplifier with load diagnosis and load dump protection features<br>4. NuMicro® M2A23 125°C microcontroller based on Cortex-M23 architecture<br>5. Automotive audio system on chip (Audio SoC) based on Cortex-M4 architecture, featuring integrated packaging and compliance with Grade 2 specifications |
| 3. Communications        | Next-generation MOSFET with lower on-resistance  |
| 4. Consumer electronics  | NuMicro® M3331 microcontroller based on Cortex-M33 architecture  |
| 5. Industrial control    | 1. NuMicro® M55M1 AI microcontroller based on Cortex-M55 architecture<br>2. NUC990 Microprocessor Unit (MPU)<br>4. KW33000A1K TOF sensor for Industry<br>5. KA44370A motor control chip  |
| 6. Wafer foundry         | 1. 800V HVIC technology platform<br>2. 650V Power GaN technology platform<br>3. 700V UHV technology platform   |

## (II) Industry overview

### 1. Industry Overview and Development, Product Development Trends, and Competitive Landscape

#### **Artificial intelligence (AI)**

##### **a. MCU and Audio**

With the development of AI technologies, Endpoint AI has demonstrated a strong growth momentum in industrial automation and smart home applications, thanks to its advantages of low latency, high reliability and enhanced privacy. The Company, after ploughing in the AI field for years, is about to formally introduce its first AI MCU that has 10 times the AI computing performance of traditional MCUs, which will fill the market gap in 50–500 GOPS (Giga Operations Per Second). Backed up by a comprehensive ecosystem, including free Keil tools and various third-party solutions, it will significantly lower the development threshold and expedite market adoption.

In the eSports industry, our MCUs continue to gain market share in peripherals such as motherboards, keyboards, and memory. Through close collaboration with multiple brands and

OEM partners, we offer diversified product solutions and drive the development of next-generation products. Looking ahead, we anticipate continued growth in this sector.

The rapid growth of smart vehicles and electric vehicles (EVs) brings a rising demand for MCUs with high performance, low power consumption and high reliability, particularly in areas such as smart cockpits, body control, and EV power management. In view of this, we leverage our solid R&D strengths and stable supply chain to actively develop automotive-grade MCUs, aiming to deliver more reliable and efficient solutions to the market.

In response to the development trend of industrial products in the direction of high-performance computing, multi-data acquisition, and networked monitoring, we incorporate in our MPUs high-capacity memory (128MB–512MB) and dual Cortex-A cores, while providing rich peripheral support, so as to meet evolving industry demands for industrial products.

As AIoT (Artificial Intelligence of Things) devices become increasingly popular, audio processing technologies are seeing broader application in terminal units, which adds impetus to the development of a variety of audio chips. In the current audio chip market propelled by the need for low power, high performance, and edge AI computing capabilities, there is a continuous growth of applications allowing natural language hands-free interactions of voice interfaces with the internet, prompting the integration of more powerful computing cores into voice AI hardware at the edge to improve speech recognition accuracy and noise reduction for better user experience. As a result, Audio DSPs with built-in AI inference capabilities and MCUs supporting low-power voice processing have become key focuses in market development. In this context, we have developed a comprehensive audio chip platform that incorporates low-latency Audio CODECs, audio MCUs based on Arm® Cortex®-M0/M4 and 4/8-bit MCUs, Class-D audio amplifiers, smart amplifiers, audio enhancement solutions, and DSP-based products to deliver low power consumption, high audio quality, intelligent processing and integrated AI capabilities, enabling real-time execution of voice recognition, acoustic echo cancellation (AEC), and active noise cancellation (ANC) in endpoint devices to accommodate various AIoT and smart home applications.

## **b. Computing**

In cloud computing products, the Company focuses on cross-over applications from computing devices related to data centers, computer servers, edge computing, and terminal processing. Our technologies cover the fields of security, interfaces, and energy management, and we provide remote baseboard management controllers for servers, eBMC for industrial computers and IoT applications, Super I/O for desktop computers, security controllers for motherboards, embedded controllers for laptop computers, trust platform modules, computer hardware monitoring chips, and power management controllers to major brands and OEM plants. To address the growing demand for massive data processing and deep learning in AI servers, market momentum

continues to build. The uploading and analysis of vast amounts of data by users, along with emerging innovative applications and services, are not only reshaping the infrastructure of data centers but also drawing more attention to the importance of security in front-end data acquisition devices close to end users. Continuingly enhanced computing performance, optimized energy efficiency, new architectures compatible with open-source software initiatives, and products offering more flexible interface channel design and stronger security features are expected to dominate the future.

Despite the drag of recent economic concerns on the development of Artificial Intelligence Personal Computers (AI PCs) and the slow recovery of growth according to market estimates, the widespread adoption of AI technologies and the diversification of application scenarios are boosting demand for AI-capable computers among individuals and small businesses. This is pushing related products to evolve toward greater efficiency, lower power consumption and better user-friendliness. Looking ahead, as quantum computing and more advanced AI technologies mature, these sectors are poised for breakthroughs and a potential reshaping of the market landscape.

In collaboration with key leading industry brands, Nuvoton is integrating in its cloud computing products features designed to meet the evolving needs of future AI servers and AI computers. This includes enhancements to embedded processor instruction cycles, improved software support, innovative new architectures, and the development of hardware encryption modules – enabling customers to achieve both high performance and strong security in their AI servers and AI computer applications.

## **Automotive market**

### **a. Vehicle electrification**

Nuvoton's battery monitoring ICs find applications in electric vehicles (EVs), hybrid electric vehicles (HEVs), energy storage systems, and electric bicycles. As global efforts toward carbon neutrality intensify, the market share of BEVs and HEVs is expected to gradually rise. Automakers need to ensure vehicle safety against hazards like lithium battery fires and harmful emissions, while striving to extend the EV driving mileage. With robust safety features, Nuvoton's products can also perform highly accurate voltage measurements to support the high safety and extended driving mileage requirements of car manufacturers.

There is a redundant measurement system in Nuvoton's automotive battery monitoring ICs. A unique SOI (Silicon-On-Insulator) process is employed to electrically isolate components and functional blocks, and a highly redundant communication topology is relied upon to ensure high safety and reliability. This makes it easier for customers to design and develop automotive battery systems compliant with ISO 26262 ASIL-D, with precise voltage measurements contributing to a longer EV driving mileage.



## **b. Vehicle digitalization**

During the ongoing transition from traditional internal combustion engine (ICE) vehicles to electric vehicles (EVs), the pace of development in automotive markets around the world varies. While the EV market is growing rapidly in China, growth in other automotive markets across the world is relatively flat. However, there is a shared direction toward vehicle digitalization. In terms of in-vehicle human-machine interface (HMI) applications, a notable rise is observed in the current market demand for digital dashboards, head-up displays (HUDs), and electronic rear-view mirrors, aside from traditional infotainment systems. Moreover, automakers are actively working toward the realization of Software-Defined Vehicles (SDVs), aiming to offer entirely new in-car experiences and driving functionalities through software. In this context, semiconductor manufacturers are exerting themselves on developing more powerful integrated Electronic Control Units (ECUs).

In-cabin sensing is also becoming more focused due to growing safety awareness. Besides Driver Monitoring Systems (DMS), Occupant Monitoring Systems (OMS) are also experiencing a rapid rise in demand consequent upon the revision of the Euro NCAP 2026 safety standard. It is expected that the compound annual growth rate (CAGR) of OMS and DMS installations will reach 29% during 2023-2030.

In future, accurately measuring human body dimensions and skeletal structures that existing 2D sensors fall short in will become essential features required for child presence detection, airbag pressure control and seatbelt monitoring in Level 4 autonomous driving. To this end, we will continue to develop 3D ToF (Time-of-Flight) sensors, securing a strategic position in the future digital automotive market.

### **Green power**

As sustainability is prioritized in the market, Nuvoton stays committed to developing products with reduced greenhouse gas emissions or improved energy efficiency. Enhancing motor efficiency through better use of energy resources to achieve more effective power conversion and management is a key strategy of Nuvoton to approach carbon neutrality and pursue sustainable development.

Our Motor Driver IC series consists of brushless DC motor drivers, stepper motor drivers, and lens motor drivers. These products have integrated Nuvoton's proprietary current control technology to ensure the safety, long service life and highly efficient drive of motors. Brushless DC motors, known for their high efficiency, help conserve energy and offer the design flexibility needed for applications with specific voltage, speed and load requirements. Due to adoption of our independently developed auto phase control (APC) technology, the brushless DC motor drivers can achieve enhanced motor performance and efficiency without current phase adjustments. These drivers can find their use in home appliances, telecommunications, as well as in data servers, base stations, office automation devices and cameras in the industrial equipment

and automotive sectors.

Furthermore, our MOSFETs, which serve the consumer, industrial control and automotive markets, are a key part of our energy-saving product line. In response to the increasing market demand for lower power consumption and high-performance products, we will continue our efforts in technological innovation based on existing R&D achievements, and develop the next-generation MOSFET optimized for power conversion and management in lithium battery-powered devices, in hope that our ongoing R&D plays a part in building a smarter and greener future.

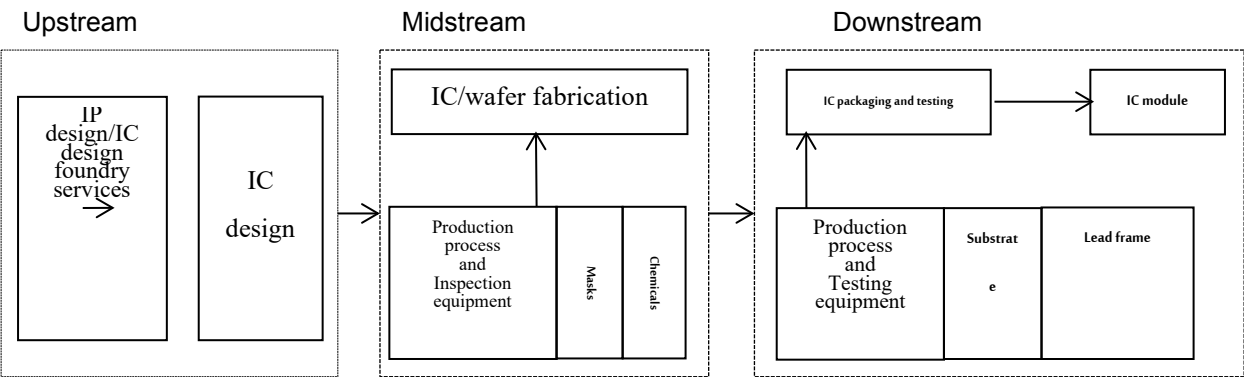
**Foundry services**

Though short-term economic downturns have led to reduced demand according to reports from the market research agency WSTS, the long-term outlook remains strong as electronic products continue to penetrate all aspects of our daily life with rapid evolution. This long-term trend represents a significant opportunity for the wafer foundry industry.

Recognizing this, we have been actively investing in power management application technologies to closely align with market and customer needs. Power management is vital in modern electronics, as it involves energy efficiency, performance and reliability. It is our commitment to deliver high-quality power management solutions to meet customers’ needs for energy-efficient, high-performance products. Geographically, there are worldwide demands for electronic products. We will continue to build our market presence in the Asia-Pacific region, establish close cooperation with local partners, and proactively extend wafer foundry services to other regions for wider coverage of our business footprint.

2. Relationships with suppliers in the industry's supply chain

The supply chain of the IC industry can be roughly divided into upstream IC design companies, midstream IC manufacturers and downstream IC packaging and testing plants.



The core business of IC design involves independent design and sales of semiconductor

products, and it is at the upstream of the industry value chain. Before coming in the final form, the products still need to go through several critical processes, including mask production, wafer fabrication, chip packaging and testing. Most commonly, midstream and downstream processes, including wafer fabrication, packaging and testing, are outsourced to specialized third-party foundries and service providers.

### (III) Overview of Technology and R&D

#### 1. R&D expenditures

Unit: NT\$1,000

| Item                       | 2024       | up to Feb. 28, 2025 |
|----------------------------|------------|---------------------|
| R&D expenditures (A)       | 8,775,360  | 1,466,087           |
| Net operating revenues (B) | 31,923,290 | 5,022,597           |
| (A)/(B)                    | 28%        | 29%                 |

#### 2. Technologies and products successfully developed in the past year

| Year | R&D Achievements  |
|------|---|
| 2024 | Nuvoton Technology launched a comprehensive and free Arm® Keil® MDK Nuvoton Edition, having significantly boosted developer efficiency  |
| 2024 | Nuvoton Technology introduced its first M-PESTI chip that had passed Intel's validation   |
| 2024 | Nuvoton Technology, jointly with Intel, demonstrated a multi-node BMC solution at the OCP Summit of the year  |
| 2024 | Nuvoton Technology released the NuEzAI-M55M1 development board, greatly simplifying the development process for edge AI and offering a straightforward, fast, and user-friendly experience  |
| 2024 | Nuvoton Technology's Arm® Cortex-M23-based M2003 series helped upgrade 8-bit cores to 32-bit, striking a balance between performance and system cost  |
| 2024 | Nuvoton Technology's mass-produced TOF sensors with built-in deep computing circuits to accurately measure distance in both indoor and outdoor environments and capability of recognizing people and objects were shipped   |
| 2024 | Nuvoton Technology launched two new industrial battery monitoring ICs ("KA49701A" and "KA49702A") designed for 48V systems and capable of supporting up to 17 battery cells in series, aiming to maximize battery performance, simplify system design, and enhance safety |
| 2024 | Nuvoton Technology developed a security chip based on OpenTitan® to serve as the next-generation security solution for Chromebooks  |
| 2024 | Nuvoton Technology obtained SGS certification with ISO 24089, a standard for safety of vehicle software update engineering  |
| 2024 | Nuvoton Technology released an edge AI platform for machine learning, including the NuMicro® MA35D1, NuMicro® M467, and NuMicro® M55M1 series microprocessors/microcontrollers with integrated Ethos U55 NPU, as part of a complete AI ecosystem                          |

### 3. Short- and long-term business development plans

#### (1) IC business

**A. Short-term plan:** The Company is working closely with leading players across key growth industries in major Asian, American and European markets. Leveraging our advanced technologies in computer systems, security, microcontrollers, power management, frequency control, high-speed transmission, and spatial sensing, we provide value-added products and highly flexible, professional services to help our customers enhance their competitiveness and maintain a leading position in rapidly changing markets, while driving our own business growth.

- Taiwan: AI servers, laptops, motherboards, and digital power supply units
- China: New energy vehicles, energy storage systems, energy-efficient appliances, smartphones, and industrial control
- Japan: Automobiles, batteries, fan motors, and precision equipment
- South Korea: Batteries, white goods, and automobiles
- Europe: Premium home appliances, automobiles, and industrial control
- United States: Cloud services, AR/VR, and automobiles

**B. Long-term plan:** In response to evolving geopolitical dynamics, the Company is steadily increasing its market share in Asia while actively penetrating into Europe, the U.S., and Southeast Asia. We have established new operation sites in Germany, the U.S., and India, and are expanding our marketing, sales, and technical service teams to provide localized support for customers. Furthermore, we are strengthening both global and regional distribution networks to meet the needs of customers conducting design and manufacturing activities across different regions.

#### (2) Foundry service

##### A. Short-term business development plan:

The Company's wafer foundry service has accumulated many years of experience in production, research and development, and product services. We shall continue to service our customers with innovative ideas on existing foundations. The Company's short-term business development and promotion are focused on power management, power components, and the development of third-generation semiconductor gallium nitride (GaN) in the prospective of meeting the demand for energy efficient, high performance power management products. We are committed to delivering high-quality products that meet customers' needs, and consistently pursuing technological innovation to keep pace with the evolving demands of the market.

## B. Long-term business development:

For wafer foundry services, the Company has a seasoned R&D and production team, along with a comprehensive product service team and internationally certified laboratories. We deliver IDM-level foundry services to our customers, and are dedicated to developing the markets of high-power electronics and automotive electronics. By focusing on the development of high-voltage processes and closely aligning with market demands, we aim to provide customers with unmatched product competitiveness. Additionally, we plan to gradually expand our global presence by extending our business footprint from the Asia-Pacific region to European and American markets, positioning ourselves as a globally specialized and customized wafer foundry that delivers high-quality products and services our customers require.

## II. Market, production and sales

### (I) Market analysis

#### 1. Areas in which core products (services) are sold (provided)

Unit: NT\$1,000

| Sales region | 2024       |                |
|--------------|------------|----------------|
|              | Amount     | Percentage (%) |
| Asia         | 30,637,228 | 96%            |
| America      | 475,035    | 1%             |
| Europe       | 808,371    | 3%             |
| Others       | 2,656      | 0%             |
| Total        | 31,923,290 | 100%           |

2. Market Share; The future supply and demand situation and growth prospects in the market; Competitive niches; Favorable and adverse factors for long-term development and response measures

## AI

### a. MCU及Audio

The MCU product portfolio of Nuvoton encompasses a diverse range of sectors, including industrial control, consumer electronics, automotive electronics, and AIoT applications. Its global market share has maintained robust growth, with continued expansion particularly in the automotive, e-sports, and industrial control domains. As AI technologies and intelligent applications become increasingly ubiquitous, market demand for high-performance and low-power MCUs continues to rise. In response, Nuvoton proactively launches AI MCU, automotive-grade high-temperature tolerant MCU, as well as advanced MPU products to meet evolving market requirements. Looking ahead, the MCU supply chain may experience short-term fluctuations due to changes in semiconductor production capacity and geopolitical factors. However, the supply chain will be further strengthened and regionally

adapted to ensure resilience, with the overall market anticipated to achieve incremental growth. Leveraging its comprehensive ecological chain and integrated hardware-software platforms, including free universal access to Keil development tools and robust third-party AI algorithm support, Nuvoton fortifies its competitive edges in niche markets and continues to deepen its collaborations with key customers to further expand market share.

MPU products of Nuvoton, in synergy with memory solutions from its parent company Winbond, can deliver holistic solutions to reduce our clients' development time and costs. Moreover, through differentiation and specialization, it can further consolidate its competitive advantages. In response to some competitors in the MPU market engaging in price wars through low price strategies, Nuvoton commits increased R&D investment and technological innovation in MPU products to enhance added value and reinforce its leadership position.

Audio products include audio CODEC, audio MCUs based on Arm® Cortex®-M0/M4 and 4/8-bit MCUs, Smart Amplifiers, Audio Enhancement, and DSP-based products. The products target mainly smart home market, including smart appliances, smart stereo systems, smart family entertainment, smart cars, smart interactive toys, smart robots, meeting systems, consumer electronics, healthcare, and industrial applications, in hope to conquer market share in these diversified application fields.

There is a continuous growth of applications allowing natural language hands-free interactions of voice interfaces with the internet. At the edge end, hardware-based voice AI is actively integrating more powerful cores to improve speech recognition accuracy and noise reduction for better user experience. Our company's audio products are evolving towards innovative solutions tailored to this diverse market, and we have been actively engaged with end-users in various projects. The application areas include smart conference systems, smart audio systems, smart home appliances, smart automobiles, Internet of Things (IoT), and wearable devices.

## **b. Computing**

Nuvoton's cloud computing products specialize in the development of application-specific chips for computing systems and maintain close partnerships with key industry leaders and ecosystem partners. What's more, it secures a leading position in commercial computing applications, critical server components, and security solutions. We leverage advanced security technology and integrate local advantages to expand the development of software and hardware solutions suitable for leading global brand customers, so as to meet the computing power and energy efficiency requirements of AI PCs and AI servers. In addition to allocating resources to stable business models, we continue to strive for expansion in edge computing and devices related to artificial intelligence applications. With the further maturation of quantum computing and more advanced AI technologies, these fields are expected to witness new breakthroughs and a reshaping of the market landscape.

Moreover, Nuvoton actively participates in international security standards organizations and open-

source software initiatives, closely complying with and implementing ecosystem architecture upgrades to sustain technological advantages. As new products such as OpenTitan, SMC, MPESTI, docking MCU, and TouchPad KBC come to market, and with a gradual rise in replacement demand from the commercial endpoint market, a new wave of growth momentum is anticipated.

However, affected by geopolitical risks, products for the general business sector face challenges in cost flexibility and supply chain resilience. Nuvoton addresses these challenges through implementing proactive global deployment, aligning with strategic partners among leading brands, and enhancing the competitiveness of its technologies and services, as well as maintaining flexibility and adaptability while facing geopolitical risks.

## **Automotive**

Against the backdrop of accelerating trends in the digitalization, automation, and electrification of automobiles, Nuvoton remains deeply engaged with major automotive system integrators and manufacturers, introducing products that meet stringent automotive electronics standards.

### **a. Vehicle Electrification**

With the electric vehicle (EV) market advancing towards the goal of a carbon-neutral society, automotive manufacturers are increasingly focused on enhancing battery pack safety and driving mileage. Nuvoton's Battery Monitoring IC (BMIC) features a redundant measurement system capable of detecting abnormalities and failures across a variety of battery types and battery management systems (BMSs). This system integrates duplicated battery cell input terminals, multiplexers, and A/D converters within a single IC. This enables automotive and battery module manufacturers to efficiently develop and design battery systems that comply with ISO 26262 ASIL-D requirements.

The global electric vehicle market continues to expand, propelled particularly by the Chinese market, where rising demand for battery electric vehicles (BEV) is accelerating the development of 800V EV platforms. Nuvoton's 25-channel fourth-generation BMIC is poised to streamline 800V systems and support integrated solutions for clients.

### **b. Vehicle Digitalization**

At present, Nuvoton commands a significant share in the global in-vehicle human-machine interface (HMI) IC market. Notably, the vehicle dashboard, head-up display (HUD), and electronic rearview mirror markets are projected to achieve a 20% compound annual growth rate (CAGR), driving increased demand for enhanced in-vehicle display performance, such as improved camera image visibility, secure over-the-air (OTA) software updates, and functional safety design to safeguard system security.

Nuvoton is dedicated to edge processing and function safety. Leveraging its expertise in high-quality, high-speed, and low-power image signal processing technologies gained from the camera and



imaging sector, it can provide reliable solutions for ECU input and output, and continue to develop innovative products tailored to client requirements.

Nuvoton's ToF sensors offer high-precision spatial recognition and robust optical rotation resistance, effectively addressing misleading problems encountered with 2D sensors. These attributes contribute to enhanced safety during using automobiles. Besides, Nuvoton's ToF sensors satisfy the high optical rotation resistance required for in-vehicle applications, and also align with the stringent low-latency detection needs of future airbag control and functional safety systems, empowering clients with comprehensive solutions. Moreover, Nuvoton has initiated collaborations with electric vehicle manufacturers in this year.

In future product research and development, Nuvoton will continue to make adjustment based on customer demands to address diverse application scenarios. What's more, it will design application-specific reference design guides and software to help reduce customers' development timelines.

### **Green power**

With the development of artificial intelligence, the volume of data is rapidly expanding, leading to a significant increase in the number of data centers and servers. It is anticipated that energy consumption related to these will increase more than tenfold over the next decade. To address this trend and reduce power consumption, server power supply systems should increase their voltage from 12V to 48V. Furthermore, the increasing prevalence of AI servers signifies greater data processing demands. However, with limited space in the data center, there is a rising need for thin 1U servers to maximize rack density. Therefore, fan motors of servers must be capable of operating at 48V while maintaining a compact form. Nuvoton has commenced production of single-phase 48V motor driver ICs, specifically designed for direct connection to 48V power sources. These devices are characterized by high efficiency and compact package dimensions, allowing seamless integration into 1U server racks, and meeting the growing power requirements of data centers and servers.

Furthermore, as the smart society continues to evolve, wearable devices and mobile terminals increasingly demand enhanced battery performance, while achieving more compact designs and extended battery life, as well as maintaining stringent safety standards. With the ongoing advancement of AI devices, demand for energy-efficient components is projected to increase, further underscoring the critical role of MOSFETs in developing low-power solutions. Nuvoton's MOSFET products are widely utilized in lithium battery protection switches, serving as key components for high-performance battery protection. Nuvoton possesses distinctive expertise in MOSFET packaging, and the Chip Scale Package (CSP) technology enables it to retain a leading position in the lithium battery protection segment. Amid intensifying industry competition and the continual launch of new products from competitors, Nuvoton will proactively develop industry-leading energy-saving and miniaturized products, and remain committed to advancing the evolution of energy-efficient devices.

## **Foundry Service**

With the progression of semiconductor technologies and shifting market demands, the wafer foundry industry is continuously confronted with new challenges and opportunities. Conventional 6-inch wafer fabrication lines are primarily used to produce MCUs and audio products, most of which conform to legacy specifications. However, as demand surges for smaller chip size and higher cost efficiency, new products are gradually migrating to the 8-inch wafer fabrication lines. As a result, demand for 6-inch wafer foundry services for MCUs and audio products is steadily decreasing.

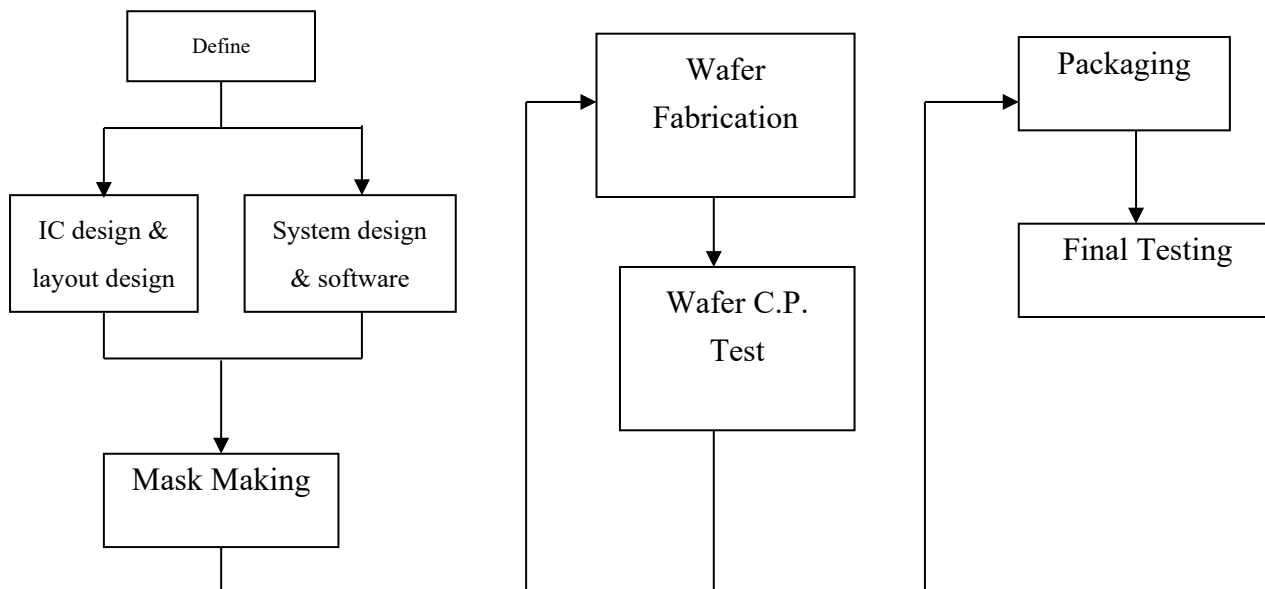
In response to evolving market demands and intensified competition, 6-inch wafer foundries must actively pursue transformation and seek new avenues of growth to ensure their competitiveness and sustainable development. The development of high-voltage fabrication processes has emerged as a crucial strategic direction. High-voltage processes can mitigate the stringent requirements for process line widths, improve product reliability and performance, and offer flexibility in meeting market demands, such as those for power management ICs and driver ICs, and provide small-volume and diversified production services. This production model demonstrates the service strengths and flexible manufacturing cooperation of 6-inch wafer foundries, thereby enhancing their competitiveness, fostering customer trust and satisfaction, and sustaining the competitiveness of Nuvoton's 6-inch wafer foundries.

### (II) Important applications and manufacturing processes of major products

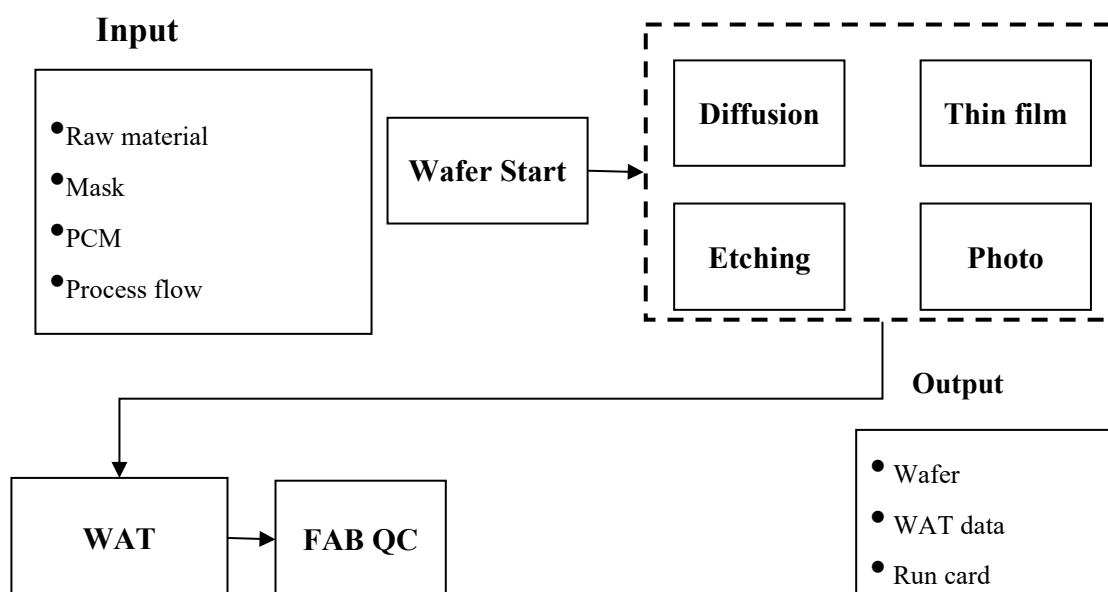
#### 1. Important applications of major products:

| Product         | Important applications  |
|-----------------|---|
| IC business     | Provide customers with industrial controls, consumer electronics, smart home appliances, computer equipment, data centers, computer servers, edge computing devices, vehicle-mounted equipment, and communication products. |
| Foundry service | Provide foundry service for IC fabrication.   |

#### 2. Production process:



#### Wafer Fabrication :



#### (III) Supply of main raw materials

| Name of main raw materials | Major supplier                                    | Supply status   |
|----------------------------|---|---|
| Wafer                      | Supplier K, Supplier A, Supplier I and Supplier L | Stable quality, high yield rate, long-term cooperation, good supply status. |
| Blank wafer                | Supplier C, Supplier J and Supplier H             | Stable quality and supply, long-term cooperation, good supply status.       |

(IV) Names of suppliers who accounted for more than 10% of the purchase by the Company in the last two years, and the amount of purchase to total purchase

Unit: NT\$1,000

|  | 2023 | 2024 |
|--|------|------|
|--|------|------|

| Item | Name         | Amount    | Percentage of total purchase % | Relationship with issuer | Name         | Amount    | Percentage of total purchase % | Relationship with issuer |
|------|--------------|-----------|--------------------------------|--------------------------|--------------|-----------|--------------------------------|--------------------------|
| 1    | Supplier K   | 3,822,301 | 38%                            | Other related parties    | Supplier K   | 3,745,639 | 38%                            | Other related parties    |
| 2    | Supplier A   | 2,137,522 | 21%                            | N/A                      | Supplier A   | 2,094,529 | 21%                            | N/A                      |
| 3    | Others       | 4,002,572 | 41%                            |                          | Others       | 4,087,646 | 41%                            |                          |
| 4    | Net purchase | 9,962,395 | 100%                           | -                        | Net purchase | 9,927,814 | 100%                           |                          |

Reasons for changes: There was no change in the ranking of suppliers that account for more than 10% of the total purchases in 2023 and 2024.

(V) Names of customers who accounted for more than 10% of the sales in the last two years, and sales as a percentage of total sales

Unit: NT\$1,000

|      | 2023      |            |                           |                          | 2024      |            |                           |                          |
|------|-----------|------------|---------------------------|--------------------------|-----------|------------|---------------------------|--------------------------|
| Item | Name      | Amount     | Percentage of net sales % | Relationship with issuer | Name      | Amount     | Percentage of net sales % | Relationship with issuer |
| 1    | Client V  | 4,400,516  | 12%                       | N/A                      | Client V  | 4,669,308  | 15%                       | N/A                      |
| 2    | Others    | 30,947,633 | 88%                       | N/A                      | Others    | 27,253,982 | 85%                       | N/A                      |
|      | Net sales | 35,348,149 | 100%                      |                          | Net sales | 31,923,290 | 100%                      |                          |

Reasons for changes: There was no change in the ranking of suppliers that account for more than 10% of the total sales in 2023 and 2024.

### III. Employees

| Year                     |                                 | 2022  | 2023  | 2024  | Up to March 7, 2025 |
|--------------------------|---------------------------------|-------|-------|-------|---------------------|
| Number of employees      | Technical personnel (engineers) | 2,458 | 2,538 | 2,511 | 2,507               |
|                          | Administration and sales staff  | 926   | 751   | 822   | 818                 |
|                          | Technicians                     | 391   | 369   | 386   | 384                 |
|                          | Total                           | 3,775 | 3,658 | 3,719 | 3,709               |
| Average age (years)      |                                 | 45.19 | 46.05 | 46.06 | 45.98               |
| Average years of service |                                 | 15.86 | 15.19 | 15.42 | 15.47               |
| Education background (%) | PhD                             | 1.22  | 1.42  | 1.37  | 1.4                 |
|                          | Master                          | 35.68 | 36.09 | 36.89 | 37.02               |
|                          | University/College              | 49.43 | 49.86 | 49.92 | 49.85               |
|                          | High school                     | 12.85 | 12.19 | 11.47 | 11.38               |
|                          | Below high school               | 0.82  | 0.44  | 0.35  | 0.35                |
|                          | Total                           | 100   | 100   | 100   | 100                 |

### IV. Spending on environmental protections

(I) Losses due to environmental pollution (including compensation) and total fines during the most recent year and up to the date of this report:

There was no losses (including compensation) and punishment caused by the environmental pollution in 2024.

(II) Preventive measures taken to ensure a safe working environment and maintain employees' personal safety

The Company continues to invest preventative measures in safety and sanitary in our best efforts to maintain a safe and sanitary work environment. We hope to lower any risks of potential harm to employees in their work environments through continuous improvements. The Company's actual input includes:

1. In terms of investment in energy and environmental protection, about NT\$78,000,000 were invested into the related equipment and works in 2024.
2. Obtained the ISO 45001 Occupational Health and Safety Management Systems and ISO 14001 Environmental Management certifications for more systematical and more comprehensive protection in safety and sanitary protection management and environmental protection, with the valid period up to October 31, 2025. Re-certification is planned to carry out in 2025.
3. Enhance fire safety and personnel protection facilities in the work environment with domestic laws and regulations as the minimum standard while incorporating international standards into regulations governing plant construction. Continue investment in funds and personnel for improvement projects. Total of NT\$ 5,350,000 was invested in 2024 for creating safer working environment.
4. In environmental inspections, we conduct inspections on chemical factors, carbon dioxide, illumination, noise and ionizing radiation etc. and the results were all superior to regulatory standards. The Company also measures perimeter noise levels at regular intervals each year and the results met requirements.
5. In personal protection of the employees, we provide suitable personal protection equipment in accordance with the nature of the operation, and personal protection check is listed into the auto check plan.

6. We schedule annual drills for employees' response to emergencies. In 2024, we completed 68 different types of drills.

7. In 2024, we completed 36 continuous improvement initiatives for safety, health and environmental protection.

## V. Employees-employer relations

(I) The Company's employee benefit measures, continuing education, training, retirement system, and actual state of implementation

### 1. Employee benefits measures:

The Company funds the Employee Welfare Fund in accordance with related regulations and we organized the Employees' Welfare Committee to plan, oversee and implement employees' benefits.

The Company requests all employees to enroll in labor insurance unless otherwise specified in the Labor Insurance Act. The Company also offers employees with group insurance paid for by the Company. Family members of the employees can also enroll in the group insurance by paying the insurance fee.

In addition, to enhance the Company's competitiveness, we offer a complete training program for employees' career plans and professional capabilities. We also we provide performance bonuses and implement fair promotion systems for employees to enhance employees' cohesion.

### 2. Employee training

Nuvoton is committed to building a dual-track talent development system that emphasizes both professional advancement and management competency enhancement. Moreover, it plans learning pathways tailored to distinct talent attributes in alignment with organizational development strategies and short-term, medium-term, and long-term goals. Through the "Education and Training Management Program," Nuvoton has established a comprehensive learning environment, offering diversified learning models, including in-person training, live-streamed courses, and digital cloud learning, to foster the continuous development of employees' professional proficiencies and to nurture a corporate culture of "passionate learning".

To facilitate the seamless integration of new employees, Nuvoton designs tailored training courses based on job category and position requirements, with departmental supervisors and colleagues assisting newcomers in understanding Nuvoton's industry positioning and development direction. In addition, employees can participate in further education offered by consulting firms, training institutions, government, and business organizations according to their individual professional development needs, so as to strengthen their competencies and overall competitiveness. Nuvoton also provides English and Japanese learning resources, encouraging employees to enhance their international communication skills and broaden their global perspective.

The main learning channels are as follows:

(1) In-person Courses: In accordance with the annual plan, management, profession, quality control, occupational safety, and general training programs are provided, with elective courses available to employees as needed, including:

a) Management Training: Course design follows the management competency plan, covering management mindset and skill trainings for first line supervisors, internal management experience

sharing, and seminars offered by experts from industry, government, and academia, thereby enhancing management capabilities at all levels.

b) General, Quality Control, and Occupational Safety Training: Developed according to quality policies, government regulations, and corporate requirements, such as personal effectiveness series, team communication, gender equality and sexual harassment prevention promotion, ethical conduct seminars, and emergency response occupational safety training.

c) Professional Training: Designed to meet the professional needs of each business unit, including R&D design, application of digital tools, and thematic seminars, delivered by both internal and external experts.

d) New Employee Training: In addition to corporate culture, work regulations, and workplace adaptation, trainings on ESG, occupational safety, prevention of workplace misconduct, and AI digital tools are also covered, thereby fostering a healthy and safe working environment, helping new employees integrate into the workplace quickly, and empowering their ongoing learning.

e) Direct Personnel Training: It includes fundamental training tests for new hires and ongoing advanced skill tests to ensure continuous employee competency development.

(2) Cloud-based Learning Platform: Nuvoton's training platform provides a variety of online course information, encouraging employees to embrace active and passionate learning. Employees may access and select courses at any time and from any location, flexibly tailoring their learning to their individual needs. These courses cover a wide array: general courses on company environment and management systems; courses on compliance and code of conduct advocacy; courses on process R&D and quality training; data science, language, and other advanced electives.

(3) Lifelong Learning and Educational Subsidies: To foster long-term talent development, Nuvoton has established the "In-service Educational Subsidy Guidelines" and "Regulations on External Education and Training Application", encouraging employees to strengthen their professional and managerial capacities. Moreover, Nuvoton also provide employees with subsidies for external or overseas training related to work skills. Nuvoton has also introduced language learning platforms and offers language proficiency incentives to encourage employees to improve their foreign language abilities and strengthen the international competitiveness.

### 3. Retirement system and its implementation status

To provide security to employees in retirement and enhance their service during employment, the Company has established a retirement system pursuant to Labor Standards Act requirements that clearly states retirement conditions, payment standards and application processes and we have also established the Supervisory Committees of Labor Retirement Reserve in accordance with regulations. In addition, for employees that fit the criteria in the Labor Pension Act, the Company injects an additional 6% of the employee's monthly salary to his/her pension account at the Bureau of Labor Insurance.

(II) Licenses and certificates held by personnel involved in transparency of financial information:

| Licenses  | Number of licenses in 2024 |
|---|----------------------------|
| International Certified Internal Auditor (CIA)  | 3                          |
| International Computer Auditor (CISA)   | 1                          |
| Certified Public Accountant (CPA) of the Republic of China  | 5                          |
| United States Certified Public Accountant (US CPA)  | 1                          |
| International Certification in Control Self-Assessor (CCSA)   | 1                          |
| International Certification in Risk Management Assurance (CRMA)   | 1                          |
| Stock Affair Specialist Professional Competency Exam held by Securities and Futures Institute                         | 2                          |
| Qualification Exam for Securities Specialists/ Senior Securities Specialists held by Securities and Futures Institute | 4                          |
| Internal Control Professional Competency Exam held by Securities and Futures Institute                                | 3                          |
| Proficiency Exams for Corporate Governance held by Securities and Futures Institute                                   | 2                          |
| Bond Specialist Professional Competency Exam held by Securities and Futures Institute                                 | 1                          |
| ISO 14064-1 GHG inventory Lead Auditor  | 1                          |
| Sustainability information planner  | 1                          |

(III) Employer-employee relations and employee rights maintenance measures

1. Labor agreement status

The Company follows all labor laws and related regulations in all matters. Both labor and management follow rules stipulated in the work contract, work regulations and various management regulations. To facilitate friendly communication between labor and management, the Company holds labor-management meetings, and the departments hold periodical monthly meetings etc. to help both sides come to a consensus and enhance cooperation to achieve maximum mutual benefits for both parties. The Company has enjoyed harmonious relations between labor and management since its founding and there have been no major labor-management disputes or losses.

2. Employee benefit protection status

The Company has established comprehensive management rules governing the rights, obligations and benefits of employees. The Company also established complaint filing protocols and specialized processing windows to safeguard employee rights and benefits.

(IV) Losses arising as a result of employment disputes in the recent year up to the date of this report; quantify the estimated losses and state any response actions or state any reasons why losses cannot be reasonably estimated.

1. Loss caused by labor dispute during the current fiscal year up to the date of publication of the annual report: None
2. Estimated amount of losses that may be suffered due to labor disputes at present and in the future and the corresponding measures: The company holds regular “labor-management meetings” to promote the prosperity of the company and safeguard employee welfare, in hope



to reduce the occurrence of labor disputes through peaceful and rational dialogue between both parties.

(V) Employee code of conduct

The Company established comprehensive regulations management rules for employees' work ethics, intellectual property rights/trade secret protection and work rules, as described below:

1. Work ethics and conduct

- (1) Work rules: The Company's regulations contain dedicated service rules and general principles for prevention of sexual harassment.
- (2) Workplace sexual harassment prevention regulations: In accordance with relevant government laws and regulations, the Company has explicitly drafted workplace sexual harassment prevention regulations and has adopted appropriate prevention, correction, and punishment measures.
- (3) Employment contracts: We have implemented rules including loyalty in the execution of job functions and restrictions on dual employment and non- competition.

2. Rules for protection of intellectual property rights and maintenance of business secrets

- (1) Work rules: The Company's rules contain general principles for maintaining the confidentiality of business secrets.
- (2) Employment contracts: Employment contracts specify requirements concerning confidentiality duties, document ownership, secret information, ownership of intellectual or industrial property, and non-compete terms during the period of employment.
- (3) Legal software authorization statement and notice to employees: Agreements on legal software usage and respect for intellectual property rights are in place.

3. Work orders

- (1) Division of responsibilities: The "Guidelines for Hierarchy of Responsibility" specify the division of responsibilities and guide the performance of on-the-job duties.
- (2) Duties of individual units: The duties and tasks of each unit are clearly defined.
- (3) Restrictions on the hiring of relatives: The "restrictions on the hiring of relatives" specify that relatives should not be hired to fill certain positions. This is intended to ensure that the effectiveness and efficiency of the Company's internal management is not compromised unnecessarily by family relationships between employees.

(4) Attendance management

- A. "Request for leave regulations": These regulations explicitly state The Company's leave request principles and regulations.
- B. "Domestic travel regulations" and "foreign travel regulations": To facilitate personnel management and activate substitute mechanisms, the Company has established operating procedures for travel applications; To ensure that personnel taking business trips accomplish their missions, such personnel shall be given appropriate travel subsidies.
- C. "Overtime regulations": These regulations explicitly specify The Company's overtime principles and standards.
- D. "Regulations concerning work stoppages due to natural disasters and major accidents": These regulations explicitly state standards for work stoppages in the event of natural

disasters and major accidents.

(5) Performance management

"Performance management and evaluation regulations": These regulations seek to provide an understanding of employees' strengths and weaknesses, and help them to develop their personal abilities, by assessing the degree to which employees have achieved their personal goals; Employees' contributions to the organization are determined on the basis of mutual comparisons between peers.

(6) Reward and penalty regulations

The "Reward and penalty handling regulations" prescribe appropriate rewards or punishments for those employees who display superior performance or violate regulations and have the intent of encouraging and maintaining on-the-job morale and order.

(7) Manpower development

A. "In-service continuing education regulations": These regulations establish channels for continuing education, and have a goal of accumulating the human resources needed for the Company's long-term operations.

B. "External Education and Training Application Specification": Provide colleagues with multiple learning channels, use external learning resources to enrich professional knowledge and skills, and obtain the latest information in the field.

C. "Measure for Seminar Participation and Management ": Encourage colleagues to participate in international seminars to exchange professional knowledge and obtain the latest information in the field.

(8) Communication channels

A. "Corporate internal appeal regulations": These regulations provide employees with channels expressing their views and making appeals directly to the Company, maintain employees' rights and interests, and encourage communication of views.

B. "Implementation Measures for Labor-Management Conference": Establishing a good communication system between labors and management to eliminate labor disputes; using harmonious labor-management relations to promote productivity improvement.

VI. Information security management:

(I) Information Security Policy

Nuvoton Technology Corp. has established the "Nuvoton Information Security Policy" and "Information Security Management Measures" to uphold the confidentiality, integrity, and availability of all physical and electronic information. The Company is committed to ensuring compliance with laws, regulations, and relevant standards and regulations, while maintaining a secure information environment to protect company information and computer systems. This is done to ensure the protection of customer privacy and sensitive data. Additionally, the company has signed confidentiality agreements with vendors and customers to collectively safeguard confidential information and prevent improper disclosure of sensitive data.

In 2022, the company established a dedicated cybersecurity unit and appointed a manager to oversee information security-related matters. This unit is responsible for coordinating information

security-related tasks across the company and ensuring the effectiveness of the information security operations and risk management mechanisms.

## (II) Information Security Management Framework and Specific Management Effectiveness

The Company has obtained ISO 27001:2022 certification in 2024 (valid period: 2024.7.2-2027.7.1).

Furthermore, to continuously maintain product security, our company has obtained the Common Criteria EAL 4+ high-level certification from the international security organization. Our production processes adhere to the requirements of the Common Criteria organization, ensuring the production of products that meet internationally recognized security standards and protect customer information and assets. In addition to biennial on-site/remote audits conducted by external audit units, our company conducts regular Common Criteria standard awareness training for employees every year to enhance their product security awareness.

In response to remote work arrangements, our company has implemented mechanisms such as device management, identity authentication, multi-factor identification, and source address verification to mitigate information security risks associated with remote connections. We have also enhanced monitoring and reporting of cloud services to minimize the likelihood of abnormal intrusion behavior.

Our company conducts monthly information security awareness campaigns for employees, quarterly education training on information safety with testing requirements for employees to pass. We also issue announcements and provide education on emerging technologies and current events on an ad-hoc basis.

In addition, to maintain the systems for external services, our company utilizes cloud monitoring tools to scan in real-time for any significant risks. Upon discovery, immediate arrangements are made to address and update the systems within the shortest possible timeframe. For internal systems, vulnerability scanning tools are employed in conjunction with major risk notifications provided by Microsoft. Monthly schedules are set aside to install updates and patch vulnerabilities.

## (III) Input of information security management resources

The Company has an information security department set up to continuously enhance a defense in depth structure to prevent cyber attack and data breach. In addition, we strengthen authentication and detection of irregular login through the security mechanism of cloud service to reduce the risk of intrusion. Also, through self-constructed SIEM system, outsourced SOC service and cloud monitoring service, we strengthen the monitoring and reporting of suspicious activities. For the information management, we perform regular interior audits, backup and restore, offsite redundancy, cyber security emergency response and consistent operation drills.

Furthermore, our company shares information with third-party service providers to enable them to provide relevant services. We require these vendors to sign confidentiality agreements and establish joint defense mechanisms for information security. In the event that the systems, equipment, or services of these service providers are attacked, our company and the cooperating vendors can synchronize efforts to resolve issues promptly, thereby avoiding significant impacts on company operations.

In 2024, our company invested resources in information security management, with related expenses totaling approximately NT\$ 13,730,000 and human resources investment amounting to around 39 personnel.

(IV) Impact of material information security incidents and response measures

In 2024 and up to the date of report, the Company did not discover any information security incident that has caused materially adverse effect on Company business or operations.

VII. Important contracts:

| Nature of contract         | Contracting parties               | Commencement date/expiration date | Content              | Restriction clauses   |
|----------------------------|-----------------------------------|-----------------------------------|----------------------|---|
| Authorization contract     | Company A                         | 2008.07.01 ~ indefinite           | Technology licensing | The Company is prohibited from licensing third parties. The Company has the obligation of confidentiality |
| Authorization contract     | Company B                         | 2009.06.26 ~ indefinite           | Technology licensing | The Company is prohibited from licensing third parties. The Company has the obligation of confidentiality |
| Authorization contract     | Company C                         | 2009.11.12 ~ indefinite           | Technology licensing | The Company is prohibited from licensing third parties. The Company has the obligation of confidentiality |
| Authorization contract     | Company B                         | 2012.06.22 ~ indefinite           | Technology licensing | The Company is prohibited from licensing third parties. The Company has the obligation of confidentiality |
| Authorization contract     | Company B                         | 2016.03.29 ~ indefinite           | Technology licensing | The Company is prohibited from licensing third parties. The Company has the obligation of confidentiality |
| Authorization contract     | Microchip Technology Incorporated | 109.03.31 ~ Patent expired        | Patent licensing     | The Company is prohibited from licensing third parties.   |
| Lease contract             | Export-Import Bank of PRC         | 109.05.22 ~ 116.08.25             | Lease                | Payment of interest and repayment of loan in accordance with the contract.                                |
| Syndicated loan contract   | 7 banks                           | 110.05.17 ~ 115.05.16             | Loan                 | The Company has the obligation of confidentiality °   |
| Authorization contract     | Company D                         | 112.06.29 ~ 115.06.27             | Software licensing   | The Company has the obligation of confidentiality °   |
| Development Contract       | Company E                         | 2024.03.25 ~ 2026.08.13           | Development Contract | The Company has the obligation of confidentiality °   |
| Authorization contract     | Company B                         | 2024.08.01 ~ 2027.07.31           | Software licensing   | The Company has the obligation of confidentiality   |
| Authorization contract     | Company B                         | 2024.08.01 ~ 2027.07.31           | Software licensing   | The Company has the obligation of confidentiality   |
| Procurement/sales contract | Company F                         | 2025.01.21 ~ indefinite           | Issuance of bonds    | The Company has the obligation of confidentiality   |

# CH5

## Financial Position, Financial Performance and Risk Analysis

- I. Analysis of financial status (consolidated)
- II. Analysis of financial performance (consolidated)
- III. Cash flow analysis
- IV. Effect of major capital spending on financial position and business operation in the past year
- V. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year
- VI. Risk management and evaluation
- VII. Other important matters

## V. Financial Position, Financial Performance and Risk Analysis

### I. Analysis of financial status (consolidated)

Unit: NT\$1,000

| Item \ Year   | 2024        | 2023        | Difference      |            |
|---|-------------|-------------|-----------------|------------|
|   |             |             | Change (amount) | Change (%) |
| Current assets  | 17,603,267  | 19,199,465  | (1,596,198)     | (8%)       |
| Property, plant and equipment   | 6,186,683   | 5,785,697   | 400,986         | 7%         |
| Intangible assets   | 768,933     | 550,894     | 218,039         | 40%        |
| Other assets  | 5,737,537   | 6,204,138   | (466,601)       | (8%)       |
| Total assets  | 30,296,420  | 31,740,194  | (1,443,774)     | (5%)       |
| Current liabilities   | 10,430,853  | 8,180,808   | 2,250,045       | 28%        |
| Non-current liabilities   | 4,202,530   | 6,828,342   | (2,625,812)     | (38%)      |
| Total liabilities   | 14,633,383  | 15,009,150  | (375,767)       | (3%)       |
| Capital Stock   | 4,197,653   | 4,197,653   | -               | -          |
| Capital surplus   | 6,997,593   | 6,995,630   | 1,963           | -          |
| Retained earnings   | 5,681,829   | 6,728,580   | (1,046,751)     | (16%)      |
| Other interests   | (1,214,038) | (1,190,819) | (23,219)        | 2%         |
| Total equity  | 15,663,037  | 16,731,044  | (1,068,007)     | (6%)       |
| Reasons for changes exceeding 20%:  |             |             |                 |            |
| 1. Intangible assets: generated by obtaining deferred technology proprietorship assets in 2024. |             |             |                 |            |
| 2. Current liabilities: generated by borrowing short-term loans in 2024.                        |             |             |                 |            |
| 3. Non-current liabilities: generated by decrease of guarantee deposit received.                |             |             |                 |            |

## II. Analysis of financial performance (consolidated)

Unit: NT\$1,000

| Item \ Year  | 2024              | 2023              | Change<br>(amount) | Percentage of<br>change (%) |
|--|-------------------|-------------------|--------------------|-----------------------------|
| Operating revenue  | 31,923,290        | 35,348,149        | (3,424,859)        | (10)                        |
| Operating cost   | <u>19,826,750</u> | <u>21,005,496</u> | (1,178,746)        | (6)                         |
| Gross profit   | 12,096,540        | 14,342,653        | (2,246,113)        | (16)                        |
| Operating expenses   | <u>12,083,707</u> | <u>12,652,470</u> | (568,763)          | (4)                         |
| Operating profits  | 12,833            | 1,690,183         | (1,677,350)        | (99)                        |
| Non-operating income and expenses  | <u>386,835</u>    | <u>1,036,421</u>  | (649,586)          | (63)                        |
| Pre-tax profit   | 399,668           | 2,726,604         | (2,326,936)        | (85)                        |
| Income tax expense   | <u>179,819</u>    | <u>306,170</u>    | (126,351)          | (41)                        |
| Net profit of the term   | 219,849           | 2,420,434         | (2,200,585)        | (91)                        |
| Other comprehensive income of the term   | <u>(30,523)</u>   | <u>( 440,774)</u> | 410,251            | (93)                        |
| Total comprehensive income of the term   | <u>189,326</u>    | <u>1,979,660</u>  | (1,790,334)        | (90)                        |
| Reasons for changes exceeding 20%:   |                   |                   |                    |                             |
| 1. Operating Profit, Pre-tax profit, Income Tax Expense, and Net Profit for the Term Decrease: Primarily due to a decrease in operating profit in 2024, influenced by macroeconomic factors. |                   |                   |                    |                             |
| 2. Increase in Non-operating Income and Expenses: Mainly due to disposal of real estates; less profits in plants and equipment.  |                   |                   |                    |                             |
| 3. Decrease in Other Comprehensive Income: Primarily due to a decrease in exchange differences from the translation of financial statements of foreign operations.                           |                   |                   |                    |                             |

## III. Cash flow analysis

Unit: NT\$1,000

| Cash balance,<br>beginning   | Annual net cash<br>flow from<br>operating<br>activities | Cash outflow due<br>to investing and<br>financing<br>activities | Cash surplus<br>(deficit) | Remedial measures for cash<br>deficit |                    |
|--|---|---|---------------------------|---------------------------------------|--------------------|
|  |   |   |                           | Investment<br>plans                   | Financing<br>plans |
| 6,325,394  | 1,685,677   | (2,307,178)   | 5,703,893                 | -                                     | -                  |
| 1. Analysis on the cash flow changes of the current year:  |   |   |                           |                                       |                    |
| (1) Operating activities: Mainly due to operating profits in 2024.   |   |   |                           |                                       |                    |
| (2) Investing activities: Mainly due to gaining real estates, plants and intangible assets in 2024.  |   |   |                           |                                       |                    |
| (3) Financing activities: Mainly due to distribution of dividends in cash in 2024.   |   |   |                           |                                       |                    |
| 2. Remedial measures for cash deficit and liquidity analysis: Not applicable.  |   |   |                           |                                       |                    |
| 3. Cash flow analysis for the coming year: Net cash inflow from operating activities of the Company and subsidiaries for the coming year is estimated at NT\$ 3.265 billion, and net cash inflow due to investing and fundraising activities is estimated at NT\$ 6.0532 billion; mainly to be used for issuance of overseas convertible corporate bonds, capital expenditures and cash dividends. |   |   |                           |                                       |                    |

Note: Not certified by CPA yet.

## IV. Effect of major capital spending on financial position and business operation in the past year:

1. Major capital spending and its implementation status: N/A.
2. Major capital spending and its implementation status: N/A.

## V. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year: The Company's reinvestment projects are divided into strategic investments and non- strategic investments. The objective of strategic investments is to produce

comprehensive results for the operation of the Company, and non-strategic investments are financial in nature. The Company will formulate plans in the future as required by company operations.

## VI. Risk management and evaluation

(I) Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures:

### 1. Effects of changes in interest rates:

The Company currently operates mainly on own funds. Thus, changes in interest rates are not expected to produce significant impact on the operations of the Company. The Company maintains friendly relations with multiple financial institutions that offer preferred interest rates when the need for capital arises; changes in interest rates are not expected to produce significant impact on Company's cost of operation. However, the Company will continue to watch closely the effect of interest rate movement on Company operations.

### 2. Effects of changes in exchange rates:

Nuvoton's exchange rate risks are mainly derived from operating activities. Regarding the exchange rate risks associated with purchases or sales in currency valuation, the Company offsets foreign currency assets and liabilities to achieve balance and maintains close communication with financial institutions to continue to observe changes in exchange rates and lower exchange rate variation risks. The Company will continue to adopt the following response actions for exchange rate risks:

- A. Engage in financial derivatives transactions for the main purpose of hedging risks derived from business operations and choose financial derivative products to primarily hedge the risks associated with the Company's business operations. In the selection of trading counterparty, give primary consideration to credit risk to avoid loss arising from counterparty's failure to perform its contractual obligation. In addition, the Company shall choose as its partners the financial institutions with low credit risk, good relationship with the Company, and the capability to provide the Company with professional information.
- B. The Company keeps abreast of financial market information, predicts market trends, gets familiar with financial products and related regulations and trading techniques, and provides full and timely information to the management and relevant departments for reference.
- C. The Company sets the limit of unrealized loss on all financial derivatives contracts to 20% of the contract values or 3% of owners' equity, whichever is



lower. The Company's finance unit evaluates the Company's position on financial derivatives every month and produces a report therefor, which is submitted to the head of finance and senior management authorized by the Board of Directors for review in the hope to predict the risk of each transaction and potential loss.

### 3. Inflation:

As domestic and global inflation turned for the worse in 2023, the Company actively manages and controls cost and operating expenditures to reduce the impact of inflation on operations.

#### (II) Policies, main causes of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions:

The Company has not engaged in any high-risk, high-leverage investment, or loans to other parties. The Company's derivatives trading policy aims to hedge against the risks derived from business operations and reduce the risk of fair value fluctuation for assets and liabilities actually owned by the Company under the objective of economic hedge and the resulting loss or income in exchange rates are entirely manageable. The Company has established "Procedures for the Acquisition or Disposal of Assets Procedures," "Procedures for Lending Funds to Other Parties," "Rules for Endorsements and Guarantees", and "Procedures for Engaging in Derivatives Transactions" as the basis for related transactions to control and manage financial transaction risks.

#### (III) Future R&D Programs and Expected R&D Investment

The Company's future R&D undertaking will continue to focus on the research of low-power, information security, high-speed CPU core platforms, and innovative IP technology. We shall strengthen compliance with high standards and high reliability in international standards and introduce advanced process platforms. We shall enhance capabilities in IoT, energy-efficient consumer electronics, industrial control, and automotive electronics and continue to expand the customer base and applications to adapt to future changes in the industry. The Company will also carry out R&D for cloud computing and PC devices, and focus on security management, user experience, and energy conservation to expand production lines and applications based on the solid foundation of existing operations. The total 2025 R&D expenditure for the preceding application products is estimated at NT\$9.5 billion.

#### (IV) Major changes in government policies and laws at home and broad, the impact on Company finance and business, and response measures:

The Company's operation policies must follow laws and regulations and the Company must also watch closely the important shifts in policies and laws at home and abroad and

consult related experts for their opinion when necessary to take appropriate response measures. As of the date of report, the Company finance and business have not been affected by major changes in government policies and laws at home and abroad.

- (V) Impact of recent technological and market changes on the Company's finance and business, and response measures:

The Company watches closely technological and market changes, and will, in view of the circumstances, assign staff or a project team to study and evaluate the impact of those changes on the Company's development, finance and business in the future as well as response measures. As of the date of report, there have not been significant technological changes that may produce material impact on the Company's finance and business.

- (VI) Impact of corporate image change on risk management and response measures:

The Company is focused on the operation of its main business and internal auditing to comply with applicable laws and regulations. As of the date of report, the Company has been free of events that affect corporate image.

- (VII) The expected benefits and possible risks of mergers and acquisitions as well as the responding measures: Not applicable

- (VIII) Expected benefits and possible risks of factory expansions as well as the response measures: Not applicable.

- (IX) Risks associated with over-concentration in purchase or sale and response measures:

The Company's purchasing is concentrated due to considerations given to product quality, preferred purchasing price, and stable supply at the time of shortage. Still for purchase management, the Company maintains at least two suppliers to avoid risks resulting from over-concentration in purchasing. There is no over-concentration of sales for the Company and we continue to develop new products as well as long-term strategic cooperation with customers of excellent financial background to lower the risks of over-concentration of sales.

- (X) Impact of mass transfer of equity by or change of Directors, supervisors, or shareholders holding more than 10% interest on the Company, associated risks and response measures: N/A.

- (XI) The effects that change in management has on the Company as well as risk and responding measures: Not applicable.

- (XII) Litigation or non-litigation events:

1. The Company's concluded or pending litigious, non-litigious or administrative litigation event as of the date of report:

None.

With the exception of the aforementioned legal cases, there were no major legal cases in which the Company is a principal as of the date of this report.

2. The outcome of concluded or pending litigious, non-litigious, or administrative litigation events involving the Director, supervisor, president, de facto responsible person, major shareholders holding more than 10% interest, or subsidiary of the Company:

None.

Except the foregoing law cases, there is no major law case with the subject being the Company's directors, supervisors, general manager, actual principal, major shareholders and subsidiaries holding more than 10% equity as of the publication of the annual report.

(XIII) Risk management organization framework:

The Company's risk management tasks are dispersed among different functions inside the Company. The Company has established sound internal management guidelines and operating procedures and has developed comprehensive plans and processes for risk aversion, loss prevention and crisis management. In addition, the Company's management keeps continuous watch over changes in the macroeconomic environment that might affect the Company business and operations and has assigned staff to make planning and formulate response actions against all kinds of contingencies to reduce operational uncertainties to the minimum.

(XIV) Other significant risks and response measures:

The Company was free of any situation described above in the past year and up to the date of report.

VII. Other important matters: N/A.

CH6

Special Disclosures

- I. Profiles on affiliates and subsidiaries
- II. Progress of private placement of securities during the latest year and up to the date of report
- III. Other supplemental information
- IV. Corporate events with material impact on shareholders' equity or stock prices set forth in Subparagraph 2, Paragraph 3, Article 36 of Securities and Exchange Act in the past year and up to the date of report

## Chapter 6 Special Disclosures

### I. Profiles on affiliates and subsidiaries

(I) Consolidated Operation Report of Affiliates: Please refer to the Market Observation Post SystemPublic

(II) Consolidated Financial Statement of Affiliates: Please refer to the Market Observation Post SystemPublic

(III) Affiliation Report: Please refer to the Market Observation Post SystemPublic

### II. Progress of private placement of securities during the latest year and up to the date of report: N/A

### III. Other supplemental information: N/A

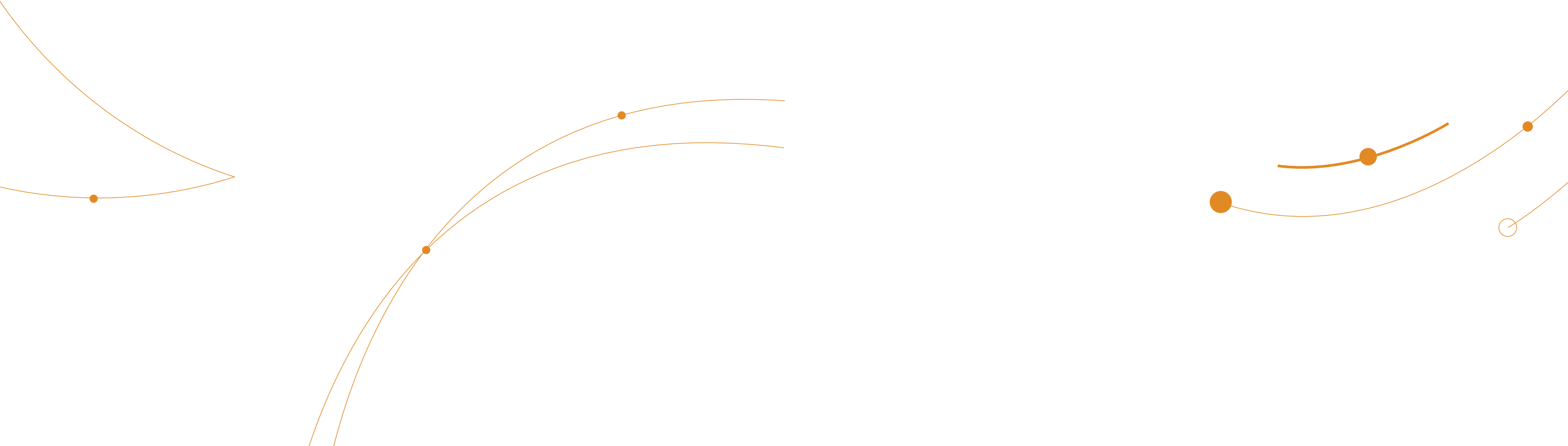
### IV. Corporate events with material impact on shareholders' equity or stock prices set forth in Subparagraph 2, Paragraph 3, Article 36 of Securities and Exchange Act in the past year and up to the date of report: N/A



# CH7

## Financial Information

- I. Name and audit opinions of CPAs in recent five years
- II. Four Major Statements of the 2024 Consolidated Financial Reports
- III. Four Major Statements of the 2024 Standalone Financial Reports



## Chapter 7 Financial Information

### I. Name and audit opinions of CPAs in recent five years

| Year | Nam of Firm       | Name of CPAs                                       | Audit Opinions      |
|------|-------------------|--|---------------------|
| 2020 | Deloitte & Touche | Shu-Lin Liu, Accountant<br>Hung-Bin Yu, Accountant | Unqualified opinion |
| 2021 | Deloitte & Touche | K. T. Hong, Accountant<br>Shu-Lin Liu, Accountant  | Unqualified opinion |
| 2022 | Deloitte & Touche | K. T. Hong, Accountant<br>Shu-Lin Liu, Accountant  | Unqualified opinion |
| 2023 | Deloitte & Touche | K. T. Hong, Accountant<br>Shu-Lin Liu, Accountant  | Unqualified opinion |
| 2024 | Deloitte & Touche | K. T. Hong, Accountant<br>Shu-Lin Liu, Accountant  | Unqualified opinion |

**NUVOTON TECHNOLOGY CORP. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****DECEMBER 31, 2024 AND 2023****(In Thousands of New Taiwan Dollars)**

|  | 2024                 |            | 2023                 |            |
|--|----------------------|------------|----------------------|------------|
|  | Amount               | %          | Amount               | %          |
| <b>ASSETS</b>  |                      |            |                      |            |
| <b>CURRENT ASSETS</b>  |                      |            |                      |            |
| Cash and cash equivalents (Notes 4 and 6)  | \$ 5,703,893         | 19         | \$ 6,325,394         | 20         |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7)                        | -                    | -          | 22,422               | -          |
| Accounts receivable, net (Notes 4 and 8)   | 3,599,975            | 12         | 4,092,482            | 13         |
| Accounts receivable from related parties, net (Notes 4, 8 and 34)                                      | 4,294                | -          | 29,523               | -          |
| Finance lease receivables - current (Notes 4, 9 and 34)  | 22,506               | -          | 92,088               | -          |
| Other receivables (Notes 10 and 34)  | 397,508              | 1          | 412,575              | 1          |
| Inventories (Notes 4 and 11)   | 7,125,739            | 24         | 7,756,366            | 24         |
| Other current assets   | <u>749,352</u>       | <u>2</u>   | <u>468,615</u>       | <u>2</u>   |
| Total current assets   | <u>17,603,267</u>    | <u>58</u>  | <u>19,199,465</u>    | <u>60</u>  |
| <b>NON-CURRENT ASSETS</b>  |                      |            |                      |            |
| Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)                    | -                    | -          | 76,763               | -          |
| Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)       | 1,465,106            | 5          | 1,348,557            | 4          |
| Investments accounted for using equity method (Notes 4 and 13)   | 1,887,907            | 6          | 1,824,673            | 6          |
| Property, plant and equipment (Notes 4, 14, 34 and 35)   | 6,186,683            | 20         | 5,785,697            | 18         |
| Right-of-use assets (Notes 4, 15 and 34)   | 489,822              | 2          | 520,912              | 2          |
| Investment properties (Notes 4, 16 and 35)   | 1,369,827            | 4          | 1,549,000            | 5          |
| Intangible assets (Notes 4 and 17)   | 768,933              | 3          | 550,894              | 2          |
| Deferred tax assets (Notes 4 and 26)   | 166,861              | 1          | 226,001              | 1          |
| Refundable deposits (Notes 6, 34 and 35)   | 142,216              | -          | 275,294              | 1          |
| Finance lease receivables - non-current (Notes 4, 9 and 34)  | -                    | -          | 23,289               | -          |
| Other non-current assets   | <u>215,798</u>       | <u>1</u>   | <u>359,649</u>       | <u>1</u>   |
| Total non-current assets   | <u>12,693,153</u>    | <u>42</u>  | <u>12,540,729</u>    | <u>40</u>  |
| <b>TOTAL</b>   | <u>\$ 30,296,420</u> | <u>100</u> | <u>\$ 31,740,194</u> | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>  |                      |            |                      |            |
| <b>CURRENT LIABILITIES</b>   |                      |            |                      |            |
| Short-term borrowings (Notes 18, 34 and 35)  | \$ 2,119,990         | 7          | \$ 1,064,280         | 3          |
| Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)                   | 38,033               | -          | 786                  | -          |
| Accounts payable   | 1,451,853            | 5          | 1,304,407            | 4          |
| Accounts payable to related parties (Note 34)  | 1,044,983            | 3          | 778,160              | 3          |
| Other payables (Notes 19 and 34)   | 3,612,048            | 12         | 3,969,136            | 13         |
| Current tax liabilities (Notes 4 and 26)   | 243,168              | 1          | 305,031              | 1          |
| Lease liabilities - current (Notes 4, 15 and 34)   | 164,023              | -          | 156,298              | 1          |
| Long-term borrowings - current (Note 18)   | 285,714              | 1          | 142,857              | -          |
| Other current liabilities (Note 20)  | <u>1,471,041</u>     | <u>5</u>   | <u>459,853</u>       | <u>1</u>   |
| Total current liabilities  | <u>10,430,853</u>    | <u>34</u>  | <u>8,180,808</u>     | <u>26</u>  |
| <b>NON-CURRENT LIABILITIES</b>   |                      |            |                      |            |
| Long-term borrowings (Note 18)   | 571,429              | 2          | 857,143              | 3          |
| Provisions - non-current (Note 21)   | 1,870,076            | 6          | 2,235,033            | 7          |
| Deferred tax liabilities (Notes 4 and 26)  | 62,373               | -          | 77,953               | -          |
| Lease liabilities - non-current (Notes 4, 15 and 34)   | 337,069              | 1          | 384,600              | 1          |
| Net defined benefit liabilities - non-current (Notes 4 and 22)   | 1,044,114            | 4          | 1,370,333            | 4          |
| Guarantee deposits (Notes 4, 23 and 34)  | 264,495              | 1          | 1,845,998            | 6          |
| Other non-current liabilities  | <u>52,974</u>        | <u>-</u>   | <u>57,282</u>        | <u>-</u>   |
| Total non-current liabilities  | <u>4,202,530</u>     | <u>14</u>  | <u>6,828,342</u>     | <u>21</u>  |
| Total liabilities  | <u>14,633,383</u>    | <u>48</u>  | <u>15,009,150</u>    | <u>47</u>  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>  |                      |            |                      |            |
| Share capital (Note 24)  | 4,197,653            | 14         | 4,197,653            | 14         |
| Capital surplus (Note 24)  | 6,997,593            | 23         | 6,995,630            | 22         |
| Retained earnings (Note 24)  |                      |            |                      |            |
| Legal reserve  | 1,693,267            | 6          | 1,447,316            | 5          |
| Special reserve  | 1,190,819            | 4          | 710,979              | 2          |
| Unappropriated earnings  | 2,797,743            | 9          | 4,570,285            | 14         |
| Exchange differences on translation of financial statements of foreign operations (Notes 4 and 24)     | (1,617,353)          | (5)        | (1,556,260)          | (5)        |
| Unrealized gains on financial assets at fair value through other comprehensive income (Notes 4 and 24) | <u>403,315</u>       | <u>1</u>   | <u>365,441</u>       | <u>1</u>   |
| Total equity   | <u>15,663,037</u>    | <u>52</u>  | <u>16,731,044</u>    | <u>53</u>  |
| <b>TOTAL</b>   | <u>\$ 30,296,420</u> | <u>100</u> | <u>\$ 31,740,194</u> | <u>100</u> |

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



# NUVOTON TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

|  | 2024              |           | 2023              |            |
|--|-------------------|-----------|-------------------|------------|
|  | Amount            | %         | Amount            | %          |
| OPERATING REVENUE (Notes 25 and 34)  | \$ 31,923,290     | 100       | \$ 35,348,149     | 100        |
| OPERATING COST (Notes 11, 27 and 34)                                       | <u>19,826,750</u> | <u>62</u> | <u>21,005,496</u> | <u>59</u>  |
| GROSS PROFIT   | <u>12,096,540</u> | <u>38</u> | <u>14,342,653</u> | <u>41</u>  |
| OPERATING EXPENSES (Notes 27 and 34)                                       |                   |           |                   |            |
| Selling expenses   | 989,550           | 3         | 972,814           | 3          |
| General and administrative expenses  | 2,318,074         | 7         | 2,545,425         | 7          |
| Research and development expenses  | 8,775,360         | 28        | 9,124,732         | 26         |
| Expected credit loss (gain)  | <u>723</u>        | <u>-</u>  | <u>9,499</u>      | <u>-</u>   |
| Total operating expenses   | <u>12,083,707</u> | <u>38</u> | <u>12,652,470</u> | <u>36</u>  |
| PROFIT FROM OPERATIONS   | <u>12,833</u>     | <u>-</u>  | <u>1,690,183</u>  | <u>5</u>   |
| NON-OPERATING INCOME AND EXPENSES<br>(Notes 4 and 34)                      |                   |           |                   |            |
| Finance costs  | (46,435)          | -         | (45,759)          | -          |
| Share of profit (loss) of associates                                       | 112,862           | -         | 162,270           | -          |
| Interest income  | 168,402           | 1         | 190,134           | 1          |
| Dividend income  | 64,294            | -         | 71,728            | -          |
| Other gains and losses   | 45,352            | -         | 40,651            | -          |
| Gains (losses) on disposal of property, plant and<br>equipment             | 94,270            | -         | 646,211           | 2          |
| Foreign exchange gains (losses)  | 87,161            | -         | 77,808            | -          |
| Gains (losses) on financial assets at fair value<br>through profit or loss | <u>(139,071)</u>  | <u>-</u>  | <u>(106,622)</u>  | <u>-</u>   |
| Total non-operating income and expenses                                    | <u>386,835</u>    | <u>1</u>  | <u>1,036,421</u>  | <u>3</u>   |
| PROFIT BEFORE INCOME TAX   | 399,668           | 1         | 2,726,604         | 8          |
| INCOME TAX EXPENSE (Notes 4 and 26)  | <u>(179,819)</u>  | <u>-</u>  | <u>(306,170)</u>  | <u>(1)</u> |
| NET PROFIT FOR THE YEAR  | <u>219,849</u>    | <u>1</u>  | <u>2,420,434</u>  | <u>7</u>   |

(Continued)

# NUVOTON TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

|   | 2024              |          | 2023                |            |
|---|-------------------|----------|---------------------|------------|
|   | Amount            | %        | Amount              | %          |
| OTHER COMPREHENSIVE INCOME (LOSS)   |                   |          |                     |            |
| (Note 24)   |                   |          |                     |            |
| Items that will not be reclassified subsequently to profit or loss:   |                   |          |                     |            |
| Remeasurement of defined benefit plans (Notes 4 and 22)   | \$ (6,812)        | -        | \$ 41,748           | -          |
| Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income | 37,874            | -        | 70,809              | -          |
| Income tax related to items that will not be reclassified subsequently to profit or loss                        | (492)             | -        | (2,682)             | -          |
| Items that may be reclassified subsequently to profit or loss:  |                   |          |                     |            |
| Exchange differences on translation of the financial statements of foreign operations                           | <u>(61,093)</u>   | <u>-</u> | <u>(550,649)</u>    | <u>(1)</u> |
| Other comprehensive income (loss) for the year, net of income tax   | <u>(30,523)</u>   | <u>-</u> | <u>(440,774)</u>    | <u>(1)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR   | <u>\$ 189,326</u> | <u>1</u> | <u>\$ 1,979,660</u> | <u>6</u>   |
| EARNINGS PER SHARE (Notes 4 and 28)   |                   |          |                     |            |
| From continuing operations  |                   |          |                     |            |
| Basic   | <u>\$ 0.52</u>    |          | <u>\$ 5.77</u>      |            |
| Diluted   | <u>\$ 0.52</u>    |          | <u>\$ 5.75</u>      |            |

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

# NUVOTON TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (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 24)  |  |                 |                   |                 |                         |   |  |               |              |
| Legal reserve   | -  | -               | 488,756           | -               | (488,756)               | -   | -  | -             |              |
| Special reserve   | -  | -               | -                 | 710,979         | (710,979)               | -   | -  | -             |              |
| Cash dividends  | -  | -               | -                 | -               | (2,938,357)             | -   | -  | (2,938,357)   |              |
| Total appropriation earnings  | -  | -               | 488,756           | 710,979         | (4,138,092)             | -   | -  | (2,938,357)   |              |
| Net profit for the year ended December 31, 2023   | -  | -               | -                 | -               | 2,420,434               | -   | -  | 2,420,434     |              |
| Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax | -  | -               | -                 | -               | 39,066                  | (550,649)   | 70,809   | (440,774)     |              |
| Total comprehensive income (loss) for the year ended December 31, 2023                    | -  | -               | -                 | -               | 2,459,500               | (550,649)   | 70,809   | 1,979,660     |              |
| Unclaimed dividends from claims extinguished by prescriptions                             | -  | 22              | -                 | -               | -                       | -   | -  | 22            |              |
| Share-based payment transaction (Note 30)   | -  | 3,380           | -                 | -               | -                       | -   | -  | 3,380         |              |
| Disposal of subsidiaries (Note 31)  | -  | 120,401         | -                 | -               | -                       | -   | -  | 120,401       |              |
| BALANCE AT DECEMBER 31, 2023  | 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 24)  |  |                 |                   |                 |                         |   |  |               |              |
| Legal reserve   | -  | -               | 245,951           | -               | (245,951)               | -   | -  | -             |              |
| Special reserve   | -  | -               | -                 | 479,840         | (479,840)               | -   | -  | -             |              |
| Cash dividends  | -  | -               | -                 | -               | (1,259,296)             | -   | -  | (1,259,296)   |              |
| Total appropriation earnings  | -  | -               | 245,951           | 479,840         | (1,985,087)             | -   | -  | (1,259,296)   |              |
| Net profit for the year ended December 31, 2024   | -  | -               | -                 | -               | 219,849                 | -   | -  | 219,849       |              |
| Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax | -  | -               | -                 | -               | (7,304)                 | (61,093)  | 37,874   | (30,523)      |              |
| Total comprehensive income (loss) for the year ended December 31, 2024                    | -  | -               | -                 | -               | 212,545                 | (61,093)  | 37,874   | 189,326       |              |
| Unclaimed dividends from claims extinguished by prescriptions                             | -  | 20              | -                 | -               | -                       | -   | -  | 20            |              |
| Share-based payment transaction (Note 30)   | -  | 1,943           | -                 | -               | -                       | -   | -  | 1,943         |              |
| BALANCE AT DECEMBER 31, 2024  | \$ 4,197,653                                 | \$ 6,997,593    | \$ 1,693,267      | \$ 1,190,819    | \$ 2,797,743            | \$ (1,617,353)  | \$ 403,315   | \$ 15,663,037 |              |

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

# NUVOTON TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

|   | 2024       | 2023         |
|---|------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |            |              |
| Profit before income tax  | \$ 399,668 | \$ 2,726,604 |
| Adjustments for:  |            |              |
| Depreciation expense  | 1,234,389  | 1,152,906    |
| Amortization expense  | 368,741    | 341,176      |
| Expected credit loss recognized on accounts receivable                                      | 723        | 9,499        |
| Finance costs   | 46,435     | 45,759       |
| Interest income   | (168,402)  | (190,134)    |
| Dividend income   | (64,294)   | (71,728)     |
| Compensation costs of share-based payment transaction                                       | 1,943      | 3,380        |
| Share of (profit) loss of associates  | (112,862)  | (162,270)    |
| (Gains) losses on disposal of property, plant and equipment                                 | (94,270)   | (646,211)    |
| Gain on lease modification  | (9,348)    | (25,693)     |
| Government grants   | (11,473)   | -            |
| Other adjustment to reconcile losses  | 1,978      | 591          |
| Changes in operating assets and liabilities   |            |              |
| (Increase) decrease in financial assets at fair value through profit or loss                | 57,307     | (26,142)     |
| (Increase) decrease in accounts receivable  | 99,574     | (1,099,561)  |
| (Increase) decrease in accounts receivable from related parties                             | 25,229     | 739,188      |
| (Increase) decrease in other receivables  | 42,583     | (145,632)    |
| (Increase) decrease in inventories  | 630,627    | 146,920      |
| (Increase) decrease in other current assets   | (114,378)  | (19,467)     |
| (Increase) decrease in other non-current assets   | 52,949     | (259,337)    |
| Increase (decrease) in accounts payable   | 209,978    | (1,034,931)  |
| Increase (decrease) in accounts payable to related parties                                  | 266,823    | 30,443       |
| Increase (decrease) in other payables   | (438,827)  | (464,364)    |
| Increase (decrease) in provisions   | (299,225)  | (232,836)    |
| Increase (decrease) in other current liabilities  | (116,979)  | (178,152)    |
| Increase (decrease) in net defined benefit liabilities                                      | (298,838)  | 562          |
| Increase (decrease) in other non-current liabilities  | (4,308)    | 7,197        |
| Cash flows generated from operations  | 1,705,743  | 647,767      |
| Interest received   | 171,900    | 185,020      |
| Interest paid   | (44,353)   | (43,966)     |
| Income tax paid   | (211,907)  | (728,462)    |
| Dividend received   | 64,294     | 71,728       |
| Net cash flows generated from operating activities  | 1,685,677  | 132,087      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |            |              |
| Acquisition of financial assets at fair value through other comprehensive income            | (30,000)   | -            |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 30,000     | -            |

(Continued)

# NUVOTON TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

|  | 2024                       | 2023                       |
|--|----------------------------|----------------------------|
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | \$ 450                     | \$ 2,000                   |
| Acquisition of investments accounted for using equity method   | -                          | (59,586)                   |
| Proceeds from disposal of subsidiaries   | -                          | 196,798                    |
| (Increase) decrease in finance lease receivables   | 67,120                     | 94,491                     |
| (Increase) decrease in other receivables - time deposits   | (278)                      | 48,830                     |
| Acquisition of property, plant and equipment   | (1,552,671)                | (1,042,315)                |
| Proceeds from disposal of property, plant and equipment  | 100,333                    | 696,675                    |
| Acquisition of intangible assets   | (471,667)                  | (320,122)                  |
| (Increase) decrease in refundable deposits paid  | (2,693)                    | (5,981)                    |
| Proceeds from government grants  | <u>21,000</u>              | <u>-</u>                   |
| Net cash flows used in investing activities  | <u>(1,838,406)</u>         | <u>(389,210)</u>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                            |                            |
| Proceeds from short-term borrowings  | 9,574,520                  | 6,148,050                  |
| Repayment of short-term borrowings   | (8,469,210)                | (6,077,970)                |
| Repayment of long-term borrowings  | (142,857)                  | (500,000)                  |
| (Repayments of) proceeds from guarantee deposits received  | (78,429)                   | 64,823                     |
| Repayments of the principal portion of lease liabilities   | (191,864)                  | (184,100)                  |
| 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>(567,136)</u>           | <u>(3,487,554)</u>         |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>             |                            |                            |
|  | <u>98,364</u>              | <u>(328,114)</u>           |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>   | <b>(621,501)</b>           | <b>(4,072,791)</b>         |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>  | <u><b>6,325,394</b></u>    | <u><b>10,398,185</b></u>   |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | <u><b>\$ 5,703,893</b></u> | <u><b>\$ 6,325,394</b></u> |

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

(Concluded)

**NUVOTON TECHNOLOGY CORP.**

**PARENT COMPANY ONLY BALANCE SHEETS**

**DECEMBER 31, 2024 AND 2023**

**(In Thousands of New Taiwan Dollars)**

| ASSETS   | 2024                 |            | 2023                 |            |
|--|----------------------|------------|----------------------|------------|
|  | Amount               | %          | Amount               | %          |
| CURRENT ASSETS   |                      |            |                      |            |
| Cash and cash equivalents (Notes 4 and 6)  | \$ 966,717           | 5          | \$ 2,434,419         | 10         |
| Financial assets at fair value through profit or loss - current (Notes 4 and 7)                        | -                    | -          | 8,686                | -          |
| Accounts receivable, net (Notes 4 and 8)   | 924,929              | 4          | 837,845              | 4          |
| Accounts receivable from related parties, net (Notes 4, 8 and 29)                                      | 1,615,988            | 7          | 1,591,869            | 7          |
| Other receivables (Note 29)  | 83,929               | 1          | 59,622               | -          |
| Inventories (Notes 4 and 9)  | 3,337,492            | 15         | 3,286,830            | 14         |
| Other current assets   | <u>505,771</u>       | <u>2</u>   | <u>307,513</u>       | <u>1</u>   |
| Total current assets   | <u>7,434,826</u>     | <u>34</u>  | <u>8,526,784</u>     | <u>36</u>  |
| NON-CURRENT ASSETS   |                      |            |                      |            |
| Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)                    | -                    | -          | 76,763               | -          |
| Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 10)       | 1,382,936            | 6          | 1,215,897            | 5          |
| Investments accounted for using equity method (Notes 4 and 11)   | 11,785,340           | 53         | 12,389,971           | 52         |
| Property, plant and equipment (Notes 4 and 12)   | 847,483              | 4          | 824,617              | 3          |
| Right-of-use assets (Notes 4, 13 and 29)   | 111,089              | -          | 146,696              | 1          |
| Intangible assets (Notes 4 and 14)   | 345,972              | 2          | 357,413              | 2          |
| Deferred tax assets (Notes 4 and 21)   | 51,000               | -          | 99,000               | -          |
| Refundable deposits (Notes 29 and 30)  | <u>112,834</u>       | <u>1</u>   | <u>247,873</u>       | <u>1</u>   |
| Total non-current assets   | <u>14,636,654</u>    | <u>66</u>  | <u>15,358,230</u>    | <u>64</u>  |
| TOTAL  | <u>\$ 22,071,480</u> | <u>100</u> | <u>\$ 23,885,014</u> | <u>100</u> |
| LIABILITIES AND EQUITY   |                      |            |                      |            |
| CURRENT LIABILITIES  |                      |            |                      |            |
| Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)                   | \$ 6,316             | -          | \$ 354               | -          |
| Accounts payable   | 961,157              | 4          | 774,153              | 3          |
| Accounts payable to related parties (Note 29)  | 858,174              | 4          | 1,040,471            | 4          |
| Other payables (Notes 16 and 29)   | 1,654,622            | 8          | 1,591,367            | 7          |
| Current tax liabilities (Notes 4 and 21)   | 205,098              | 1          | 238,919              | 1          |
| Lease liabilities - current (Notes 4, 13 and 29)   | 25,801               | -          | 42,061               | -          |
| Current portion of long-term borrowings (Note 15)  | 285,714              | 1          | 142,857              | 1          |
| Other current liabilities (Note 17)  | <u>1,234,515</u>     | <u>6</u>   | <u>255,521</u>       | <u>1</u>   |
| Total current liabilities  | <u>5,231,397</u>     | <u>24</u>  | <u>4,085,703</u>     | <u>17</u>  |
| NON-CURRENT LIABILITIES  |                      |            |                      |            |
| Long-term borrowings (Note 15)   | 571,429              | 3          | 857,143              | 4          |
| Products guarantee based on commitment (Note 4)  | 101,891              | -          | 101,891              | -          |
| Lease liabilities - non-current (Notes 4, 13 and 29)   | 64,471               | -          | 83,430               | -          |
| Net defined benefit liabilities - non-current (Notes 4 and 18)   | 202,983              | 1          | 206,651              | 1          |
| Guarantee deposits (Notes 4, 19 and 29)  | 222,846              | 1          | 1,805,726            | 8          |
| Other non-current liabilities  | <u>13,426</u>        | <u>-</u>   | <u>13,426</u>        | <u>-</u>   |
| Total non-current liabilities  | <u>1,177,046</u>     | <u>5</u>   | <u>3,068,267</u>     | <u>13</u>  |
| Total liabilities  | <u>6,408,443</u>     | <u>29</u>  | <u>7,153,970</u>     | <u>30</u>  |
| EQUITY   |                      |            |                      |            |
| Share capital (Note 20)  | 4,197,653            | 19         | 4,197,653            | 18         |
| Capital surplus (Note 20)  | 6,997,593            | 32         | 6,995,630            | 29         |
| Retained earnings (Note 20)  |                      |            |                      |            |
| Legal reserve  | 1,693,267            | 8          | 1,447,316            | 6          |
| Special reserve  | 1,190,819            | 5          | 710,979              | 3          |
| Unappropriated earnings  | 2,797,743            | 13         | 4,570,285            | 19         |
| Exchange differences on translation of financial statements of foreign operations (Notes 4 and 20)     | (1,617,353)          | (8)        | (1,556,260)          | (7)        |
| Unrealized gains on financial assets at fair value through other comprehensive income (Notes 4 and 20) | <u>403,315</u>       | <u>2</u>   | <u>365,441</u>       | <u>2</u>   |
| Total equity   | <u>15,663,037</u>    | <u>71</u>  | <u>16,731,044</u>    | <u>70</u>  |
| TOTAL  | <u>\$ 22,071,480</u> | <u>100</u> | <u>\$ 23,885,014</u> | <u>100</u> |

The accompanying notes are an integral part of the parent company only financial statements.

# NUVOTON TECHNOLOGY CORP.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|  | 2024              |            | 2023              |            |
|--|-------------------|------------|-------------------|------------|
|  | Amount            | %          | Amount            | %          |
| OPERATING REVENUE (Notes 4 and 29)   | \$ 19,051,813     | 100        | \$ 19,065,868     | 100        |
| OPERATING COST (Notes 9 and 29)  | <u>13,078,484</u> | <u>69</u>  | <u>13,468,735</u> | <u>71</u>  |
| GROSS PROFIT   | <u>5,973,329</u>  | <u>31</u>  | <u>5,597,133</u>  | <u>29</u>  |
| OPERATING EXPENSES (Notes 22 and 29)   |                   |            |                   |            |
| Selling expenses   | 266,819           | 1          | 226,085           | 1          |
| General and administrative expenses  | 744,112           | 4          | 715,572           | 4          |
| Research and development expenses  | 4,163,189         | 22         | 3,856,310         | 20         |
| Expected credit loss (gain)  | <u>80</u>         | <u>-</u>   | <u>1,448</u>      | <u>-</u>   |
| Total operating expenses   | <u>5,174,200</u>  | <u>27</u>  | <u>4,799,415</u>  | <u>25</u>  |
| PROFIT FROM OPERATIONS   | <u>799,129</u>    | <u>4</u>   | <u>797,718</u>    | <u>4</u>   |
| NON-OPERATING INCOME AND EXPENSES<br>(Note 29)   |                   |            |                   |            |
| Finance costs  | (21,560)          | -          | (25,807)          | -          |
| Share of (loss) profit of subsidiaries and<br>associates accounted for using equity method | (521,115)         | (3)        | 1,626,570         | 9          |
| Interest income  | 50,308            | -          | 122,568           | 1          |
| Dividend income  | 61,621            | 1          | 61,003            | -          |
| Other gains and losses   | 22,183            | -          | 15,649            | -          |
| Gains (losses) on disposal of property, plant and<br>equipment                             | (850)             | -          | 873               | -          |
| Foreign exchange gains (losses)  | 51,158            | -          | 2,856             | -          |
| Gains (losses) on financial assets at fair value<br>through profit or loss                 | <u>(53,023)</u>   | <u>-</u>   | <u>(5,818)</u>    | <u>-</u>   |
| Total non-operating income and expenses  | <u>(411,278)</u>  | <u>(2)</u> | <u>1,797,894</u>  | <u>10</u>  |
| PROFIT BEFORE INCOME TAX   | 387,851           | 2          | 2,595,612         | 14         |
| INCOME TAX EXPENSE (Notes 4 and 21)  | <u>(168,002)</u>  | <u>(1)</u> | <u>(175,178)</u>  | <u>(1)</u> |
| NET PROFIT FOR THE YEAR  | <u>219,849</u>    | <u>1</u>   | <u>2,420,434</u>  | <u>13</u>  |

(Continued)

# NUVOTON TECHNOLOGY CORP.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|   | 2024              |          | 2023                |            |
|---|-------------------|----------|---------------------|------------|
|   | Amount            | %        | Amount              | %          |
| OTHER COMPREHENSIVE INCOME (LOSS)   |                   |          |                     |            |
| Items that will not be reclassified subsequently to profit or loss:   |                   |          |                     |            |
| Remeasurement of defined benefit plans (Notes 4 and 18)   | \$ (9,888)        | -        | \$ 24,982           | -          |
| Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income | 88,364            | -        | 55,134              | -          |
| Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method     | (47,906)          | -        | 29,759              | -          |
| Items that may be reclassified subsequently to profit or loss:  |                   |          |                     |            |
| Exchange differences on translation of the financial statements of foreign operations                           | <u>(61,093)</u>   | <u>-</u> | <u>(550,649)</u>    | <u>(3)</u> |
| Other comprehensive income (loss) for the year, net of income tax   | <u>(30,523)</u>   | <u>-</u> | <u>(440,774)</u>    | <u>(3)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR   | <u>\$ 189,326</u> | <u>1</u> | <u>\$ 1,979,660</u> | <u>10</u>  |
| EARNINGS PER SHARE (Notes 4 and 23)   |                   |          |                     |            |
| From continuing operations  |                   |          |                     |            |
| Basic   | <u>\$ 0.52</u>    |          | <u>\$ 5.77</u>      |            |
| Diluted   | <u>\$ 0.52</u>    |          | <u>\$ 5.75</u>      |            |

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)



# NUVOTON TECHNOLOGY CORP.

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

|   | Ordinary Share      | Capital Surplus     | Retained Earnings   |                     |                         | Other Equity  |  | Total Equity         |
|---|---------------------|---------------------|---------------------|---------------------|-------------------------|---|--|----------------------|
|   |                     |                     | Legal Reserve       | Special Reserve     | 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 |                      |
| 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 20)  |                     |                     |                     |                     |                         |   |  |                      |
| Legal reserve   | -                   | -                   | 488,756             | -                   | (488,756)               | -   | -  | -                    |
| Special reserve   | -                   | -                   | -                   | 710,979             | (710,979)               | -   | -  | -                    |
| Cash dividends  | -                   | -                   | -                   | -                   | (2,938,357)             | -   | -  | (2,938,357)          |
| Total appropriation earnings  | -                   | -                   | 488,756             | 710,979             | (4,138,092)             | -   | -  | (2,938,357)          |
| Net profit for the year ended December 31, 2023   | -                   | -                   | -                   | -                   | 2,420,434               | -   | -  | 2,420,434            |
| Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax | -                   | -                   | -                   | -                   | 39,066                  | (550,649)   | 70,809   | (440,774)            |
| Total comprehensive income (loss) for the year ended December 31, 2023                    | -                   | -                   | -                   | -                   | 2,459,500               | (550,649)   | 70,809   | 1,979,660            |
| Unclaimed dividends from claims extinguished by prescriptions                             | -                   | 22                  | -                   | -                   | -                       | -   | -  | 22                   |
| Share-based payment transaction (Note 25)   | -                   | 3,380               | -                   | -                   | -                       | -   | -  | 3,380                |
| Disposal of subsidiaries (Note 26)  | -                   | 120,401             | -                   | -                   | -                       | -   | -  | 120,401              |
| BALANCE AT DECEMBER 31, 2023  | 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 20)  |                     |                     |                     |                     |                         |   |  |                      |
| Legal reserve   | -                   | -                   | 245,951             | -                   | (245,951)               | -   | -  | -                    |
| Special reserve   | -                   | -                   | -                   | 479,840             | (479,840)               | -   | -  | -                    |
| Cash dividends  | -                   | -                   | -                   | -                   | (1,259,296)             | -   | -  | (1,259,296)          |
| Total appropriation earnings  | -                   | -                   | 245,951             | 479,840             | (1,985,087)             | -   | -  | (1,259,296)          |
| Net profit for the year ended December 31, 2024   | -                   | -                   | -                   | -                   | 219,849                 | -   | -  | 219,849              |
| Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax | -                   | -                   | -                   | -                   | (7,304)                 | (61,093)  | 37,874   | (30,523)             |
| Total comprehensive income (loss) for the year ended December 31, 2024                    | -                   | -                   | -                   | -                   | 212,545                 | (61,093)  | 37,874   | 189,326              |
| Unclaimed dividends from claims extinguished by prescriptions                             | -                   | 20                  | -                   | -                   | -                       | -   | -  | 20                   |
| Share-based payment transaction (Note 25)   | -                   | 1,943               | -                   | -                   | -                       | -   | -  | 1,943                |
| BALANCE AT DECEMBER 31, 2024  | <u>\$ 4,197,653</u> | <u>\$ 6,997,593</u> | <u>\$ 1,693,267</u> | <u>\$ 1,190,819</u> | <u>\$ 2,797,743</u>     | <u>\$ (1,617,353)</u>   | <u>\$ 403,315</u>  | <u>\$ 15,663,037</u> |

The accompanying notes are an integral part of the parent company only financial statements.

# NUVOTON TECHNOLOGY CORP.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

|  | 2024            | 2023               |
|--|-----------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                 |                    |
| Profit before income tax   | \$ 387,851      | \$ 2,595,612       |
| Adjustments for:   |                 |                    |
| Depreciation expense   | 246,956         | 219,998            |
| Amortization expense   | 258,086         | 264,610            |
| Expected credit loss recognized on accounts receivable   | 80              | 1,448              |
| Finance costs  | 21,560          | 25,807             |
| Interest income  | (50,308)        | (122,568)          |
| Dividend income  | (61,621)        | (61,003)           |
| Compensation costs of share-based payment transaction  | 1,943           | 3,380              |
| Share of loss (profit) of associates   | 521,115         | (1,626,570)        |
| Unrealized gain  | 751             | 740                |
| Losses (gains) on disposal of property, plant and equipment  | 850             | (873)              |
| Government grants  | (11,473)        | -                  |
| Changes in operating assets and liabilities  |                 |                    |
| (Increase) decrease in financial assets at fair value through profit or loss                         | 12,286          | (14,168)           |
| (Increase) decrease in accounts receivable   | (477,940)       | (511,466)          |
| (Increase) decrease in accounts receivable from related parties                                      | (24,119)        | (1,293,288)        |
| (Increase) decrease in other receivables   | (7,946)         | (7,203)            |
| (Increase) decrease in inventories   | (50,662)        | (154,779)          |
| (Increase) decrease in other current assets  | (100,328)       | 20,816             |
| Increase (decrease) in accounts payable  | 227,478         | (97,988)           |
| Increase (decrease) in accounts payable to related parties   | (182,297)       | 328,493            |
| Increase (decrease) in other payables  | 20,683          | (391,427)          |
| Increase (decrease) in other current liabilities   | (149,173)       | 7,220              |
| Increase (decrease) in net defined benefit liabilities   | <u>(13,556)</u> | <u>(4,855)</u>     |
| Cash flows generated from (used in) operations   | 570,216         | (818,064)          |
| Interest received  | 52,362          | 125,808            |
| Interest paid  | (21,651)        | (25,864)           |
| Income tax paid  | (153,823)       | (355,060)          |
| Dividend received  | <u>61,621</u>   | <u>61,003</u>      |
| Net cash flows generated from (used in) operating activities   | <u>508,725</u>  | <u>(1,012,177)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                 |                    |
| Acquisition of financial assets at fair value through other comprehensive income                     | (30,000)        | -                  |
| Disposal of financial assets at fair value through other comprehensive income                        | 30,000          | -                  |
| Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 450             | 2,000              |
| Acquisition of investments accounted for using equity method   | (36,783)        | (67,980)           |

(Continued)

# NUVOTON TECHNOLOGY CORP.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

|  | 2024               | 2023                |
|--|--------------------|---------------------|
| Proceeds from capital reduction of investments accounted for using equity method | \$ -               | \$ 75,702           |
| Dividends received from investments accounted for using equity method            | 10,134             | 13,001              |
| Acquisition of property, plant and equipment                                     | (286,890)          | (297,358)           |
| Disposal of property, plant and equipment  | 117                | 1,586               |
| Acquisition of intangible assets   | (170,570)          | (215,822)           |
| (Increase) decrease in refundable deposits paid                                  | (2,950)            | 67,022              |
| Government subsidies   | <u>21,000</u>      | <u>-</u>            |
| Net cash flows generated from (used in) investing activities                     | <u>(465,492)</u>   | <u>(421,849)</u>    |
| CASH FLOWS FROM FINANCING ACTIVITIES   |                    |                     |
| Repayment of long-term borrowings  | (142,857)          | (500,000)           |
| Repayment of guarantee deposits received   | (63,937)           | -                   |
| Repayments of the principal portion of lease liabilities                         | (44,845)           | (45,855)            |
| Dividends paid to owners of the Company  | <u>(1,259,296)</u> | <u>(2,938,357)</u>  |
| Net cash flows generated from (used in) financing activities                     | <u>(1,510,935)</u> | <u>(3,484,212)</u>  |
| NET DECREASE IN CASH AND CASH EQUIVALENTS  | (1,467,702)        | (4,918,238)         |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR                                     | <u>2,434,419</u>   | <u>7,352,657</u>    |
| CASH AND CASH EQUIVALENTS, END OF YEAR   | <u>\$ 966,717</u>  | <u>\$ 2,434,419</u> |

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

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**Legal Representative: Yuan-Mou Su**

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