Nuvoton Technology Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors’ Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Nuvoton Technology Corporation as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Nuvoton Technology Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

NUVOTON TECHNOLOGY CORPORATION

By

____

YUAN-MOU SU
Chairman

February 14, 2025

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Nuvoton Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of Nuvoton Technology Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is this matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Occurrence of Sales Revenues Recognition

Revenue from the sale of goods is recognized when the customer received the goods and bear the risk. We performed an analytical procedure on the sales revenue in 2024, and some kind of products have relatively high gross margins and certain percentage of annual sales, which has a material impact of the financial report. Therefore, we choose the occurrence of those products sales revenue as a key audit matter for the year ended December 31, 2024. Refer to Note 4 to the consolidated financial statements for the Group's revenue recognition policies.

Our audit procedures in response to the occurrence of sales revenue recognition included understanding the design and the implementation of internal control of sales revenue and selecting samples of revenue items and confirmation to verify that revenue transactions have indeed occurred.

Other Matter

We have also audited the parent company only financial statements of Nuvoton Technology Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matter. We describe this matter in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kenny Hong and Shu-Lin Liu.

Shu Lin Liu

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 14, 2025

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

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

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

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
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	749,352	2	468,615	2
Total current assets	17,603,267	58	19,199,465	60
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 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	215,798	1	359,649	1
Total non-current assets	12,693,153	42	12,540,729	40
TOTAL	$ 30,296,420	100	$ 31,740,194	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
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)	1,471,041	5	459,853	1
Total current liabilities	10,430,853	34	8,180,808	26
NON-CURRENT LIABILITIES				
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	52,974	-	57,282	-
Total non-current liabilities	4,202,530	14	6,828,342	21
Total liabilities	14,633,383	48	15,009,150	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
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)	403,315	1	365,441	1
Total equity	15,663,037	52	16,731,044	53
TOTAL	$ 30,296,420	100	$ 31,740,194	100

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

NUVOTON TECHNOLOGY CORPORATION 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)	19,826,750	62	21,005,496	59
GROSS PROFIT	12,096,540	38	14,342,653	41
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)	723	-	9,499	-
Total operating expenses	12,083,707	38	12,652,470	36
PROFIT FROM OPERATIONS	12,833	-	1,690,183	5
NON-OPERATING INCOME AND EXPENSES (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 equipment	94,270	-	646,211	2
Foreign exchange gains (losses)	87,161	-	77,808	-
Gains (losses) on financial assets at fair value through profit or loss	(139,071)	-	(106,622)	-
Total non-operating income and expenses	386,835	1	1,036,421	3
PROFIT BEFORE INCOME TAX	399,668	1	2,726,604	8
INCOME TAX EXPENSE (Notes 4 and 26)	(179,819)	-	(306,170)	(1)
NET PROFIT FOR THE YEAR	219,849	1	2,420,434	7

(Continued)

NUVOTON TECHNOLOGY CORPORATION 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	(61,093)	-	(550,649)	(1)
Other comprehensive income (loss) for the year, net of income tax	(30,523)	-	(440,774)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 189,326	1	$ 1,979,660	6
EARNINGS PER SHARE (Notes 4 and 28)				
From continuing operations				
Basic	$ 0.52		$ 5.77	
Diluted	$ 0.52		$ 5.75	

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

NUVOTON TECHNOLOGY CORPORATION 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							
			Retained Earnings			Other Equity		
	Ordinary Share	Capital Surplus	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	Total Equity
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 CORPORATION AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
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
CASH FLOWS FROM INVESTING ACTIVITIES		
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 CORPORATION 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	21,000	-
Net cash flows used in investing activities	(1,838,406)	(389,210)
CASH FLOWS FROM FINANCING ACTIVITIES		
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	(1,259,296)	(2,938,357)
Net cash flows used in financing activities	(567,136)	(3,487,554)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	98,364	(328,114)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(621,501)	(4,072,791)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,325,394	10,398,185
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,703,893	$ 6,325,394

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's Board of Directors and authorized for issue on February 14, 2025.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

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

Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

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

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

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

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

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

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

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

- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

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

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

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

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

Basis of Preparation

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

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

c. Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

Basis of Consolidation

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

Subsidiary included in the consolidated financial statements:

			Percentage of Ownership (%)	
			December 31	
Investor	**Investee**	**Main Business**	**2024**	**2023**
The Company	Nuvoton Electronics Technology (H.K.) Limited (“NTHK”)	Sales of semiconductor	100	100
	Marketplace Management Limited (“MML”)	Investment holding	100	100
	Nuvoton Investment Holding Ltd. (“NIH”)	Investment holding	100	100
	Song Yong Investment Corporation (“SYI”)	Investment holding	100	100
	Nuvoton Technology India Private Limited (“NTIPL”)	Design, sales and after-sales service of semiconductor	100	100
	Nuvoton Technology Corporation America (“NTCA”)	Design, sales and after-sales service of semiconductor	100	100
	Nuvoton Technology Holdings Japan (“NTHJ”)	Investment holding	100	100
	Nuvoton Technology Singapore Pte. Ltd (“NTSG”)	Design, sales and after-sales service of semiconductor	100	100
	Nuvoton Technology Korea Limited (“NTKL”)	Design, sales and after-sales service of semiconductor	100	100

(Continued)

Investor	Investee	Main Business	Percentage of Ownership (%) December 31 2024	2023
The Company	Nuvoton Technology Germany GmbH ("NTG") (Note 1)	Customer service and technical support of semiconductor	100	100
NTHK	Nuvoton Electronics Technology (Shenzhen) Limited ("NTSZ")	Computer software service (except I.C. design), wholesale business for computer, supplement and software	100	100
	Nuvoton Electronics Technology (Nanjing) ("NTNJ") (Note 2)	Provides development of semiconductor and technology, consult service and sales	100	-
	Nuvoton Electronics Technology (Shanghai) Limited ("NTSH") (Note 4)	Provides projects for sale in China and repairing, testing and consulting of software and leasing business	100	-
MML	Goldbond LLC ("GLLC") (Note 3)	Investment holding	-	100
GLLC	Nuvoton Electronics Technology (Shanghai) Limited ("NTSH") (Note 4)	Provides projects for sale in China and repairing, testing and consulting of software and leasing business	-	100
	Winbond Electronics (Nanjing) Ltd. ("WENJ") (Note 5)	Computer software service (except I.C. design)	-	-
NTSH	Song Zhi Electronics Technology (Suzhou) ("Song Zhi Suzhou") (Note 6)	Provide development of semiconductor and technology, consult service and equipment leasing business	-	100
NIH	Nuvoton Technology Israel Ltd. ("NTIL")	Design and service of semiconductor	100	100
NTHJ	Nuvoton Technology Corporation Japan ("NTCJ")	Design, sales and after-sales service of semiconductor	100	100
NTCJ	Atfields Manufacturing Technology Corporation ("AMTC") (Note 7)	Design and service of semiconductor	-	-

(Concluded)

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

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

Note 3: GLLC completed the deregistration and liquidation process in December 2024.

Note 4: GLLC sold 100% ownership of NTSH to NTHK in May 2024. This equity transaction was deemed as a structure reorganization.

Note 5: WENJ has completed the cancellation and liquidation process in May 2023.

Note 6: Song Zhi Suzhou has completed the deregistration and liquidation process in October 2024.

Note 7: NTCJ has sold all of its shares of AMTC to WEC in January 2023, refer to Note 31 to the consolidated financial statements.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity and included in capital surplus - options is not remeasured at the end of the subsequent reporting period and its subsequent settlement is accounted for within equity and transferred to capital surplus - share premiums. Other contingent consideration is remeasured at fair value at the end of subsequent reporting period with any gain or loss recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Foreign Currencies

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

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement are recognized in profit or loss in the period they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars. Assets and liabilities are translated at the exchange rates prevailing at the end of each reporting period, and income and expense items are translated at the average exchange rates for the period, and exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

Cash Equivalents

Cash equivalents include time deposits and bonds investments, highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities other than financial assets and financial liabilities at FVTPL are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, except derivative financial assets which are recognized and derecognized on settlement date basis.

Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

1) Financial asset at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 33 to the consolidated financial statements.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

a) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

b) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

3) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivable).

The Group always recognizes lifetime Expected Credit Loss (ECL) on accounts receivable. On all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Financial liabilities

1) Subsequent measurement

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL. Financial liabilities at fair value through profit or loss are stated at fair value, with any interest paid on such financial liabilities is recognized in finance costs, and any gains or losses arising on remeasurement recognized in profit or loss.

Other financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in profit or loss.

c. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and cross-currency swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process. The cost of raw materials and supplies are recognized using moving-average method and finished goods and work-in-process are recorded at standard cost and adjusted to approximate weighted-average cost at the end of the reporting period. Inventories are stated at the lower of cost or net realizable value; evaluation and recognition of appropriate allowance for value decline are based on the amount of inventories and sales situation. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Investments in Associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group’s share of profit or loss and other comprehensive income of the associate. The Group recognizes the changes in the Group’s share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus and investments accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), recognizing its share of further loss. Additional losses and liabilities are discontinue recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of unrelated parties' interests in the associate.

Property, Plant and Equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method over the following estimated useful life after considering residual values: Buildings 8-20 years, machinery and equipment 3-5 years and other equipment 5 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss, and depreciated over 20 years useful life after considering residual values, using the straight-line method. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line method over the following estimated useful life of the assets: Deferred technical assets - economic life or contract period and other intangible assets 3-5 years. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Impairment of Property, Plant and Equipment, Right-of-use Asset, Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the reversed carrying amount should not exceed the carrying amount (after amortization or depreciation) that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Products Guarantee Based on Commitment

The Group will estimate guarantee provision by using appropriate ratio at the time the related product is sold.

Guarantee Deposit

The Group guarantee deposit mainly consists of cash received under deposit agreements with customers to ensure they have access to the Group specified capacity. When the contract expires, the guarantee deposits will be refunded to customers by offsetting related accounts receivable or returned.

Revenue Recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods is mainly recognized when a customer obtains control of promised goods, at which time the goods are delivered to the customer's specific location and performance obligation is satisfied.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Provision for estimated sales returns and other allowances is generally made and adjusted based on historical experience and on the consideration of varying contractual terms affecting the recognition of a provision, which is classified under other non-current liabilities.

Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

a. The Group as lessor

   Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

   When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

   Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs, and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

   Under operating lease, lease payments (less any lease incentives payable) are recognized as income on a straight-line basis over the terms of the relevant lease. Initial direct costs incurred in obtaining operating lease are added to the carrying amount of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

   Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

b. The Group as lessee

   The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as a deduction from the carrying amount of the relevant assets and are subsequently recognized as a reduction in depreciation or amortization expense in profit or loss over the contract period or the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

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

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

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and it is remeasured at the end of each reporting period and recognized to the extent that it has become probable that there will be future taxable profit.

Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Write-down of Inventories

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash and deposits in banks	$ 5,628,893	$ 6,161,894
Repurchase agreements collateralized by bonds	75,000	163,500
	$ 5,703,893	$ 6,325,394

a. Please refer to Note 35 to the consolidated financial statements for the amount of refundable deposits pledged to secure land leases, customs tariff obligations and borrowings.

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

	December 31	
	2024	**2023**
Time deposits	$ 7,662	$ 7,384

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	**2023**
Financial assets - current		
Held for trading		
Foreign exchange forward contracts	$ -	$ 22,422
Financial assets - non-current		
Mandatorily measured at FVTPL		
Domestic and oversea warrants	$ -	$ 76,763
Financial liabilities - current		
Held for trading		
Foreign exchange forward contracts	$ 38,033	$ 786

As at the end of the year, the outstanding foreign exchange forward contracts not treated under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
December 31, 2024			
Sell forward exchange contracts	USD/NTD	2025.01.21-2025.02.21	USD13,500/NTD436,277
	USD/JPY	2025.01.14-2025.02.14	USD27,300/JPY4,149,572
December 31, 2023			
Sell forward exchange contracts	USD/NTD	2024.01.03-2024.01.23	USD21,000/NTD653,226
	USD/JPY	2024.01.12-2024.02.14	USD28,200/JPY4,041,691

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

8. ACCOUNTS RECEIVABLE, NET

	December 31	
	2024	2023
Accounts receivable (including related parties)		
At amortized cost		
Gross carrying amount	$ 3,650,155	$ 4,165,734
Less: Allowance for impairment loss	(45,886)	(43,729)
	$ 3,604,269	$ 4,122,005

The average credit period of sales of goods was 30-60 days. No interest was charged on accounts receivable. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group’s exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Group annually.

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

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

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

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

December 31, 2024

	Not Overdue	Overdue under 30 Days	Overdue 31 to 90 Days	Overdue 91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.1%-2%	2%	10%	20%	50%	
Gross carrying amount	$ 3,641,139	$ 5,756	$ 1,076	$ 796	$ 1,388	$ 3,650,155
Loss allowance (lifetime ECL)	(44,810)	(115)	(108)	(159)	(694)	(45,886)
Amortized cost	$ 3,596,329	$ 5,641	$ 968	$ 637	$ 694	$ 3,604,269

December 31, 2023

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

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 43,729	$ 34,115
Add: Net remeasurement of loss allowance	723	9,499
Foreign currency exchange gains and losses	1,434	115
Balance at December 31	$ 45,886	$ 43,729

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

9. FINANCE LEASE RECEIVABLES

	December 31	
	2024	2023
Undiscounted lease payments		
Year 1	$ 22,610	$ 93,586
Year 2	-	23,397
	22,610	116,983
Less: Unearned finance income	(104)	(1,606)
Finance lease receivables	$ 22,506	$ 115,377
Current	$ 22,506	$ 92,088
Non-current	-	23,289
	$ 22,506	$ 115,377

The average lease term of finance lease receivables recognized by the Group from TPSCo. for the lease of property, plant and equipment and intangible assets is three years. The contract has an average implied interest rate of approximately 1.85% per annum. Refer to Note 34 to the consolidated financial statements for details of finance lease contracts.

10. OTHER RECEIVABLES

	December 31	
	2024	2023
Business tax refund receivable	$ 262,065	$ 293,243
Tax refund receivables	15,047	1,262
Time deposits (Note 6)	7,662	7,384
Others	112,734	110,686
	$ 397,508	$ 412,575

11. INVENTORIES

	December 31	
	2024	2023
Raw materials and supplies	$ 680,038	$ 521,147
Work-in-process	4,412,603	4,944,496
Finished goods	1,987,820	2,288,440
Inventories in transit	45,278	2,283
	$ 7,125,739	$ 7,756,366

The operating cost for the years ended December 31, 2024 and 2023 was NT$19,826,750 thousand and NT$21,005,496 thousand, respectively. The net (losses) gains of inventory write-downs, obsolescence and abandonment of inventories for the years ended December 31, 2024 and 2023 were NT$18,833 thousand and NT$(385,214) thousand, respectively.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2024	2023
Listed shares and emerging market shares		
Nyquest Technology Co., Ltd.	$ 82,170	$ 132,660
Brightek Optoelectronic Co., Ltd.	1,706	1,423
Unlisted shares		
United Industrial Gases Co., Ltd.	580,800	536,800
Yu-Ji Venture Capital Co., Ltd.	6,517	7,324
Autotalks Ltd. - Preferred E. Share	737,663	614,100
Allxon Inc.	56,250	56,250
Symetrix Corporation - Preferred A. Share	-	-
	$ 1,465,106	$ 1,348,557

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

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

The Group recognized dividends of NT$64,294 thousand and NT$71,728 thousand during 2024 and 2023, respectively.

The Company acquired 1,650 thousand ordinary shares of AionChip Technologies Co., Ltd. for NT$30,000 thousand in May 2024, with a 8.25% ownership interest, additionally, in December 2024, the entire equity was disposed of for NT$30,000 thousand.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	December 31	
	2024	2023
Tower Partners Semiconductor Co., Ltd. ("TPSCo.")	$ 1,887,907	$ 1,824,673

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

The investments accounted for using equity method and the shares of profit or loss of these investments for the years ended December 31, 2024 and 2023 were based on the associates' financial statements audited by independent auditors.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31 2024	December 31 2023
Land	$ 1,741,973	$ 1,801,369
Buildings	1,777,681	1,740,796
Machinery and equipment	1,628,182	1,595,440
Other equipment	322,343	309,192
Construction in progress and prepayments for purchase of equipment	716,504	338,900
	$ 6,186,683	$ 5,785,697

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in Progress and Prepayments for Purchase of Equipment	Total
Cost						
Balance at January 1, 2024	$ 1,801,369	$ 19,481,913	$ 44,016,907	$ 3,072,159	$ 338,900	$ 68,711,248
Additions	-	52,173	169,224	34,110	1,226,162	1,481,669
Disposals	-	(72,137)	(2,704,662)	(131,236)	-	(2,908,035)
Reclassified	-	209,953	449,712	174,433	(836,024)	(1,926)
Effects of foreign currency exchange differences	(59,396)	(530,502)	(1,037,610)	(68,592)	(12,534)	(1,708,634)
Balance at December 31, 2024	1,741,973	19,141,400	40,893,571	3,080,874	716,504	65,574,322
Accumulated depreciation and impairment						
Balance at January 1, 2024	-	17,741,117	42,421,467	2,762,967	-	62,925,551
Disposals	-	(71,060)	(2,701,207)	(129,705)	-	(2,901,972)
Depreciation expense	-	171,242	557,235	193,233	-	921,710
Effects of foreign currency exchange differences	-	(477,580)	(1,012,106)	(67,964)	-	(1,557,650)
Balance at December 31, 2024	-	17,363,719	39,265,389	2,758,531	-	59,387,639
Carrying amounts at December 31, 2024	$ 1,741,973	$ 1,777,681	$ 1,628,182	$ 322,343	$ 716,504	$ 6,186,683
Cost						
Balance at January 1, 2023	$ 1,890,924	$ 20,490,249	$ 54,320,817	$ 3,341,453	$ 216,733	$ 80,260,176
Additions	34,120	52,094	253,019	30,987	869,773	1,239,993
Disposals	-	(21,328)	(8,232,830)	(288,379)	-	(8,542,537)
Disposals of subsidiaries	-	-	-	(6,813)	-	(6,813)
Reclassified	-	56,605	505,148	186,128	(746,508)	1,373
Effects of foreign currency exchange differences	(123,675)	(1,095,707)	(2,829,247)	(191,217)	(1,098)	(4,240,944)
Balance at December 31, 2023	1,801,369	19,481,913	44,016,907	3,072,159	338,900	68,711,248
Accumulated depreciation and impairment						
Balance at January 1, 2023	-	18,581,344	52,849,852	3,064,895	-	74,496,091
Disposals	-	(20,355)	(8,186,476)	(285,242)	-	(8,492,073)
Depreciation expense	-	166,118	512,752	169,129	-	847,999
Disposal of subsidiaries	-	-	-	(4,837)	-	(4,837)
Effects of foreign currency exchange differences	-	(985,990)	(2,754,661)	(180,978)	-	(3,921,629)
Balance at December 31, 2023	-	17,741,117	42,421,467	2,762,967	-	62,925,551
Carrying amounts at December 31, 2023	$ 1,801,369	$ 1,740,796	$ 1,595,440	$ 309,192	$ 338,900	$ 5,785,697

In 2024, the reclassification of property, plant and equipment includes the transfer from construction in progress and prepayments for the purchase of equipment to expenses of resulting in a decrease of NT$1,926 thousand.

Refer to Note 35 to the consolidated financial statements for the amount of property, plant and equipment pledged as collateral for bank borrowings.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amounts		
Land	$ 107,516	$ 127,725
Buildings	256,023	247,567
Machinery and equipment	103,214	118,495
Other equipment	23,069	27,125
	$ 489,822	$ 520,912

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 174,560	$ 84,076
Depreciation for right-of-use assets		
Land	$ 26,110	$ 25,333
Buildings	125,971	114,804
Machinery and equipment	11,420	12,398
Other equipment	18,943	16,349
	$ 182,444	$ 168,884
Income from the subleasing of right-of-use assets (presented in other income)	$ 9,895	$ 7,390

b. Lease liabilities

	December 31	
	2024	2023
Carrying amounts		
Current	$ 164,023	$ 156,298
Non-current	$ 337,069	$ 384,600

Range of discount rate for lease liabilities was as follows:

	December 31	
	2024	2023
Land	1.76%-2.06%	1.76%-2.06%
Buildings	0.14%-7.46%	0.14%-5.24%
Machinery and equipment	0.48%-0.80%	0.48%-0.80%
Other equipment	0.14%-5.23%	0.14%-5.10%

For the years ended December 31, 2024 and 2023, the interest expense under lease liabilities amounted to NT$11,555 thousand and NT$9,708 thousand, respectively.

c. Material lease-in activities and terms

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

The Group leased parcels of land from Taiwan Sugar Corporation under a twenty-year term from October 2014 to September 2034, which is allowed to extend after the expiration of lease. The chairman of the Company is a joint guarantor of such lease (refer to Note 34 to the consolidated financial statements).

The Group leased some of the offices spaces in the United States, China, Israel, India, Korea, Hong Kong and Taiwan, and the lease terms will expire between 2025 and 2032 which can be extended after the expiration of the lease periods.

d. Subleases

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

	December 31	
	2024	2023
Year 1	$ 7,889	$ 6,816
Year 2	6,641	2,105
Year 3	4,667	-
Year 4	-	-
Year 5	-	-
Year 5 onwards	-	-
	$ 19,197	$ 8,921

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

e. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 82,393	$ 218,322
Total cash outflow for leases	$ (283,687)	$ (410,316)

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

16. INVESTMENT PROPERTIES

	December 31	
	2024	**2023**
Investment properties, net	$ 1,369,827	$ 1,549,000

The fair value of investment properties held by the Company was NT$2,397,194 thousand as of December 31, 2024, of which was assessed by independent qualified professional appraisers was NT$2,197,194 thousand. The Group's management evaluated the fair value of the remaining investment properties with valuation model commonly used by market participants, and the fair value was measured using Level 3 inputs.

	For the Year Ended December 31	
	2024	**2023**
Cost		
Balance at January 1	$ 7,165,730	$ 7,662,122
Effect of foreign currency exchange differences	(234,054)	(496,392)
Balance at December 31	6,931,676	7,165,730
Accumulated depreciation and impairment		
Balance at January 1	5,616,730	5,863,962
Depreciation expense	130,235	136,023
Effect of foreign currency exchange differences	(185,116)	(383,255)
Balance at December 31	5,561,849	5,616,730
Carrying amount at December 31	$ 1,369,827	$ 1,549,000

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

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

	December 31	
	2024	**2023**
Year 1	$ 142,541	$ 146,532
Year 2	140,872	143,790
Year 3	138,535	143,872
Year 4	136,042	143,894
Year 5	135,386	140,886
Year 5 onwards	304,617	455,304
	$ 997,993	$ 1,174,278

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

Please refer to Note 35 to the consolidated financial statements for the amount of investment properties pledged as collateral for bank borrowings.

17. INTANGIBLE ASSETS

	December 31	
	2024	2023
Deferred technical assets	$ 597,913	$ 357,994
Other intangible assets	171,020	192,900
	$ 768,933	$ 550,894

	Deferred Technical Assets	Other Intangible Assets	Total
Cost			
Balance at January 1, 2024	$ 2,125,404	$ 1,102,150	$ 3,227,554
Additions	488,218	104,619	592,837
Disposals	-	(58,296)	(58,296)
Reclassification	34,265	(34,317)	(52)
Effects of foreign currency exchange differences	3,424	(30,723)	(27,299)
Balance at December 31, 2024	2,651,311	1,083,433	3,734,744
Accumulated amortization and impairment			
Balance at January 1, 2024	1,767,410	909,250	2,676,660
Amortization expense	276,777	88,272	365,049
Disposals	-	(58,296)	(58,296)
Effects of foreign currency exchange differences	9,211	(26,813)	(17,602)
Balance at December 31, 2024	2,053,398	912,413	2,965,811
Carrying amounts at December 31, 2024	$ 597,913	$ 171,020	$ 768,933
Cost			
Balance at January 1, 2023	$ 2,062,573	$ 1,136,379	$ 3,198,952
Additions	29,588	148,437	178,025
Disposals	-	(71,767)	(71,767)
Disposal of subsidiaries	-	(7,243)	(7,243)
Reclassification	41,255	(42,628)	(1,373)
Effects of foreign currency exchange differences	(8,012)	(61,028)	(69,040)
Balance at December 31, 2023	2,125,404	1,102,150	3,227,554

(Continued)

	Deferred Technical Assets	Other Intangible Assets	Total
Accumulated amortization and impairment			
Balance at January 1, 2023	$ 1,511,960	$ 964,235	$ 2,476,195
Amortization expense	260,311	80,865	341,176
Disposals	-	(71,176)	(71,176)
Disposal of subsidiaries	-	(6,703)	(6,703)
Effects of foreign currency exchange differences	(4,861)	(57,971)	(62,832)
Balance at December 31, 2023	1,767,410	909,250	2,676,660
Carrying amounts at December 31, 2023	$ 357,994	$ 192,900	$ 550,894

(Concluded)

In 2024, the Company received government grants from the Economic Development Administration, part of which was used for the acquisition of intangible assets. For the recognition of government grant income, please refer to Note 29 to the consolidated financial statements.

18. BORROWINGS

a. Short-term borrowings

	December 31			
	2024		2023	
	Interest Rate	Amount	Interest Rate	Amount
Secured borrowings				
Chinatrust Commercial Bank Co., Ltd.	1.55%-1.70%	$ 1,490,290	1.17%-1.18%	$ 847,080
Unsecured borrowings				
Mizuho Bank	1.17%	293,860	-	-
Sumitomo Mitsui Banking Corporation	1.18%-1.25%	335,840	-	-
Chinatrust Commercial Bank Co., Ltd.	-	-	1.00%-1.01%	217,200
		$ 2,119,990		$ 1,064,280

To repay outstanding debt and enhance working capital, NTCJ entered into a JPY30 billion syndicated loan agreement with banks on May 17, 2021, which include Chinatrust Commercial Bank Co., Ltd. and other banks. The loan is guaranteed by the parent company, Winbond Electronics Corporation. Refer to Note 34 to the consolidated financial statements for related information. Pursuant to the loan contract, the Company should hold at least 100% of the issued shares or capital and maintain control over the operation of NTCJ, and NTCJ must maintain the financial debt ratio not to be lower than certain level during the loan period. The aforementioned financial ratio is calculated based on the audited consolidated financial statements.

Refer to Note 35 to the consolidated financial statements for the collateral of the syndicated loan.

b. Long-term borrowings

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

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

19. OTHER PAYABLES

	December 31 2024	December 31 2023
Payable for salaries or employee benefits	$ 835,370	$ 1,115,611
Payable for royalties	553,494	372,295
Payable for purchase of equipment	278,294	349,296
Payable for software	159,391	74,190
Payable for service	142,310	130,706
Payable for maintenance	122,309	239,369
Payable for professional service	53,927	26,892
Payable for utilities	52,934	70,005
Others	1,414,019	1,590,772
	$ 3,612,048	$ 3,969,136

20. OTHER CURRENT LIABILITIES

	December 31 2024	December 31 2023
Capacity guarantee	$ 822,052	$ -
Receipts in advance	391,404	242,182
Receipts under custody	143,595	139,989
Others	113,990	77,682
	$ 1,471,041	$ 459,853

Capacity guarantee is used to offset accounts receivable or to refund deposits when contracts expire within one year.

21. PROVISIONS

	December 31	
	2024	2023
Non-current		
Employee benefits	$ 1,093,623	$ 1,360,661
Decommissioning costs	461,360	477,406
Warranties	315,093	396,966
	$ 1,870,076	$ 2,235,033

	De-commissioning Costs	Employee Benefits	Warranties	Total
Balance at January 1, 2024	$ 477,406	$ 1,360,661	$ 396,966	$ 2,235,033
Decreased	-	(226,192)	(73,033)	(299,225)
Effects of foreign currency exchange differences	(16,046)	(40,846)	(8,840)	(65,732)
Balance at December 31, 2024	$ 461,360	$ 1,093,623	$ 315,093	$ 1,870,076

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

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group’s subsidiaries in the United States, Hong Kong, Israel, Japan, Korea, Singapore and China are members of a state-managed defined contribution plan implemented through the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average of monthly salaries of the 6 months before retirement. In 2024 and 2023, the Company contributed amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee of the Company. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Company has no right to influence the investment policy and strategy.

The payables for employee turnover of NTIL are calculated on the basis of the length of service and the last monthly salary under a defined benefit plan.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 2,509,414	$ 2,680,172
Fair value of plan assets	(1,465,300)	(1,309,839)
Net defined benefit liabilities, non-current	$ 1,044,114	$ 1,370,333

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2023	$ 2,744,500	$ (1,251,927)	$ 1,492,573
Service cost			
Current service cost	43,988	-	43,988
Net interest expense (income)	45,539	(29,955)	15,584
Recognized in profit or loss	89,527	(29,955)	59,572
Remeasurement			
Actuarial (gain) loss - the discount rate greater (less) than the realized rate of return	-	(2,861)	(2,861)
Actuarial (gain) loss - changes in financial assumptions	15,227	26	15,253
Actuarial (gain) loss - experience adjustments	(13,920)	(40,220)	(54,140)
Recognized in other comprehensive income	1,307	(43,055)	(41,748)
Contributions from the employer	-	(58,181)	(58,181)
Benefits paid from the plan assets	(57,414)	56,585	(829)
Effects of foreign currency exchange differences	(97,748)	16,694	(81,054)
Balance at December 31, 2023	2,680,172	(1,309,839)	1,370,333
Service cost			
Current service cost	45,058	-	45,058
Net interest expense (income)	50,122	(35,674)	14,448
Recognized in profit or loss	95,180	(35,674)	59,506

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Remeasurement			
Actuarial (gain) loss - the discount rate greater (less) than the realized rate of return	$ (9)	$ (61,370)	$ (61,379)
Actuarial (gain) loss - changes in financial assumptions	39,991	(54)	39,937
Actuarial (gain) loss - experience adjustments	58,233	(29,979)	28,254
Recognized in other comprehensive income	98,215	(91,403)	6,812
Contributions from the employer	-	(66,867)	(66,867)
Benefits paid from the plan assets	(362,835)	76,483	(286,352)
Benefits paid	(3,648)	-	(3,648)
Effects of foreign currency exchange differences	2,330	(38,000)	(35,670)
Balance at December 31, 2024	$ 2,509,414	$ (1,465,300)	$ 1,044,114

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans were as follows:

	For the Year Ended December 31	
	2024	2023
Analysis by function		
Operating cost	$ 2,380	$ 3,928
Selling expenses	148	207
General and administrative expenses	3,706	10,253
Research and development expenses	53,272	45,184
	$ 59,506	$ 59,572

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rate(s)	1.6%-5.94%	1.4%-3.30%
Expected rate(s) of salary increase	2.0%-3.5%	1.5%-2.5%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate(s)		
0.25% increase	$ (16,618)	$ (16,888)
0.25% decrease	$ 19,683	$ 19,799
Expected rate(s) of salary increase		
0.25% increase	$ 18,959	$ 17,935
0.25% decrease	$ (16,349)	$ (16,545)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
Expected contributions to the plans for the next year	$ 92,848	$ 90,503
The average duration of the defined benefit obligation	6.7-11.34 years	7.0-11.6 years

23. GUARANTEE DEPOSITS

	December 31	
	2024	2023
Capacity guarantee	$ 185,742	$ 1,783,150
Others	78,753	62,848
	$ 264,495	$ 1,845,998

When the contract expires, the capacity guarantee deposits will be refunded to customers by offsetting related accounts receivable or returned, Since some contracts will expire within one year, the capacity guarantee deposit has been reclassified to other current liabilities. Please refer to Note 20 to the consolidated financial statements.

24. EQUITY

a. Share capital

Ordinary shares

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

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

b. Capital surplus

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

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

The shareholders held their regular meeting on May 29, 2020 and resolved the amendments to the Company's dividend distribution policy in the Company's Articles of Incorporation (the "Articles"). Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The board of directors shall be authorized to distribute the profit, the legal reserve, and the capital plus in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, and shall report the same to the shareholders' meeting. In principle, not less than 10% of the total shareholders' bonus shall be distributed in the form of cash. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 27 to the consolidated financial statements.

Appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2023 and 2022 were as follows:

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

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

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

The appropriation of earnings for 2024 was not initiated in the Company's board meeting on February 14, 2025.

d. Other equity items

1) The exchange differences arising on translation of foreign operations' net assets from its functional currency to the Group's presentation currency (New Taiwan dollar) are recognized directly in other comprehensive income. For the years ended December 31, 2024 and 2023, other comprehensive loss was NT$61,093 thousand and NT$550,649 thousand, respectively.

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

	For the Year End December 31	
	2024	**2023**
Balance at January 1	$ 365,441	$ 294,632
Recognized for the period	37,874	70,809
Balance at December 31	$ 403,315	$ 365,441

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

25. REVENUE

Refer to Note 39 to the consolidated financial statements for the Group's revenue.

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 138,011	$ 291,062
Adjustment for prior years' tax	(1,752)	(8,564)
Deferred tax		
In respect of the current year	43,560	23,672
Income tax expense recognized in profit or loss	$ 179,819	$ 306,170

b. Reconciliation of accounting profit and income tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Income tax expense from continuing operations at the statutory rate	$ 77,493	$ 642,394
Tax effect of adjustment item		
Permanent differences	17,114	7,659
Tax-exempt income	(12,851)	(14,453)
Others	138,815	(285,866)
Current income tax	220,571	349,734
Unused investment credits	(39,000)	(35,000)
Adjustment for prior year's income tax	(1,752)	(8,564)
Income tax expense recognized in profit or loss	$ 179,819	$ 306,170

c. Current tax assets and liabilities

	December 31	
	2024	2023
Tax refund receivables	$ 15,047	$ 1,262
Income tax payables	$ 243,168	$ 305,031

d. Deferred tax assets

	December 31	
	2024	2023
Deferred tax assets		
Allowance for inventory valuation and obsolescence loss and others	$ 166,861	$ 226,001

e. Deferred tax liabilities

	December 31	
	2024	2023
Deferred tax liabilities		
Unrealized valuation gains or losses	$ 62,373	$ 77,953

f. Income tax assessments

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

g. Information about investment credits

The Company applies the Statute for Industrial Innovation Article 10, and up to 15% or 10% of its R&D expenses may be credited against the profit-seeking enterprise income tax payable in each of the three years following the then current year.

h. Pillar Two Income Tax Act

NTCJ, a subsidiary of Nuvoton Technology Corporation, was registered in Japan, where the income tax legislation related to the Global Minimum Tax has been implemented. Under this legislation, if NTCJ's effective tax rate is below 15%, it is required to pay a supplementary tax in Japan.

As of December 31, 2024, the Pillar Two income tax legislation has not had a significant impact on the group's income tax.

27. EMPLOYEE BENEFITS EXPENSE, DEPRECIATION AND AMORTIZATION

	For the Year Ended December 31							
	2024				2023			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Losses	Total
Employee benefits expense								
Short-term employment benefits	$ 880,122	$ 6,495,829	$ -	$ 7,375,951	$ 967,406	$ 6,875,256	$ -	$ 7,842,662
Post-employment benefits	42,156	449,460	-	491,616	41,877	451,151	-	493,028
Share-based payment	190	1,753	-	1,943	461	2,919	-	3,380
Depreciation	637,087	466,355	130,947	1,234,389	588,709	425,108	139,089	1,152,906
Amortization	4,829	360,220	-	365,049	6,815	334,361	-	341,176

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

The employees' compensation and remuneration of directors for the year ended December 31, 2024 were as follows:

	For the Year Ended December 31 2024	
	Amount	**%**
Employees' cash compensation	$ 25,023	6
Remuneration of directors	4,170	1

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

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

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

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

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

28. EARNINGS PER SHARE

The numerators and denominators used in calculating basic and diluted earnings per share ("EPS") were as follows:

	For the Year Ended December 31					
	2024			2023		
	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (NT$) After Income Tax (Attributable to Owners of the Company)	Amounts (Numerator) After Income Tax (Attributable to Owners of the Company)	Shares (Denominator) (In Thousands)	Earnings Per Share (NT$) After Income Tax (Attributable to Owners of the Company)
Basic earnings per share						
Net profit attributed to owners of the Company	$ 219,849	419,765	$ 0.52	$ 2,420,434	419,765	$ 5.77
Effect of potentially dilutive ordinary shares						
Employees' compensation	-	511		-	1,545	
Diluted earnings per share						
Net profit attributed to owners of the Company	$ 219,849	420,276	$ 0.52	$ 2,420,434	421,310	$ 5.75

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

29. GOVERNMENT GRANTS

In December 2024, the Company received government grant income from the Industrial Upgrading and Innovation Platform Counseling Program under the Industrial Development Administration, Ministry of Economic Affairs, for the "Subsidy Program for Advancing Domestic IC Design Industry Development." The grant covered both the acquisition of intangible assets and related research and development expenses.

The portion allocated to the acquisition of intangible assets is recognized as deferred income, deducted from the carrying amount of the intangible assets, and subsequently recognized in profit or loss over the assets' useful life through a reduction in amortization expenses.

For 2024, the Company recognized government grant income, resulting in reduction of NT$7,781 thousand in research and development expenses and NT$3,692 thousand in amortization expenses. The changes in deferred income are as follows:

	For the Year Ended December 31, 2024
Balance at January 1	$ -
Additions	31,634
Amortization	(3,692)
Balance at December 31	$ 27,942

30. SHARE-BASED PAYMENT TRANSACTION ARRANGEMENTS

Winbond Electronics Corporation received approval from the FSC to issue 320,000 thousand and 200,000 thousand shares for its cash capital increase on June 14, 2024 and September 25, 2023, respectively. The board of directors resolved to retain 10% of the issued shares for employees subscriptions, including the Company's employees. The shares reserved for employee subscriptions were confirmed on August 11, 2024 and November 2, 2023 (the grant dates), respectively. The fair value of the share options subscribed by the Company's employees on the grant date was measured using the Black-Scholes Option Pricing Model and amounted to NT$1,943 and NT$3,380 thousand, respectively. These amounts were recorded as compensation costs with a corresponding increase in capital surplus. The relevant information used in the pricing model was as follows:

August 11, 2024

Share Price on the Grant Date (In Dollars)	Exercise Price (In Dollars)	Expected Ratio of Stock Price Fluctuation	Expected Duration	Expected Dividend Rate	Risk-free Interest Rate	Fair Value Per Share (In Dollars)
$22.90	$21	29.87%	2 days	-	1.27%	$1.9

November 2, 2023

Share Price on the Grant Date (In Dollars)	Exercise Price (In Dollars)	Expected Ratio of Stock Price Fluctuation	Expected Duration	Expected Dividend Rate	Risk-free Interest Rate	Fair Value Per Share (In Dollars)
$25.55	$22	34.57%	2 days	-	0.98%	$3.55

31. DISPOSAL OF SUBSIDIARIES

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

a. Consideration received from disposals

	AMTC
Cash and cash equivalents	$ 394,661

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

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

c. Net cash inflow on disposals of subsidiaries

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

32. CAPITAL MANAGEMENT

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

33. FINANCIAL INSTRUMENT

a. Categories of financial instruments

	December 31			
	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets at amortized cost (Note 1)	$ 9,870,392	$ 9,870,392	$ 11,250,645	$ 11,250,645
Financial assets at FVTPL				
Derivative financial assets	-	-	99,185	99,185
Financial assets at FVTOCI				
Investment in equity instruments	1,465,106	1,465,106	1,348,557	1,348,557
Financial liabilities				
Financial liabilities at amortized cost (Note 2)	10,172,564	10,172,564	9,961,981	9,961,981
Financial liabilities at FVTPL				
Derivative financial liabilities	38,033	38,033	786	786

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

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

b. Fair value information

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

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

    b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

    c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2) Fair value measurements recognized in the consolidated balance sheets

    a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed shares and emerging market shares).

    b) The fair value of the financial instruments at fair value through profit or loss is based on Level 2 inputs, either directly or indirectly. The fair value of foreign-currency derivative financial instrument could be determined by reference to the price and discount rate of currency swap quoted by financial institutions. Foreign exchange forward contracts are measured using individual maturity rate to calculate the fair value of each contract.

    c) Domestic unlisted equity instruments at FVTOCI were all measured based on Level 3 fair value. Fair values of such equity instruments were determined using discounted cash flow of income approach and comparable listed company approach, by referring to strike price of similar business in active market, implied value multiple of the price and relevant information. Significant unobservable inputs included P/E ratio, value multiple and market liquidity discount. As the discounted cash flow method was used, the discount rate used for the lack of marketability was 29%; which increase by 1% while all the other variables are held constant, the fair value of investments will decrease by NT$10,390 thousand and NT$8,649 thousand as of December 31, 2024 and 2023, respectively.

3) Fair value of financial instruments measured at fair value on a recurring basis

	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Domestic listed shares and emerging market shares	$ 83,876	$ -	$ -	$ 83,876
Domestic and overseas unlisted shares	$ -	$ -	$ 1,381,230	$ 1,381,230
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 38,033	$ -	$ 38,033

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 22,422	$ 76,763	$ 99,185
Financial assets at FVTOCI				
Domestic listed shares and emerging market shares	$ 134,083	$ -	$ -	$ 134,083
Domestic and overseas unlisted shares	$ -	$ -	$ 1,214,474	$ 1,214,474
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 786	$ -	$ 786

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

The financial assets measured at Level 3 fair value were financial assets at FVTPL and equity investments classified as financial assets at FVTOCI. Reconciliations for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ 1,291,237	$ 1,238,619
Additions	30,000	-
Disposals	(30,000)	-
Refund of capital reduction	(450)	(2,000)
Recognized in other comprehensive income	88,081	54,630
Recognized in profit or loss	2,362	(12)
Balance at December 31	$ 1,381,230	$ 1,291,237

c. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into foreign exchange forward contracts to hedge the foreign currency risk arising on the export business.

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 38 to the consolidated financial statements.

The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period and assuming an increase in net income and equity if New Taiwan dollars strengthen by 1% against foreign currencies. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be impact on net income in the amounts of NT$12,885 thousand decrease and NT$14,974 thousand decrease for the years ended December 31, 2024 and 2023, respectively. The amounts used in the 1% weakening of New Taiwan dollars against the relevant currency did not consider the impact of hedge contracts and hedged item.

b) Interest rate risk

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

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

	December 31	
	2024	**2023**
Cash flow interest rate risk		
Financial assets	$ 8,413	$ 8,413
Financial liabilities	2,977,133	2,064,280

The sensitivity analysis of cash flows based on the Group's exposure to interest rates for fair value of variable-rate non-derivative instruments at the end of the reporting period. If interest rates increased by 1 percentage point, the Group's cash outflows for the years ended December 31, 2024 and 2023 would have increased by NT$29,687 thousand and NT$20,559 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group, to mitigate the risk of financial loss from defaults, the Group has established risk procedures and is continuously assessing the credit risk of each counterparty, sufficient collateral will be obtained when necessary. In this regard, the management of the Group consider that the Group's credit risk was significantly reduced.

3) Liquidity risk

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

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

	December 31, 2024			
	Within 1 Year	**1-2 Years**	**Over 2 Years**	**Total**
Non-derivative financial liabilities				
Non-interest bearing	$ 6,108,884	$ -	$ -	$ 6,108,884
Lease liabilities	171,074	116,028	226,984	514,086
Variable interest rate liabilities	2,405,704	285,714	285,715	2,977,133
	$ 8,685,662	$ 401,742	$ 512,699	$ 9,600,103

Additional information about the maturity analysis of lease liabilities:

	Less than 2 Years	**2-5 Years**	**Over 5 Years**	**Total**
Non-derivative financial liabilities				
Lease liabilities	$ 287,102	$ 132,762	$ 94,222	$ 514,086

	December 31, 2023			
	Within 1 Year	**1-2 Years**	**Over 2 Years**	**Total**
Non-derivative financial liabilities				
Non-interest bearing	$ 6,051,703	$ -	$ -	$ 6,051,703
Lease liabilities	165,301	127,188	269,323	561,812
Variable interest rate liabilities	1,207,137	285,714	571,430	2,064,281
	$ 7,424,141	$ 412,902	$ 840,753	$ 8,677,796

Additional information about the maturity analysis of lease liabilities:

	Less than 2 Years	**2-5 Years**	**Over 5 Years**	**Total**
Non-derivative financial liabilities				
Lease liabilities	$ 292,489	$ 153,869	$ 115,454	$ 561,812

34. RELATED PARTIES TRANSACTIONS

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

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

Note: The Group has disposed of AMTC to Winbond Electronics Corporation in January 2023, therefore AMTC has been reclassified from subsidiary to associate. Refer to Note 31 to the consolidated financial statements.

b. Operating activities

	For the Year Ended December 31	
	2024	2023
1) Operating revenue		
Related party in substance	$ 103,973	$ 141,953
Associate	3,535	99,937
	$ 107,508	$ 241,890
2) Purchases of goods		
Associate		
TPSCo.	$ 3,745,639	$ 3,822,301
Parent company	153,423	97,226
	$ 3,899,062	$ 3,919,527

	For the Year Ended December 31	
	2024	2023
3) Manufacturing expenses		
Associate		
TPSCo.	$ 1,709,399	$ 1,865,936
Others	70,242	59,547
Related party in substance		
Waltech	1,753,304	2,118,859
Parent company	1,241	1,595
	$ 3,534,186	$ 4,045,937
4) Operating expenses		
Associate	$ 335,656	$ 398,695
Parent company	220,616	219,336
Related party in substance	60,941	30,186
	$ 617,213	$ 648,217
5) Dividend income		
Related party in substance		
United Industrial Gases Co., Ltd.	$ 59,840	$ 59,840
Nyquest	2,673	10,725
	$ 62,513	$ 70,565
6) Other income (loss)		
Associate	$ 8,253	$ (2,569)
Parent company	1,739	-
Related party in substance		
Waltech	(3,952)	(82,442)
Others	128	809
	$ 6,168	$ (84,202)

	December 31	
	2024	2023
7) Accounts receivable from related parties		
Related party in substance	$ 3,980	$ 20,625
Associate	314	8,898
	$ 4,294	$ 29,523

	December 31	
	2024	2023
8) Other receivables		
Associate	$ 43,742	$ 46,231
Related party in substance	1,089	555
Parent company	356	1,598
	$ 45,187	$ 48,384

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

	December 31	
	2024	2023
9) Refundable deposits		
Parent company	$ 1,780	$ 1,780
Related party in substance	1,722	1,722
	$ 3,502	$ 3,502
10) Accounts payable to related parties		
Related party in substance		
Waltech	$ 522,313	$ 373,818
Associate		
TPSCo.	497,798	385,860
Parent company	24,872	18,482
	$ 1,044,983	$ 778,160
11) Other payables		
Associate	$ 285,184	$ 216,715
Related party in substance	190,717	248,339
Parent company	87,691	94,651
	$ 563,592	$ 559,705
12) Other current liabilities-Advance receipts		
Nyquest	$ 166,820	$ -
13) Guarantee deposits		
Parent company	$ 545	$ 545
Related party in substance		
Nyquest	-	244,800
	$ 545	$ 245,345

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

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

14) Acquisition of property, plant and equipment

	Acquisition Price	
	For the Year Ended December 31	
	2024	2023
Associate	$ 45,719	$ 57,001

15) Disposal of property, plant and equipment

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Associate	$ 687	$ -	$ 687	$ -

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

c. Lease arrangements - Group is lessee

	December 31	
	2024	2023
1) Lease liabilities		
Related party in substance	$ 19,827	$ -
Associate	17,430	24,290
Parent company	-	12,188
	$ 37,257	$ 36,478

	For the Year Ended December 31	
	2024	2023
2) Finance costs		
Related party in substance	$ 712	$ -
Associate	340	460
Parent company	51	182
	$ 1,103	$ 642
3) Acquisition of right-of-use assets		
Related party in substance	$ 30,315	$ -

d. Lease arrangements - Group is lessor/sublease arrangements

Sublease arrangements under operating leases

For the years ended December 31, 2024 and 2023, the Group subleases its right-of-use assets to its associate companies WEC, WEHK and TPSCo. under operating leases with lease terms between 1 and 12 years. The rental is based on similar asset's market rental rates and fixed lease payments are received monthly.

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

Related Party Category	December 31 2024	December 31 2023
Associate		
TPSCo.	$ 12,410	$ 12,842
Others	390	230
Parent company	383	401
	$ 13,183	$ 13,473

2) Future lease payment receivables are as follows:

Related Party Category	December 31 2024	December 31 2023
Associate		
TPSCo.	$ 981,545	$ 1,155,776
Others	14,000	458
Parent company	1,247	4,254
	$ 996,792	$ 1,160,488

3) Lease income were as follows:

Related Party Category	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Associate		
TPSCo.	$ 136,836	$ 175,386
Others	3,815	1,393
Parent company	4,087	4,050
	$ 144,738	$ 180,829

Lease arrangements under finance leases

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

As of December 31, 2024 and 2023, the balance of finance lease receivables were NT$22,506 thousand and NT$115,377 thousand, respectively, and no impairment loss was recognized for the years ended December 31, 2024 and 2023. There was also no gain (loss) on the disposal of equipment and intangible assets. The amount of interest income under finance leases for the years ended December 31, 2024 and 2023 were NT$1,464 thousand and NT$3,236 thousand, respectively.

e. Acquisition of financial assets

For the year ended December 31, 2024: None.

For the year ended December 31, 2023

Related Party Category	Project	Number of Shares	Target	Amount Obtained
Associate				
TPSCo.	Investments accounted for using equity method	3,920	TPSCo. Ordinary share	$ 59,586

f. Endorsements and guarantees

Endorsements and guarantees provided by the Group

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

Endorsements and guarantees given by related parties

Related Party Category	December 31 2024	December 31 2023
Parent company		
Amount endorsed	$ 6,297,000	$ 6,516,000
Amount utilized (reported as secured bank loans)	$ 1,490,290	$ 847,080

g. Compensation of key management personnel

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Short-term employee benefits	$ 163,888	$ 278,334
Post-employment benefits	4,060	3,508
Share-based payment	1,397	3,174
	$ 169,345	$ 285,016

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

h. Other transactions with related parties

The Group has sold all of its shares of AMTC to WEC in January 2023, refer to Note 31 to the consolidated financial statements.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2024	2023
Land	$ 997,405	$ 1,021,639
Buildings	460,863	519,543
Investment properties	290,024	324,873
Time deposits (accounted as refundable deposits)	109,599	109,268
	$ 1,857,891	$ 1,975,323

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company received approval from the Financial Supervisory Commission for the registration and issuance of its first unsecured overseas convertible bonds on December 31, 2024. The bonds were publicly issued on the Singapore Exchange on January 21, 2025, with a maturity period of five years, due on January 21, 2030. The total issuance amount was US$150 million, with a zero percent annual coupon rate. On the maturity date, the Company shall redeem the bonds in U.S. dollars at par value of the bonds with a yield of 1.55% per annum, calculated on a semi-annual basis.

The initial conversion price was set at 120% of the closing price of the Company’s common shares on the Taiwan Stock Exchange on the pricing date of January 9, 2025, resulting in a conversion price of NT$118.68 per share. The number of shares to be converted is determined by multiplying the bond’s face value by the fixed exchange rate (US$1 = NT$32.917) and then dividing by the conversion price. After issuance, the conversion price is subject to adjustment in accordance with the anti-dilution provisions set forth in the bond indenture.

37. OTHER ITEMS

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

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

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31					
	2024			2023		
	Foreign Currencies (Thousand)	Exchange Rate (Note)	New Taiwan Dollars (Thousand)	Foreign Currencies (Thousand)	Exchange Rate (Note)	New Taiwan Dollars (Thousand)
Financial assets						
Monetary items						
USD	$ 126,245	32.785	$ 4,138,943	$ 178,715	30.7050	$ 5,487,438
ILS	15,225	8.9682	136,544	10,874	8.4694	92,097
CNY	5,101	4.478	22,844	5,906	4.3270	25,555
JPY	465,294	0.2099	97,665	217,862	0.2172	47,320
EUR	995	34.14	33,979	604	33.98	20,536
SGD	731	24.13	17,638	113	23.29	2,623
Financial liabilities						
Monetary items						
USD	89,809	32.785	2,944,398	131,320	30.7050	4,032,168
ILS	16,726	8.9682	150,001	13,070	8.4694	110,694
CNY	5,415	4.478	24,247	4,495	4.3270	19,452
JPY	135,364	0.2099	28,413	3,283	0.2172	713
EUR	303	34.14	10,356	407	33.98	13,820

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

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were NT$87,161 thousand and NT$77,808 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

39. SEGMENT INFORMATION

a. Basic information about operating segment

1) Classification of operating segments

The Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

a) General IC product segment

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

b) Foundry service segment

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

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

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

b. Segment revenues and operating results

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

	Segment Revenue		**Segment Profit and Loss**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2024	**2023**	**2024**	**2023**
General IC products	$ 29,206,855	$ 32,365,005	$ 2,701,981	$ 4,277,083
Foundry service	2,000,170	2,447,858	450,378	884,345
Total of segment revenue	31,207,025	34,812,863	3,152,359	5,161,428
Other revenue	716,265	535,286	438,439	321,620
Operating revenue	$ 31,923,290	$ 35,348,149	3,590,798	5,483,048
Unallocated expenditure				
Administrative and supporting expenses			(2,318,074)	(2,545,425)
Sales and other common expenses			(1,259,891)	(1,247,440)
Total operating profit			12,833	1,690,183
Finance costs			(46,435)	(45,759)
Share of profit (loss) of associates			112,862	162,270
Interest income			168,402	190,134
Dividend income			64,294	71,728
Other gains and losses			45,352	40,651
Gains (losses) on disposal of property, plant and equipment			94,270	646,211
Foreign exchange gains (losses)			87,161	77,808
Gains (losses) on financial instruments at fair value through profit or loss			(139,071)	(106,622)
Profit before income tax			$ 399,668	$ 2,726,604

c. Geographical information

The Group operates in three principal geographical area - Asia, the United States and Europe.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets (non-current assets exclude financial instruments and deferred income tax assets) by location are detailed below.

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2024	2023	2024	2023
Asia	$ 30,637,228	$ 34,124,603	$ 10,866,130	$ 10,532,950
United States	475,035	296,521	52,801	57,875
Europe	808,371	926,688	39	-
Others	2,656	337	-	-
	$ 31,923,290	$ 35,348,149	$ 10,918,970	$ 10,590,825

d. Information about major customer

Single customers contributing 10% or more to the Group's operating revenue for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Customer V	$ 4,669,308	15	$ 4,400,516	12

40. ADDITIONAL DISCLOSURE

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

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

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

b. Information on investment in mainland China

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

c. Information of major shareholders: Refer to Table 8 to the consolidated financial statements attached.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 2)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 2)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	NTCJ	Subsidiary	$ 15,663,037	$ 2,881,655	$ 2,105,025	$ 586,060	$ -	13.44	$ 15,663,037	Y	N	N

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

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

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

TABLE 2

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Shares							
	Yu-Ji Venture Capital Co., Ltd.	The held company as the investee's director	Non-current financial assets at fair value through other comprehensive income	330,000	$ 6,517	5	$ 6,517	
	Brightek Optoelectronic Co., Ltd.	None	〃	34,680	1,706	-	1,706	
	United Industrial Gases Co., Ltd.	The held company as the investee's director	〃	8,800,000	580,800	4	580,800	
	Autotalks Ltd. - Preferred E. and E-1 Share	None	〃	4,189,825	737,663	9	737,663	
	Allxon Inc.	None	〃	5,625,000	56,250	15	56,250	
SYI	Shares							
	Nyquest Technology Co., Ltd.	The held company as the investee's director	〃	1,650,000	82,170	5	82,170	
NTCJ	Shares							
	Symetrix Corporation	None	〃	50,268	-	1	-	

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	NTHK	Subsidiary	Sales	$ 8,106,700	43	Net 50 days from invoice date	N/A	N/A	$ 1,373,695	54	
	NTSG	Subsidiary	Sales	594,596	3	Net 8 days end of the month	N/A	N/A	41,378	2	
	NTCJ	Subsidiary	Sales	823,550	4	Net 8 days end of the month	N/A	N/A	112,646	4	
	NTCA	Subsidiary	Sales	200,768	1	Net 50 days from invoice date	N/A	N/A	68,706	3	
	NTSZ	Subsidiary	Sales	142,381	1	Net 50 days from invoice date	N/A	N/A	19,537	1	
	NTCJ	Subsidiary	Purchases	4,854,218	52	Net 8 days end of the month	N/A	N/A	(265,019)	15	
	NTSG	Subsidiary	Purchases	527,920	6	Net 8 days end of the month	N/A	N/A	(45,970)	3	
	WEC	Parent company	Purchases	153,423	2	Net 30 days from invoice date	N/A	N/A	(24,872)	1	
NTSG	NTCJ	Fellow subsidiary	Sales	US$ 76,573	52	Net 10 days end of the month	N/A	N/A	US$ 5,427	47	
	NTHK	Fellow subsidiary	Sales	US$ 13,161	9	Net 10 days end of the month	N/A	N/A	US$ 1,176	10	
NTCJ	NTSG	Fellow subsidiary	Sales	JPY 12,603,019	16	Net 10 days end of the month	N/A	N/A	JPY 1,285,524	12	
	NTHK	Fellow subsidiary	Sales	JPY 14,952,198	19	Net 10 days end of the month	N/A	N/A	JPY 1,221,929	11	
	TPSCo.	Associate	Purchases	JPY 17,639,846	50	Net 10 days end of the month	N/A	N/A	JPY (2,371,596)	42	

TABLE 4

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	NTHK	Subsidiary	$ 1,373,695 (Note 2)	6.27	$ -	-	$ 498,779	$ -
	NTCJ	Subsidiary	112,646 (Note 2)	5.14	-	-	108,591	-
NTSG	NTCJ	Fellow subsidiary	US$ 5,427 (Note 2)	9.93	-	-	US$ 5,427	-
NTCJ	NTSG	Fellow subsidiary	JPY 1,285,524 (Note 2)	9.90	-	-	JPY 1,285,524	-
	NTHK	Fellow subsidiary	JPY 1,221,929 (Note 2)	12.89	-	-	JPY 1,221,929	-
	The Company	Parent company	JPY 1,262,598 (Note 2)	11.39	-	-	JPY 1,262,598	-
NTIL	The Company	Parent company	ILS 16,726 (Note 2)	(Note 1)	-	-	ILS 16,726	-

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

Note 2: All receivables balances are eliminated.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
The Company	NTHK	Hong Kong	Sales of semiconductor	$ 427,092	$ 427,092	107,400,000	100	$ 853,738	$ 116,083	$ 116,083	
	MML	British Virgin Islands	Investment holding	274,987	274,987	8,897,789	100	89,439	(1,188)	(1,188)	
	NIH	British Virgin Islands	Investment holding	515,251	515,251	15,633,161	100	454,608	58,308	58,308	
	SYI	Taiwan	Investment holding	38,500	38,500	3,850,000	100	103,705	2,636	2,636	
	NTIPL	India	Design, sales and service of semiconductor	30,211	30,211	600,000	100	22,775	399	399	
	NTCA	United States of America	Design, sales and service of semiconductor	190,862	190,862	60,500	100	247,427	12,925	12,925	
	NTSG	Singapore	Design, sales and service of semiconductor	1,319,054	1,319,054	45,100,000	100	2,229,357	66,927	66,927	
	NTKL	Korea	Design, sales and service of semiconductor	67,611	30,828	280,000	100	49,849	2,697	2,697	
	NTHJ	Japan	Investment holding	5,927,849	5,927,849	100	100	7,667,604	(778,411)	(778,411)	
	NTG	Germany	Customer service and technical support of semiconductor	67,980	67,980	2,000,000	100	66,838	(1,491)	(1,491)	
MML	GLLC	United States of America	Investment holding	-	1,473,559	-	100	-	(1,330)	(1,330)	(Note 2)
NIH	NTIL	Israel	Design and service of semiconductor	46,905	46,905	1,000	100	453,734	58,403	58,403	
NTHJ	NTCJ	Japan	Design, sales and service of semiconductor	111,520	111,520	9,480	100	9,933,672	(778,581)	(778,581)	
NTCJ	TPSCo.	Japan	Foundry and sales of semiconductor	1,708,037	1,708,037	49,539	49	1,887,907	292,259	112,862	(Note 1)

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

Note 2: GLLC completed the cancellation and liquidation process in December 2024.

Note 3: Refer to Table 6 for information on investment in mainland China.

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and U.S. Dollars)

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

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	% Ownership of Direct or Indirect Investment	Net Income of the Investee	Investment Gain (Note 1)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
NTSH	Provide project of sale in China and repairing, testing and consulting of software and leasing business	$ 68,036 (US$ 2,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly (Note 2)	$ 68,036 (US$ 2,000)	$ -	$ -	$ 68,036 (US$ 2,000)	100	$ 2,661	$ 2,661	$ 99,116	$ -
NTSZ	Computer software service (except I.C. design), wholesale business for computer, supplement and software	197,670 (US$ 6,000)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly	197,670 (US$ 6,000)	-	-	197,670 (US$ 6,000)	100	8,377	8,377	246,003	-
Song Zhi (Suzhou)	Provide development of semiconductor and technology, consult service and equipment leasing business	- (Note 3)	Through investing in NTSH in the third area, which then invested in the investee in mainland China indirectly	- (Note 3)	-	-	-	100	(61)	(61)	- (Note 3)	-
NTNJ	Provide development of semiconductor and technology, consult service and equipment leasing business and sales	28,800 (US$ 900)	Through investing in NTHK in the third area, which then invested in the investee in mainland China indirectly (Note 4)	- (Note 4)	-	-	-	100	(4,730)	(4,730)	23,859	-

Note 1: Investment profit or loss for the year ended December 31, 2024 was recognized under the basis of the financial statements audited by the Company’s auditor.

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

Note 3: NTSH directly injected the capital in Song Zhi (Suzhou). Additionally, Song Zhi (Suzhou) fully refund the entire capital to NTSH in September 2024 and completed the cancellation and liquidation process in October 2024.

Note 4: NTHK directly injected the capital in NTNJ.

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

Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024(Note 5)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 6)
The Company	NT$282,135 (US$8,500)	NT$282,135 (US$8,500)	NT$9,397,822

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

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

3. Refer to Table 7 for significant transactions with the investee in mainland China directly and indirectly through investing in companies in the third area.

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

5. Financing of funds to investee in mainland China directly and indirectly through investing in companies in the third area: None.

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

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			Percentage of Consolidated Total Gross Sales or Total Assets (%)
				Financial Statement Account	Amount	Terms (Note)	
	2024						
0	The Company	NTHK	Transactions between parent company and subsidiaries	Operating revenue	$ 8,106,700	-	25
		NTHK	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	1,373,695	-	5
		NTCA	Transactions between parent company and subsidiaries	Operating revenue	200,768	-	1
		NTSG	Transactions between parent company and subsidiaries	Operating revenue	594,596	-	2
		NTCJ	Transactions between parent company and subsidiaries	Operating revenue	823,550	-	3
		NTCJ	Transactions between parent company and subsidiaries	Accounts receivable due from related parties	112,646	-	-
		NTSZ	Transactions between parent company and subsidiaries	Operating revenue	142,381	-	-
		NTSG	Transactions between parent company and subsidiaries	Operating cost	527,920	-	2
		NTCJ	Transactions between parent company and subsidiaries	Operating cost	4,854,218	-	15
		NTCJ	Transactions between parent company and subsidiaries	Accounts payable to related parties	265,019	-	1
		NTIL	Transactions between parent company and subsidiaries	Operating expense	1,365,330	-	4
		NTIL	Transactions between parent company and subsidiaries	Other payables to related parties	150,001	-	-
		NTCA	Transactions between parent company and subsidiaries	Operating expense	454,749	-	1
1	NTCJ	NTSG	Transactions between subsidiaries	Operating revenue	2,675,551	-	8
		NTSG	Transactions between subsidiaries	Accounts receivable due from related parties	269,832	-	1
		NTHK	Transactions between subsidiaries	Operating revenue	3,168,408	-	10
		NTHK	Transactions between subsidiaries	Accounts receivable due from related parties	256,483	-	1
2	NTSG	NTCJ	Transactions between subsidiaries	Operating revenue	2,455,653	-	8
		NTCJ	Transactions between subsidiaries	Accounts receivable due from related parties	177,923	-	1
		NTHK	Transactions between subsidiaries	Operating revenue	422,119	-	1

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

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

TABLE 8

NUVOTON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

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

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

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