

**NANYA TECHNOLOGY CORPORATION AND  
SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2024 and 2023**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of Nanya Technology Corporation :

### Introduction

We have reviewed the accompanying consolidated balance sheets of Nanya Technology Corporation (the "Company") and its subsidiaries (together referred to as the "Group") as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Nanya Technology Corporation and its subsidiaries as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuo, Hsin-Yi and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)  
August 2, 2024

### Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## Nanya Technology Corporation and Subsidiaries

## Consolidated Balance Sheets

June 30, 2024, December 31 and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2024		December 31, 2023		June 30, 2023		Liabilities and Equity		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (Note 6(a))	\$ 65,491,350	33	58,812,043	31	59,665,022	31	2100	Short-term borrowings (Notes 6(j) and (y))	\$ 12,016,500	6	11,181,000	6	-	-
1170	Accounts receivable, net (Notes 6(c) and (s))	6,267,518	3	5,095,790	3	4,498,583	2	2110	Short-term notes payable (Notes 6(k) and (y))	2,394,201	1	-	-	-	-
1180	Accounts receivable due from related parties, net (Notes 6(c), (s) and 7)	-	-	124,000	-	-	-	2170	Accounts payable	3,507,795	2	3,298,034	1	4,357,062	2
1200	Other receivables (Notes 6(d) and (i))	3,797,625	2	3,447,889	2	2,783,397	2	2180	Accounts payable to related parties (Note 7)	183,563	-	145,060	-	88,930	-
1210	Other receivables due from related parties (Note 7)	127,360	-	-	-	466,987	-	2200	Other payables	4,051,500	2	4,079,311	2	4,706,530	2
1310	Inventories (Note 6(e))	29,054,303	14	27,634,399	14	28,033,890	15	2216	Dividends payable	1,634	-	1,803	-	6,601,497	4
1410	Prepayments	1,240,058	1	749,333	-	859,918	-	2220	Other payables to related parties (Note 7)	1,422,915	1	863,145	1	744,879	-
1470	Other current assets	772,190	-	646,612	-	742,299	-	2230	Current tax liabilities	-	-	138,687	-	513,880	1
	<b>Total current assets</b>	<u>106,750,404</u>	<u>53</u>	<u>96,510,066</u>	<u>50</u>	<u>97,050,096</u>	<u>50</u>	2280	Current lease liabilities (Notes 6(m) and 7)	413,636	-	393,063	-	379,081	-
	<b>Non-current assets:</b>							2399	Other current liabilities	17,453	-	17,461	-	1,868	-
1517	Non-current financial assets at fair value through other comprehensive income	27,321	-	20,301	-	16,882	-		<b>Total current liabilities</b>	<u>24,009,197</u>	<u>12</u>	<u>20,117,564</u>	<u>10</u>	<u>17,393,727</u>	<u>9</u>
1535	Non-current financial assets at amortized cost, net (Notes 6(b) and 8)	729,493	-	868,815	-	800,675	-		<b>Non-Current liabilities:</b>						
1550	Investments accounted for using equity method (Note 6(f))	4,926,736	3	5,120,246	3	5,114,688	2	2530	Bonds payable (Notes 6(l) and (y))	3,994,300	2	-	-	-	-
1600	Property, plant and equipment (Notes 6(g), (y) and 7)	79,861,867	40	81,837,618	43	85,558,454	44	2570	Deferred tax liabilities	3,617	-	3,426	-	13,434	-
1755	Right-of-use assets (Note 6(h))	4,530,865	2	4,425,560	2	4,537,828	2	2580	Non-current lease liabilities (Notes 6(m), (y) and 7)	4,206,460	2	4,104,145	2	4,212,387	2
1780	Intangible assets	812,100	-	927,365	1	1,077,380	1	2640	Net defined benefit liability, non-current	500,369	-	505,687	-	526,806	-
1840	Deferred tax assets	3,136,918	2	2,522,011	1	1,192,771	1	2670	Other non-current liabilities (Note 6(b))	429,457	-	695,696	1	691,811	1
1990	Other non-current assets	120,491	-	118,691	-	123,220	-		<b>Total non-current liabilities</b>	<u>9,134,203</u>	<u>4</u>	<u>5,308,954</u>	<u>3</u>	<u>5,444,438</u>	<u>3</u>
	<b>Total non-current assets</b>	<u>94,145,791</u>	<u>47</u>	<u>95,840,607</u>	<u>50</u>	<u>98,421,898</u>	<u>50</u>		<b>Total liabilities</b>	<u>33,143,400</u>	<u>16</u>	<u>25,426,518</u>	<u>13</u>	<u>22,838,165</u>	<u>12</u>
									<b>Equity (Note 6(p)):</b>						
								3110	Ordinary shares	30,986,089	16	30,981,209	16	30,980,429	16
								3140	Advance receipts for share capital	505	-	1,505	-	526	-
								3200	Capital surplus	32,833,896	16	32,826,323	17	32,824,937	17
								3310	Legal reserve	18,626,223	9	18,626,223	10	18,626,223	9
								3350	Unappropriated retained earnings	81,866,843	41	83,889,816	44	88,858,852	45
								3400	Other equity interest	3,439,239	2	599,079	-	1,342,862	1
									<b>Total equity</b>	<u>167,752,795</u>	<u>84</u>	<u>166,924,155</u>	<u>87</u>	<u>172,633,829</u>	<u>88</u>
									<b>Total liabilities and equity</b>	<u>\$ 200,896,195</u>	<u>100</u>	<u>192,350,673</u>	<u>100</u>	<u>195,471,994</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 200,896,195</u>	<u>100</u>	<u>192,350,673</u>	<u>100</u>	<u>195,471,994</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Nanya Technology Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three months and six months ended June 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the three months ended				For the six months ended			
	June 30,				June 30,			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	\$ 9,921,043	100	7,027,071	100	19,423,980	100	13,451,954	100
5000	(9,634,079)	(97)	(7,815,373)	(111)	(19,413,640)	(100)	(14,794,416)	(110)
	<u>286,964</u>	<u>3</u>	<u>(788,302)</u>	<u>(11)</u>	<u>10,340</u>	<u>-</u>	<u>(1,342,462)</u>	<u>(10)</u>
	<b>Operating expenses (Notes 6(g), (h), (m), (n), (q), (t) and 7):</b>							
6100	(164,561)	(2)	(137,656)	(2)	(317,763)	(2)	(267,495)	(2)
6200	(443,089)	(4)	(463,905)	(7)	(872,492)	(4)	(885,286)	(7)
6300	(1,998,492)	(20)	(1,794,668)	(25)	(4,057,531)	(21)	(3,574,651)	(26)
	<u>(2,606,142)</u>	<u>(26)</u>	<u>(2,396,229)</u>	<u>(34)</u>	<u>(5,247,786)</u>	<u>(27)</u>	<u>(4,727,432)</u>	<u>(35)</u>
	<u>(2,319,178)</u>	<u>(23)</u>	<u>(3,184,531)</u>	<u>(45)</u>	<u>(5,237,446)</u>	<u>(27)</u>	<u>(6,069,894)</u>	<u>(45)</u>
	<b>Net operating loss</b>							
	<b>Non-operating income and expenses (Notes 6(f), (g), (i), (m), (u) and 7):</b>							
7100	877,568	9	776,892	11	1,713,674	9	1,497,262	11
7020	234,727	2	380,728	5	805,372	4	412,435	3
7050	(93,809)	(1)	(20,105)	-	(170,858)	-	(38,006)	-
7060	27,419	-	126,558	2	72,889	-	165,288	1
	<u>1,045,905</u>	<u>10</u>	<u>1,264,073</u>	<u>18</u>	<u>2,421,077</u>	<u>13</u>	<u>2,036,979</u>	<u>15</u>
7900	(1,273,273)	(13)	(1,920,458)	(27)	(2,816,369)	(14)	(4,032,915)	(30)
7950	458,788	5	1,149,584	16	793,396	4	1,577,354	12
	<u>(814,485)</u>	<u>(8)</u>	<u>(770,874)</u>	<u>(11)</u>	<u>(2,022,973)</u>	<u>(10)</u>	<u>(2,455,561)</u>	<u>(18)</u>
8300	<b>Other comprehensive income (loss) (Notes 6(o) and (p)):</b>							
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>							
8316	696	-	84	-	1,020	-	316	-
8320	(47,757)	-	(15,618)	-	(139,039)	(1)	30,486	-
8349	139	-	16	-	204	-	63	-
	<u>(47,200)</u>	<u>-</u>	<u>(15,550)</u>	<u>-</u>	<u>(138,223)</u>	<u>(1)</u>	<u>30,739</u>	<u>-</u>
8360	<b>Components of other comprehensive loss that may be reclassified to profit or loss</b>							
8361	792,801	7	1,118,351	16	2,978,383	15	699,890	5
8399	-	-	-	-	-	-	-	-
	<u>792,801</u>	<u>7</u>	<u>1,118,351</u>	<u>16</u>	<u>2,978,383</u>	<u>15</u>	<u>699,890</u>	<u>5</u>
8300	745,601	7	1,102,801	16	2,840,160	14	730,629	5
8500	<u>(68,884)</u>	<u>(1)</u>	<u>331,927</u>	<u>5</u>	<u>817,187</u>	<u>4</u>	<u>(1,724,932)</u>	<u>(13)</u>
	<b>Comprehensive (loss) income loss per share (Note 6(r))</b>							
9750	<u>(0.26)</u>		<u>(0.25)</u>		<u>(0.65)</u>		<u>(0.79)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Nanya Technology Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest			Total equity
							Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	
<b>Balance at January 1, 2023</b>	\$ 30,980,079	736	32,824,366	17,156,884	4,116,942	95,266,810	913,316	(301,083)	612,233	180,958,050
Net loss for the six months ended June 30, 2023	-	-	-	-	-	(2,455,561)	-	-	-	(2,455,561)
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	699,890	30,739	730,629	730,629
Total comprehensive (loss) income for the six months ended June 30, 2023	-	-	-	-	-	(2,455,561)	699,890	30,739	730,629	(1,724,932)
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	-	1,469,339	-	(1,469,339)	-	-	-	-
Special reserve appropriated	-	-	-	-	(4,116,942)	4,116,942	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(6,600,000)	-	-	-	(6,600,000)
Exercise of employee share options	350	(210)	571	-	-	-	-	-	-	711
<b>Balance at June 30, 2023</b>	<b>\$ 30,980,429</b>	<b>526</b>	<b>32,824,937</b>	<b>18,626,223</b>	<b>-</b>	<b>88,858,852</b>	<b>1,613,206</b>	<b>(270,344)</b>	<b>1,342,862</b>	<b>172,633,829</b>
<b>Balance at January 1, 2024</b>	\$ 30,981,209	1,505	32,826,323	18,626,223	-	83,889,816	896,519	(297,440)	599,079	166,924,155
Net loss for the six months ended June 30, 2024	-	-	-	-	-	(2,022,973)	-	-	-	(2,022,973)
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	2,978,383	(138,223)	2,840,160	2,840,160
Total comprehensive (loss) income for the six months ended June 30, 2024	-	-	-	-	-	(2,022,973)	2,978,383	(138,223)	2,840,160	817,187
Exercise of employee share options	4,880	(1,000)	7,573	-	-	-	-	-	-	11,453
<b>Balance at June 30, 2024</b>	<b>\$ 30,986,089</b>	<b>505</b>	<b>32,833,896</b>	<b>18,626,223</b>	<b>-</b>	<b>81,866,843</b>	<b>3,874,902</b>	<b>(435,663)</b>	<b>3,439,239</b>	<b>167,752,795</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Nanya Technology Corporation and Subsidiaries****Consolidated Statements of Cash Flows****For the six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities</b>		
Loss before tax	\$ (2,816,369)	(4,032,915)
<b>Adjustments:</b>		
Adjustments to reconcile profit:		
Depreciation expense	8,001,059	7,452,558
Amortization expense	126,162	153,393
Interest expense	170,858	38,006
Interest income	(1,713,674)	(1,497,262)
Share of profit of associates accounted for using equity method	(72,889)	(165,288)
Loss (gain) on disposal of property, plant and equipment	1,934	(65,503)
Impairment loss (reversal of impairment loss) on non-financial assets	6,442	(27,089)
Unrealized foreign exchange loss (gain)	41,224	(40,813)
Gain on lease modification	(142)	(171)
<b>Total adjustments to reconcile profit</b>	<b>6,560,974</b>	<b>5,847,831</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	(1,027,929)	(81,240)
Other receivables (including related parties)	(311,866)	(517,903)
Inventories	(1,419,904)	(4,649,443)
Prepayments	(490,725)	107,691
Other current assets	(125,578)	133,210
Accounts payable (including related parties)	(145,287)	(484,555)
Other payables (including related parties)	437,640	(1,253,635)
Other current liabilities	(8)	(7,904)
Net defined benefit liability	(5,318)	(3,882)
Other non-current liabilities	1,010	(2,858)
<b>Total net changes used in operating assets and liabilities</b>	<b>(3,087,965)</b>	<b>(6,760,519)</b>
Cash inflow from (used in) operations	656,640	(4,945,603)
Interest received	1,703,762	1,437,207
Interest paid	(162,207)	(35,902)
Income taxes refunded (paid)	11,096	(2,241,218)
<b>Net cash flows from (used in) operating activities</b>	<b>2,209,291</b>	<b>(5,785,516)</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(10)	(41)
Acquisition of financial assets designated at fair value through profit or loss	(6,000)	-
Acquisition of property, plant and equipment	(5,437,695)	(8,624,626)
Proceeds from disposal of property, plant and equipment	1,149	95,038
Increase in refundable deposits	(3,225)	(50,204)
Acquisition of intangible assets	(112,631)	(258,373)
Decrease in lease and installment receivables	-	132,165
Increase in other non-current assets	(203)	(3,849)
<b>Net cash flows used in investing activities</b>	<b>(5,558,615)</b>	<b>(8,709,890)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	835,500	-
Increase in short-term notes payable	2,400,000	-
Proceed from issuing bonds	4,000,000	-
Payment on cost of issuing bonds	(6,000)	-
Decrease (increase) in guarantee deposits received	2,924	(6,065)
Payment of lease liabilities	(203,707)	(190,172)
Exercise of employee share options	11,453	711
<b>Net cash flows from (used in) financing activities</b>	<b>7,040,170</b>	<b>(195,526)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,988,461</b>	<b>762,692</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,679,307</b>	<b>(13,928,240)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>58,812,043</b>	<b>73,593,262</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 65,491,350</b>	<b>59,665,022</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**Nanya Technology Corporation and Subsidiaries**

**Notes to the Consolidated Financial Statements**

**June 30, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

**(1) Company history**

Nanya Technology Corporation (the “Company”) was legally established with the approval of the Ministry of Economic Affairs on March 4, 1995, with registered address at No.98 Nanlin Road Dake Vil., Taishan District, New Taipei City, Taiwan. The main operating activities of the Company and its subsidiary (the “Group”) are researching, developing, manufacturing and selling semiconductor products, and the import and export of its machinery, equipment and raw materials.

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements were authorized for issuance by the Board of Directors on August 2, 2024.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

**(4) Summary of material accounting policies:**

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

The significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

**(b) Basis of consolidation**

**(i) List of subsidiaries included in the consolidated financial statements:**

Investor	The name of subsidiaries	Business activity	Shareholding		
			June 30, 2024	December 31, 2023	June 30, 2023
The Company	NANYA TECHNOLOGY CORP. U.S.A	Sales of semiconductor products	100.00 %	100.00 %	100.00 %
The Company	NANYA TECHNOLOGY CORP. Delaware	Design of semiconductor products	100.00 %	100.00 %	100.00 %
The Company	NANYA TECHNOLOGY CORP. H.K.	Sales of semiconductor products	100.00 %	100.00 %	100.00 %
The Company	NANYA TECHNOLOGY CORP. Japan	Sales of semiconductor products	100.00 %	100.00 %	100.00 %
The Company	NANYA TECHNOLOGY INTERNATIONAL LTD.	General investment business	100.00 %	100.00 %	100.00 %

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
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Investor	The name of subsidiaries	Business activity	Shareholding		
			June 30, 2024	December 31, 2023	June 30, 2023
NANYA TECHNOLOGY CORP. H.K.	NANYA TECHNOLOGY CORP., Europe GmbH	Sales of semiconductor products	100.00 %	100.00 %	100.00 %
NANYA TECHNOLOGY CORP. H.K.	NANYA TECHNOLOGY CORP. Shenzhen	Sales of semiconductor products	100.00 %	100.00 %	100.00 %

(ii) Subsidiaries not included in the consolidated financial statements: None.

(c) Government grants

The Group recognizes government grants related to research and development as deferred income and relevant expenses in profit or loss.

(d) Employee benefit

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, and was adjusted according to material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year.

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34“Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

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**(6) Explanation of significant accounts:**

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Petty cash	\$ 35	42	69
Checking accounts and demand deposits	5,281,133	3,188,931	5,602,460
Cash equivalents:			
Time deposits	60,210,182	55,623,070	52,993,683
Commercial paper	-	-	1,068,810
	<u>\$ 65,491,350</u>	<u>58,812,043</u>	<u>59,665,022</u>

(b) Non-current financial assets at amortized cost

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Restricted Demand Deposits	\$ 1,026	140,659	72,469
Restricted Time Deposits	728,467	728,156	728,206
	<u>\$ 729,493</u>	<u>868,815</u>	<u>800,675</u>

The Group applied to the Minister of Economic Affairs (MOEA) for a research and development program subsidy in accordance with subsidy, Reward and Assistance Regulations for Promoting Industry Innovation of Ministry of Economic Affairs. As of June 30, 2024 and 2023, the research grant amounted to \$492,567 and \$223,003 thousand was approved by the Ministry of Economic Affairs to be transferred to the designated account for grants, and \$487,722 and \$151,594 thousand had been appropriated based on the actual payment. The demand deposit cannot be withdrawn arbitrarily under the restriction terms of the regulations for making a withdrawal from the designated account. As a result, the Group recognized the deferred revenue- Government Grants as other non-current liabilities.

The Group has assessed that these time deposits are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these time deposits were classified as financial assets measured at amortized cost.

(i) For credit risk, please refer to note 6(v).

(ii) For the details of financial assets pledged as collateral, please refer to note 8.

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
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## (c) Accounts receivable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts receivable- measured at amortized cost	\$ 6,267,518	5,095,790	4,498,583
Accounts receivable- related parties	-	124,000	-
	<u>\$ 6,267,518</u>	<u>5,219,790</u>	<u>4,498,583</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision for notes and accounts receivable was determined as follows:

<u>June 30, 2024</u>			
<u>Due days</u>	<u>Accounts receivables gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 6,241,898	-	-
1 to 30 days past due	25,620	-	-
	<u>\$ 6,267,518</u>		<u>-</u>
<u>December 31, 2023</u>			
<u>Due days</u>	<u>Accounts receivables gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 5,204,431	-	-
1 to 30 days past due	14,311	-	-
31 to 60 days past due	1,048	-	-
	<u>\$ 5,219,790</u>		<u>-</u>
<u>June 30, 2023</u>			
<u>Due days</u>	<u>Accounts receivables gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 4,422,711	-	-
1 to 30 days past due	75,872	-	-
	<u>\$ 4,498,583</u>		<u>-</u>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
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The Group did not recognize any allowance for impairment loss as there were no uncollected accounts receivable that were past due as of June 30, 2024, December 31 and June 30, 2023.

Please refer to Note 6(v) for other information of credit risk.

(d) Other receivables

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Tax refund receivable	\$ 2,735,530	2,432,222	2,076,244
Lease payment receivable	-	16,450	130,465
Interest receivable	982,454	972,542	537,355
Others	79,641	26,675	39,333
	<b><u>\$ 3,797,625</u></b>	<b><u>3,447,889</u></b>	<b><u>2,783,397</u></b>

Please refer to Note 6(v) for other information of credit risk.

(e) Inventories

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Raw materials	\$ 424,623	562,024	584,961
Work in progress	10,555,104	11,671,966	9,798,033
Finished goods	18,074,576	15,400,409	17,650,896
	<b><u>\$ 29,054,303</u></b>	<b><u>27,634,399</u></b>	<b><u>28,033,890</u></b>

The details of the cost of sales were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Inventory that has been sold	\$ 8,933,192	7,588,957	18,472,257	13,920,392
Write-down of inventories	41,761	-	153,592	-
Unallocated production overheads	642,774	201,176	747,629	831,019
Others	16,352	25,240	40,162	43,005
	<b><u>\$ 9,634,079</u></b>	<b><u>7,815,373</u></b>	<b><u>19,413,640</u></b>	<b><u>14,794,416</u></b>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
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(f) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Associates	<u>\$ 4,926,736</u>	<u>5,120,246</u>	<u>5,114,688</u>

The related information of the major associate to the Group was as follows:

<u>Name of Associates</u>	<u>Nature of Relationship to the Group</u>	<u>Registration Country</u>	<u>Percentage of ownership</u>		
			<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Formosa Advanced Technologies Co., Ltd. (FATC)	It mainly engages in assembling and testing of module products, as well as in the research and development of integrated circuits.	Taiwan	32.00 %	32.00 %	32.00 %

The fair value of major associates listed on the Stock Exchange was as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Formosa Advanced Technologies Co., Ltd.	<u>\$ 17,158,222</u>	<u>17,246,667</u>	<u>19,369,333</u>

The aggregated financial information of the major associate was as follows:

The financial information of FATC was as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Current assets	\$ 10,020,192	9,573,354	10,643,061
Non-current assets	3,455,637	3,690,084	3,899,155
Current liabilities	(1,289,057)	(868,488)	(2,098,431)
Non-current liabilities	<u>(580,720)</u>	<u>(587,714)</u>	<u>(634,059)</u>
Net asset	<u>\$ 11,606,052</u>	<u>11,807,236</u>	<u>11,809,726</u>
Net asset contributed to non-controlling interest of Formosa Petrochemical Corporation	<u>\$ 7,892,116</u>	<u>8,028,921</u>	<u>8,030,613</u>
Net asset contributed to FATC	<u>\$ 3,713,936</u>	<u>3,778,315</u>	<u>3,779,113</u>

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	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Operating revenue	\$ 2,337,549	1,880,837	4,697,202	4,050,634
Profit	\$ 283,473	230,908	631,314	462,501
Other comprehensive (loss) income	(149,242)	(48,807)	(434,498)	95,269
Total comprehensive income	\$ 134,231	182,101	196,816	557,770
Comprehensive income allocated to non-controlling interest of Formosa Petrochemical Corporation	\$ 91,277	123,828	133,835	379,283
Total comprehensive income contributed to FATC	\$ 42,954	58,273	62,981	178,487
			For the six months ended June 30,	
			2024	2023
Share of net assets of the major associate at January 1			\$ 3,778,315	4,067,613
Total comprehensive income allocated to the Group			62,981	178,487
Cash dividends contributed to the Group			(127,360)	(466,987)
Shares of net assets of major associate			3,713,936	3,779,113
Add: good will			1,463,162	1,463,162
Less: unrealized profits on upstream sales net assets of the associates			(250,362)	(127,587)
Total carrying amount of the major associate			\$ 4,926,736	5,114,688

(g) Property, plant and equipment

Cost:	Land	Building	Machinery and equipment	Other equipment	Under construction	Total
	<b>Balance as of January 1, 2024</b>	\$ 1,013,924	10,039,640	220,049,397	927,971	26,381,949
Additions	-	-	239,164	12,661	5,556,424	5,808,249
Disposals	-	(19,776)	(408,405)	(32,186)	-	(460,367)
Reclassification	-	374,246	13,546,253	6,758	(13,927,257)	-
Effect of exchange rate change	-	(98)	3,426	1,239	-	4,567
<b>Balance as of June 30, 2024</b>	\$ 1,013,924	10,394,012	233,429,835	916,443	18,011,116	263,765,330
<b>Balance as of January 1, 2023</b>	\$ 1,013,924	8,581,514	214,760,268	938,626	22,483,972	247,778,304
Additions	-	-	336,634	8,944	7,561,728	7,907,306
Disposals	-	-	(601,059)	(12,409)	-	(613,468)
Reclassification	-	573,037	4,970,227	(129)	(5,543,135)	-
Effect of exchange rate change	-	(110)	(560)	(131)	-	(801)
<b>Balance as of June 30, 2023</b>	\$ 1,013,924	9,154,441	219,465,510	934,901	24,502,565	255,071,341

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Under construction</u>	<u>Total</u>
<b>Accumulated depreciation / impairment loss:</b>						
<b>Balance as of January 1, 2024</b>	\$ -	3,676,050	172,118,133	781,080	-	176,575,263
Depreciation for the period	-	210,778	7,532,772	32,085	-	7,775,635
Impairment loss	-	-	6,442	-	-	6,442
Disposals	-	(16,755)	(408,345)	(32,184)	-	(457,284)
Reclassification	-	-	169	(169)	-	-
Effect of exchange rate change	-	(96)	2,655	848	-	3,407
<b>Balance as of June 30, 2024</b>	<u>\$ -</u>	<u>3,869,977</u>	<u>179,251,826</u>	<u>781,660</u>	<u>-</u>	<u>183,903,463</u>
<b>Balance as of January 1, 2023</b>	\$ -	3,258,420	158,859,971	762,519	-	162,880,910
Depreciation for the period	-	200,102	7,010,985	32,840	-	7,243,927
Reversal of impairment loss	-	-	(27,089)	-	-	(27,089)
Disposals	-	-	(571,524)	(12,409)	-	(583,933)
Reclassification	-	15,476	(15,163)	(313)	-	-
Effect of exchange rate change	-	(107)	(646)	(175)	-	(928)
<b>Balance as of June 30, 2023</b>	<u>\$ -</u>	<u>3,473,891</u>	<u>165,256,534</u>	<u>782,462</u>	<u>-</u>	<u>169,512,887</u>
<b>Carrying amounts:</b>						
<b>Balance as of June 30, 2024</b>	<u>\$ 1,013,924</u>	<u>6,524,035</u>	<u>54,178,009</u>	<u>134,783</u>	<u>18,011,116</u>	<u>79,861,867</u>
<b>Balance as of December 31, 2023</b>	<u>\$ 1,013,924</u>	<u>6,363,590</u>	<u>47,931,264</u>	<u>146,891</u>	<u>26,381,949</u>	<u>81,837,618</u>
<b>Balance as of June 30, 2023</b>	<u>\$ 1,013,924</u>	<u>5,680,550</u>	<u>54,208,976</u>	<u>152,439</u>	<u>24,502,565</u>	<u>85,558,454</u>

(i) Assessment on impairment

The estimated future recoverable amount of equipment, which had been identified to be no longer useful for its operation, is lower than the book value. In June 30, 2024 and 2023, the Group reassessed its estimates, wherein the amount of \$6,442 and \$27,089 of the impairment loss and reversal of impairment loss has been recognized, respectively.

(ii) Properties, plants, and equipment under construction

For the six months ended June 30, 2024, the capitalized interest on borrowings for the purchase of properties, plants, and equipment of the Group amounted to \$6,806, with the interest rate of 1.75%.

(h) Right-of-use assets

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Total</u>
<b>Cost :</b>				
Balance at January 1, 2024	\$ 5,249,463	1,429	194,253	5,445,145
Additions	281,571	9,735	48,389	339,695
Decrease	(44,902)	-	-	(44,902)
<b>Balance at June 30, 2024</b>	<u>\$ 5,486,132</u>	<u>11,164</u>	<u>242,642</u>	<u>5,739,938</u>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
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	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Total</u>
Balance at January 1, 2023	\$ 5,074,689	8,181	48,848	5,131,718
Additions	411,038	-	48,575	459,613
Decrease	(236,264)	-	-	(236,264)
Balance at June 30, 2023	<u>\$ 5,249,463</u>	<u>8,181</u>	<u>97,423</u>	<u>5,355,067</u>
Accumulated depreciation:				
Balance at January 1, 2024	\$ 1,000,873	119	18,593	1,019,585
Depreciation for the period	204,446	1,765	19,213	225,424
Decrease	(35,936)	-	-	(35,936)
Balance at June 30, 2024	<u>\$ 1,169,383</u>	<u>1,884</u>	<u>37,806</u>	<u>1,209,073</u>
Balance at January 1, 2023	\$ 603,062	4,868	678	608,608
Depreciation for the period	200,143	1,718	6,770	208,631
Balance at June 30, 2023	<u>\$ 803,205</u>	<u>6,586</u>	<u>7,448</u>	<u>817,239</u>
Carrying Amount:				
Balance at June 30, 2024	<u>\$ 4,316,749</u>	<u>9,280</u>	<u>204,836</u>	<u>4,530,865</u>
Balance at December 31, 2023	<u>\$ 4,248,590</u>	<u>1,310</u>	<u>175,660</u>	<u>4,425,560</u>
Balance at June 30, 2023	<u>\$ 4,446,258</u>	<u>1,595</u>	<u>89,975</u>	<u>4,537,828</u>

(i) Lease receivables

- (i) On June 18, 2009, the Group signed an amended long-term lease agreement with Inotera Memories, Inc. (its name was changed to Micron Technology Taiwan in March 2017, referred to as "MTTW") on the lease of building, facilities and land located on 348, 348-1 and 348-3, Hwa Ya Section, Kueishan District, Taoyuan City. This amended lease agreement, which took effect retroactively from January 1, 2009, includes the renewal term. Initial lease term is from January 1, 2009 to December 31, 2018. However, MTTW is entitled to renew this amended lease agreement for an unlimited number of consecutive additional terms of five years each, by providing a written notice with the intention to renew the lease term commencing from January 1, 2019. MTTW has completed the renewal of its lease agreement, with a written notice on December 13, 2018. In addition, MTTW has an exclusive option to purchase the leased assets (including land, building and its facilities) for a total purchase price of USD50,000 thousand on and after January 1, 2024. Also, the rental receivable for the entire year of 2009 has been waived. Initial yearly rentals for the leased land was USD1,990 thousand and leased building (including facilities) was USD13,010 thousand from January 1, 2010 to December 31, 2018; the first yearly renewal rentals for the leased land is USD1,990 thousand and building (including facilities) is USD8,010 thousand from January 1, 2019 to December 31, 2023. The amended lease agreement for the building (including facilities) is treated as a capital lease because (a) the present value of the periodic rental payments made since the inception date is at least 90% of the market value of the leased assets and (b) the lease term is equal to 75% or more of the total estimated economic life of the leased assets. The land is treated as an operating lease.

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- (ii) The total lease receivable from the capital lease of the building (including facilities) was \$5,185,620; the implicit interest rate was 10.56%. The cost of the leased assets at the beginning of the lease period was \$2,656,223. The difference was recognized as unrealized interest revenue of \$2,529,397. For the three months and six months, June 30, 2023 the Group recognized the interest revenue of \$3,355 and \$8,325, respectively, from the amortization of unrealized interest revenue.
- (iii) MTTW received a written notice on June 12, 2023 concerning the renewal of its lease that matures on December 31, 2023, resulting MTTW to extend its lease for another 5 years, starting from January 1, 2024 to December 31, 2028, with an annual rental of USD2,000, recognized as operating lease.

A maturity analysis of lease receivables, showing the undiscounted lease receivables to be received after the reporting date is as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Less than one year	\$ -	-	132,165
Total lease payments receivable	-	-	132,165
Unearned finance income	-	-	(1,700)
Present value of lease payments receivable	<u>\$ -</u>	<u>-</u>	<u>130,465</u>

For credit risk information, please refer to Note 6(v).

- (j) Short-term borrowings

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023,</u>
Unsecured bank loans	<u>\$ 12,016,500</u>	<u>11,181,000</u>	<u>-</u>
Interest rate	<u>1.72%~1.79%</u>	<u>1.65%~1.73%</u>	<u>-</u>
Maturity date	<u>2024.07.03~2024.10.15</u>	<u>2024.01.03~2024.04.26</u>	<u>-</u>

- (i) Increase in loans and repayments

	<u>For the six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Opening Balance	\$ 11,181,000	-
Amount of increase in loans	74,118,100	-
Amount of repayment	<u>(73,282,600)</u>	<u>-</u>
Ending balance	<u>\$ 12,016,500</u>	<u>-</u>

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (k) Short-term notes payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Short-term notes payable	\$ 2,400,000	-	-
Discount on short-term notes payable	(5,799)	-	-
Total	<u>\$ 2,394,201</u>	<u>-</u>	<u>-</u>
Range of interest rates	<u>1.80%</u>		

## (l) Bonds Payable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Domestic unsecured nonconvertible corporate bonds	\$ 4,000,000	-	-
Unamortization amount of discounts on bonds payable	(5,700)	-	-
Current portion	-	-	-
Total	<u>\$ 3,994,300</u>	<u>-</u>	<u>-</u>

The terms of domestic corporate bonds as of June 30, 2024 were as follows:

	<u>The first domestic unsecured nonconvertible corporate bond in 2024</u>
Issued amount	\$4,000,000
Balance, end of year	3,994,300
Current portion	-
Issuance date	April 11, 2024
Issuance period	5 years
Coupon rate	1.75%
Interest payment date	April 11
Repayment method	50% of the par value will be repaid in each FY 2028 and 2029.

## (m) Lease liabilities

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current	<u>\$ 413,636</u>	<u>393,063</u>	<u>379,081</u>
Non-current	<u>\$ 4,206,460</u>	<u>4,104,145</u>	<u>4,212,387</u>

For the maturity analysis, please refer to Note 6(v).

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <u>23,552</u>	<u>19,814</u>	<u>46,947</u>	<u>37,715</u>
Expenses relating to short-term leases	\$ <u>14,351</u>	<u>12,781</u>	<u>28,244</u>	<u>24,678</u>

The amount recognized in the statement of cash flows of the Group was as follows:

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <u>278,898</u>	<u>252,565</u>

(i) Land lease

The Group leases its land and building with a period of 2 to 20 years.

(ii) Other leases

The Group leases staff dorm, factory, parking lots and office spaces which are short-term leases or low-value item leases. The Group applied the recognition exemptions and elected not to recognize its right-of-use assets and lease liabilities for these leases.

(n) Employee benefits

(i) Defined benefit plan

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The expenses recognized in profit or loss for the Group were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 1,238	1,461	2,474	2,915
Operating expenses	934	1,008	1,870	2,023
Total	\$ <u>2,172</u>	<u>2,469</u>	<u>4,344</u>	<u>4,938</u>

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of local government were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 26,598	26,671	52,493	52,625
Operating expenses	<u>25,656</u>	<u>23,397</u>	<u>52,346</u>	<u>48,639</u>
Total	<u><b>\$ 52,254</b></u>	<u><b>50,068</b></u>	<u><b>104,839</b></u>	<u><b>101,264</b></u>

(o) Income tax

(i) The Group's income tax (profit) expense recognized were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax (profit) expense				
Current period	\$ (340,103)	(456,304)	(729,676)	(844,513)
Adjustment for prior periods	(155,396)	(1,266,984)	(155,396)	(1,266,984)
Surtax on undistributed earnings	-	537,049	-	537,049
Deferred tax expense (profit)	<u>36,711</u>	<u>36,655</u>	<u>91,676</u>	<u>(2,906)</u>
Income tax profit	<u><b>\$ (458,788)</b></u>	<u><b>(1,149,584)</b></u>	<u><b>(793,396)</b></u>	<u><b>(1,577,354)</b></u>

(ii) The Group's income tax expense recognized directly in other comprehensive income were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains on equity investments at fair value through other comprehensive income	<u><b>\$ 139</b></u>	<u><b>16</b></u>	<u><b>204</b></u>	<u><b>63</b></u>

(iii) The Company's tax returns have been examined by the ROC tax authority through 2022.

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(p) Capital and other equity

Except as described below, there was no material change in equity for the six months ended June 30, 2024 and 2023. Please refer to Note 6(n) of the consolidated financial statements as of and for the year ended December 31, 2023 for the related detail disclosures on equity.

(i) Ordinary Share

On February 23 and May 9, 2024, the Company's Board of Directors approved to issue the Company's ordinary shares deriving from the exercise of employee share options. The Company had issued 130 thousand shares and 358 thousand shares, with the issuing prices of \$25.5 dollars and \$25.5 to \$26.6 dollars per share respectively, which are totaled \$4,880. All issued shares were paid up upon issuance and the related process for registration had been completed.

(ii) Capital surplus

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Premium from the issuance of stock	\$ 32,289,764	29,492,419	29,491,194
Treasury share transactions	274,385	274,385	274,385
Employee stock option plans	-	2,790,727	2,790,727
Expired employee share option plans	269,247	268,292	268,292
Past due unclaimed dividends	399	399	264
Change in net equity of associates accounted for using equity method	<u>101</u>	<u>101</u>	<u>75</u>
	<b><u>\$ 32,833,896</u></b>	<b><u>32,826,323</u></b>	<b><u>32,824,937</u></b>

(iii) Retain earning

According to the Company's Articles of Incorporation, the Company's annual net profit, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof until the accumulated balance of legal reserve equals the total issued capital and any special reserves pursuant to relevant laws and regulations. The remainder, plus the undistributed earnings of the previous years, are distributed or left undistributed for business purposes according to the resolution of the stockholders' dividend distribution plan, which are initially proposed by the Board of Director, wherein the Board of Directors is authorized to distribute cash dividends after a resolution has been adopted by a majority vote at a board meeting attended by two-thirds of the directors, thereafter, to be reported during the shareholders' meeting; while the distribution of stock dividends shall be submitted to the shareholders' meeting for approval.

As it belongs to a highly capital-intensive industry with strong growth potential, the Company adopts a dividend distribution policy which is in line with its plans for product line expansion and the demand of fund. This policy requires that the distribution of cash dividends shall not exceed 50% of the Company's total dividend distribution every year.

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

1) Legal reserve

When the Group incurs no loss, it may, in pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or by cash. Only the portion of legal reserve which exceeds 25 percent of the paid in capital may be distributed.

2) Special Reserve

In accordance with Ruling issued by the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

There was no 2023 earnings distribution accrued by the Company due to the deficit incurred during the year, based on a resolution decided at the board meeting held on February 23, 2024; while the 2022 earnings distribution had been approved by the board of directors on February 22, 2023 as follows:

	<b>For the year ended December 31, 2022</b>	
	<b>Dividends per share</b>	<b>Amount</b>
Dividends attributable to ordinary shareholders:		
Cash dividends	\$ 2.13	<b>6,600,000</b>

(iv) Other equity (net of tax)

	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance as of January 1, 2024	\$ 896,519	(297,440)	599,079
Exchange differences on translation of foreign financial statements	2,978,383	-	2,978,383
Unrealized losses from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(139,039)	(139,039)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	816	816
Balance as of June 30, 2024	<b>\$ 3,874,902</b>	<b>(435,663)</b>	<b>3,439,239</b>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2023	\$ 913,316	(301,083)	612,233
Exchange differences on translation of foreign financial statements	699,890	-	699,890
Unrealized gains from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	30,486	30,486
Unrealized gains from financial of assets measured at fair value through other comprehensive income	-	253	253
Balance as of June 30, 2023	<u>\$ 1,613,206</u>	<u>(270,344)</u>	<u>1,342,862</u>

(q) Share-based payment transactions

Except as described below, there was no material change on the share-based payment transactions for the six months ended June 30, 2024 and 2023. Please refer to Note 6(o) of consolidated financial statements as of and for the year ended December 31, 2023 for related disclosures on share-based payment transactions.

(i) Relevant information of employee stock option plans

The Company:

	For the six months ended June 30,			
	2024		2023	
	Weighted- average exercise (price TWD)	Number of options (Units)	Weighted- average exercise (price TWD)	Number of options (Units)
Outstanding as of January 1	\$ 25.56	487	26.35	631
Options exercised	25.57	(448)	26.30	(27)
Options expired	25.50	(39)	-	-
Outstanding as of June 30	-	-	26.35	<u>604</u>
Options exercisable as of June 30	-	-	26.35	<u>604</u>

(r) Loss per share

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
<b>Basic loss per share:</b>				
Net loss attributable to the Company's ordinary shareholders	<u>\$ (814,485)</u>	<u>(770,874)</u>	<u>(2,022,973)</u>	<u>(2,455,561)</u>
Weighted-average number of ordinary shares outstanding	<u>3,098,610</u>	<u>3,098,050</u>	<u>3,098,474</u>	<u>3,098,046</u>
Basic loss per share (dollar)	<u>\$ (0.26)</u>	<u>(0.25)</u>	<u>(0.65)</u>	<u>(0.79)</u>

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Company did not calculate the diluted loss per share for the three months and six months ended June 30, 2024 and 2023 due to the net loss resulted in anti diluted effects to the employee share option and employee stock remuneration issued by the Company.

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>For the three months ended June 30, 2024</b>		
	<b>Manufacturing department</b>	<b>Overseas sales department</b>	<b>Total</b>
Geographic markets of primary destination:			
Taiwan	\$ 2,831,709	154,645	2,986,354
Japan	-	539,735	539,735
Malaysia	147,305	174,541	321,846
China	3,969,267	792,132	4,761,399
USA	472	145,906	146,378
Thailand	10,311	213,530	223,841
Germany	-	135,255	135,255
Vietnam	16,841	110,084	126,925
Other countries	285,129	394,181	679,310
	<b>\$ 7,261,034</b>	<b>2,660,009</b>	<b>9,921,043</b>
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 7,237,302	2,659,717	9,897,019
Other	23,732	292	24,024
	<b>\$ 7,261,034</b>	<b>2,660,009</b>	<b>9,921,043</b>
<b>For the three months ended June 30, 2023</b>			
	<b>Manufacturing department</b>	<b>Overseas sales department</b>	<b>Total</b>
Geographic markets of primary destination:			
Taiwan	\$ 2,445,753	95,586	2,541,339
Japan	-	274,914	274,914
Malaysia	31,317	108,133	139,450
China	2,426,836	584,743	3,011,579
USA	604	56,804	57,408
Thailand	44,130	113,987	158,117
Germany	-	322,997	322,997
Other countries	187,925	333,342	521,267
	<b>\$ 5,136,565</b>	<b>1,890,506</b>	<b>7,027,071</b>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		<b>For the three months ended June 30, 2023</b>		
		<b>Manufacturing department</b>	<b>Overseas sales department</b>	<b>Total</b>
Major products line:				
	Dynamic Random Access Memory (DRAM)	\$ 5,112,794	1,890,230	7,003,024
	Other	23,771	276	24,047
		<b><u>\$ 5,136,565</u></b>	<b><u>1,890,506</u></b>	<b><u>7,027,071</u></b>
		<b>For the six months ended June 30, 2024</b>		
		<b>Manufacturing department</b>	<b>Overseas sales department</b>	<b>Total</b>
Geographic markets of primary destination:				
	Taiwan	\$ 5,354,421	428,542	5,782,963
	Japan	-	924,565	924,565
	Malaysia	286,882	306,917	593,799
	China	7,753,985	1,881,551	9,635,536
	USA	1,177	285,540	286,717
	Thailand	19,851	340,035	359,886
	Germany	-	316,341	316,341
	Vietnam	19,681	239,375	259,056
	Other countries	436,820	828,297	1,265,117
		<b><u>\$ 13,872,817</u></b>	<b><u>5,551,163</u></b>	<b><u>19,423,980</u></b>
Major products line:				
	Dynamic Random Access Memory (DRAM)	\$ 13,825,021	5,550,588	19,375,609
	Others	47,796	575	48,371
		<b><u>\$ 13,872,817</u></b>	<b><u>5,551,163</u></b>	<b><u>19,423,980</u></b>
		<b>For the six months ended June 30, 2023</b>		
		<b>Manufacturing department</b>	<b>Overseas sales department</b>	<b>Total</b>
Geographic markets of primary destination:				
	Taiwan	\$ 4,206,210	238,854	4,445,064
	Japan	-	494,769	494,769
	Malaysia	59,755	231,930	291,685
	China	4,730,319	1,337,985	6,068,304
	USA	1,060	93,914	94,974
	Thailand	94,843	294,882	389,725
	Germany	-	611,661	611,661
	Other countries	329,778	725,994	1,055,772
		<b><u>\$ 9,421,965</u></b>	<b><u>4,029,989</u></b>	<b><u>13,451,954</u></b>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>For the six months ended June 30, 2023</b>		
	<b>Manufacturing department</b>	<b>Overseas sales department</b>	<b>Total</b>
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 9,376,457	4,029,439	13,405,896
Others	45,508	550	46,058
	<u>\$ 9,421,965</u>	<u>4,029,989</u>	<u>13,451,954</u>

## (ii) Contract balances

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Accounts receivable	\$ 6,267,518	5,095,790	4,498,583
Accounts receivable- related parties	-	124,000	-
	<u>\$ 6,267,518</u>	<u>5,219,790</u>	<u>4,498,583</u>

For details on accounts receivable, and allowance for impairment loss, please refer to note 6(c).

## (t) Remuneration to employees

According to the Company's articles of incorporation, if the Company makes a profit, it should appropriate for employee remuneration which is calculated based on 1% to 12% of the Company's net income before tax before deduction of employee remuneration, and after offsetting accumulated deficits, if any, should be distributed as employee remunerations. Employees who are entitled to receive the above-mentioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.

For the six months ended June 30, 2024 and 2023, the Company did not estimate the remuneration to employees due to the Company had a net loss before tax.

## (u) Non-operating income and expenses

## (i) Interest income

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income from bank deposits and short-term notes	\$ 877,568	773,537	1,713,674	1,488,937
Interest income from financial lease receivables	-	3,355	-	8,325
	<u>\$ 877,568</u>	<u>776,892</u>	<u>1,713,674</u>	<u>1,497,262</u>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (ii) Other gains and losses

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
(Loss) gain on disposal of property, plant and equipment	\$ (59)	21,105	(1,934)	65,503
Foreign exchange gains	196,608	179,892	600,421	101,460
(Impairment losses) reversal of impairment losses on non-financial assets	-	(218)	(6,442)	27,089
Government grants	3,139	151,594	139,762	151,594
Others	35,039	28,355	73,565	66,789
	<b>\$ 272,905</b>	<b>560,677</b>	<b>805,372</b>	<b>412,435</b>

## (iii) Finance costs

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense	\$ 70,257	291	123,911	291
Amortization interest of lease liability	23,552	19,814	46,947	37,715
	<b>\$ 93,809</b>	<b>20,105</b>	<b>170,858</b>	<b>38,006</b>

## (v) Financial instruments

Except for the content mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note6(t) of the consolidated financial statements for the year ended December 31, 2023.

## (i) Credit risk of receivables

For credit risk exposure of notes and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables, time deposits and refundable deposits.

Considering that the Group deals only with other external parties with good credit standing and with the above investment grade financial institutions, all of the above financial assets are considered to have low credit risk.

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

As of June 30, 2024, December 31 and June 30, 2023, no allowance for impairment loss was provided because there was no indication of credit-impaired for the 12-month ECL or lifetime ECL allowance for other financial assets measured at amortized cost.

(ii) Liquidity risk

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments:

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 6 months</u>	<u>6-12months</u>	<u>1-2years</u>	<u>2-5years</u>	<u>Over 5 years</u>
<b>June 30, 2024</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 12,016,500	12,026,495	12,026,495	-	-	-	-
Short-term notes payable	2,394,201	2,400,000	2,400,000	-	-	-	-
Accounts payable (including related parties)	3,691,358	3,691,358	3,691,358	-	-	-	-
Dividend payable	1,634	1,634	1,634	-	-	-	-
Other payables (including related parties)	5,474,415	5,474,415	5,474,415	-	-	-	-
Bonds payable	3,994,300	4,315,000	-	70,000	70,000	4,175,000	-
Lease liabilities (including current portion)	4,620,096	5,361,904	254,965	248,352	493,375	1,460,302	2,904,910
	<u>\$ 32,192,504</u>	<u>33,270,806</u>	<u>23,848,867</u>	<u>318,352</u>	<u>563,375</u>	<u>5,635,302</u>	<u>2,904,910</u>
<b>December 31, 2023</b>							
Non-derivative financial liabilities							
Short-term borrowings	\$ 11,181,000	11,196,491	11,196,491	-	-	-	-
Accounts payable (including related parties)	3,443,094	3,443,094	3,443,094	-	-	-	-
Dividend payable	1,803	1,803	1,803	-	-	-	-
Other payables (including related parties)	4,942,456	4,942,456	4,942,456	-	-	-	-
Lease liabilities (including current portion)	4,497,208	5,235,984	241,523	238,285	453,362	1,359,246	2,943,568
	<u>\$ 24,065,561</u>	<u>24,819,828</u>	<u>19,825,367</u>	<u>238,285</u>	<u>453,362</u>	<u>1,359,246</u>	<u>2,943,568</u>
<b>June 30, 2023</b>							
Non-derivative financial liabilities							
Accounts payable (including related parties)	\$ 4,445,992	4,445,992	4,445,992	-	-	-	-
Dividend payable	6,601,497	6,601,497	6,601,497	-	-	-	-
Other payables (including related parties)	5,451,409	5,451,409	5,451,409	-	-	-	-
Lease liabilities (including current portion)	4,591,468	5,369,431	234,424	232,805	447,530	1,307,778	3,146,894
	<u>\$ 21,090,366</u>	<u>21,868,329</u>	<u>16,733,322</u>	<u>232,805</u>	<u>447,530</u>	<u>1,307,778</u>	<u>3,146,894</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Market risk

1) Exposure to currency risk

The Group's significant exposure to foreign currency risk was as follows:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Foreign currency (in thousands)	Exchange rate (dollars)	New Taiwan Dollars	Foreign currency (in thousands)	Exchange rate (dollars)	New Taiwan Dollars	Foreign currency (in thousands)	Exchange rate (dollars)	New Taiwan Dollars
Financial assets:									
Monetary items									
USD	\$ 279,266	32.450	9,062,182	299,790	30.735	9,214,046	271,205	31.135	8,443,968
JPY	1,204,192	0.2025	243,849	916,270	0.2172	199,014	288,811	0.2149	62,065
EUR	55	34.8339	1,916	86	33.9755	2,922	18	33.7979	608
Financial liabilities:									
Monetary items									
USD	\$ 116,097	32.450	3,767,348	101,028	30.735	3,105,096	138,523	31.135	4,312,914
JPY	780,189	0.2025	157,988	655,640	0.2172	142,405	1,323,389	0.2149	284,396
EUR	8,560	34.8339	298,178	4,557	33.9755	154,826	4,490	33.7979	151,753

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, accounts payable and other payable (including related parties) which are denominated in different foreign currencies. A 1% appreciation and depreciation of the TWD against the USD, JPY and EUR as of June 30, 2024 and 2023 would have decreased and increased the net income before tax by \$50,844 and \$37,576 for the six months ended June 30, 2024 and 2023, respectively. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis as prior year.

Since the Group has many kinds of functional currency, the information on foreign exchange loss on monetary items is disclosed by total amount. For the six months ended June 30, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to \$600,421 and \$101,460, respectively.

(iv) Other market price risk

For the six months ended June 30, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at the reporting date	For the six months ended June 30,	
	2024	2023
	Other comprehensive income after tax	Other comprehensive income after tax
Increase 1%	\$ 219	135
Decrease 1%	(219)	(135)

(Continued)





**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

3) Transfer between levels

For the six months ended June 30, 2024 and 2023, there was no transfer from financial assets.

4) Reconciliation of Level 3 fair values

	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
Balance as of January 1, 2024	\$ 20,301
Purchased	6,000
Total gains recognized in other comprehensive income	1,020
Balance as of June 30, 2024	\$ <b>27,321</b>
Balance as of January 1, 2023	\$ 16,566
Total gains recognized in other comprehensive income	316
Balance as of June 30, 2023	\$ <b>16,882</b>

For the six months ended June 30, 2024 and 2023, total gains that were included in “unrealized gains or losses from existing financial assets at fair value through other comprehensive income” were as follows:

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Total gains recognized in other comprehensive income, and presented in “unrealized gains or losses from financial assets at fair value through other comprehensive income”	\$ <b>816</b>	<b>253</b>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value “fair value through other comprehensive income – equity investments”.

The Group’s investment in equity instruments without an active market have only one significant unobservable input.

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
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Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income equity investments without an active market	Asset method	·Net asset value ·The discount rate due to lack of marketability as of June 30, 2024, December 31 and June 30, 2023, the significant unobservable inputs were 10%.	·The higher the discount for lack of marketability, the lower the fair value.

- 6) Fair value measurement in Level 3 - sensitivity analysis of the possible alternative assumptions

The valuation models and assumptions used to measure the fair value of the financial instruments is reasonable. However, the use of different valuation models or assumptions may result in different measurements. The effects of changes in assumptions for financial instruments, whose fair value measurements were categorized as Level 3, were as follows:

	<u>Inputs</u>	<u>Increase or decrease</u>	<u>Effects of changes in fair value on other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
<b>June 30, 2024</b>				
<b>Financial assets at fair value through other comprehensive income</b>				
Equity investments without an active market	Discount for lack of marketability	1%	\$ 304	(304)
<b>December 31, 2023</b>				
<b>Financial assets at fair value through other comprehensive income</b>				
Equity investments without an active market	Discount for lack of marketability	1%	226	(226)
<b>June 30, 2023</b>				
<b>Financial assets at fair value through other comprehensive income</b>				
Equity investments without an active market	Discount for lack of marketability	1%	188	(188)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(x) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(y) The investing and financing activities on non-cash transactions

The Group's investing and financing activities on non-cash transactions for the six months ended June 30, 2024 and 2023 were as follows:

(i) Acquisition of right-of-use assets by lease, please refer to Note6(h).

(ii)

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Acquisition of property, plant and equipment	\$ 5,808,249	7,907,306
Add: Payables on equipment at beginning of period	1,807,098	3,508,900
Less: Payables on equipment at end of period	(2,177,652)	(2,791,580)
Cash Paid	<b>\$ 5,437,695</b>	<b>8,624,626</b>

(iii) Reconciliation of liabilities arising from financing activities was as follow:

	<b>January 1, 2024</b>	<b>Cash flow</b>	<b>Non-Cash changes</b>				<b>June 30, 2024</b>
			<b>Change in an index of lease payment</b>	<b>Increased</b>	<b>Decreased</b>	<b>Others (Note)</b>	
Lease liabilities	\$ 4,497,208	(203,707)	275,006	64,689	(9,108)	(3,992)	4,620,096
Short-term borrowings	11,181,000	835,500	-	-	-	-	12,016,500
Short-term notes payable	-	2,400,000	-	-	-	(5,799)	2,394,201
Guarantee deposits	14,567	2,924	-	-	-	-	17,491
bonds payable	-	4,000,000	-	-	-	(5,700)	3,994,300
	<b>\$ 15,692,775</b>	<b>7,034,717</b>	<b>275,006</b>	<b>64,689</b>	<b>(9,108)</b>	<b>(15,491)</b>	<b>23,042,588</b>

Note: Others include changes in other paybles, discounts on short-term notes payable, and amortization of bonds payable.

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	January 1, 2023	Cash flow	Non-Cash changes				June 30, 2023
			Change in an index of lease payment	Increased	Increased by other payables	Foreign exchange movement	
Lease liabilities	\$ 4,561,342	(190,172)	411,038	48,575	(236,435)	(2,880)	4,591,468
Guarantee deposits	23,188	(6,065)	-	-	-	-	17,123
	<u>\$ 4,584,530</u>	<u>(196,237)</u>	<u>411,038</u>	<u>48,575</u>	<u>(236,435)</u>	<u>(2,880)</u>	<u>4,608,591</u>

**(7) Related-party transactions:**

(a) Names and relationship with related parties

The following are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Formosa Advanced Technologies Co., Ltd. (referred to as "FATC")	The Group's associates
Formosa Petrochemical Corporation	The Group's other related parties
Nan Ya Photonics Incorporation	The Group's other related parties
Formosa Sumco Technology Corporation	The Group's other related parties
Formosa Technologies Corporation	The Group's other related parties
Formosa Biomedical Technology Corp.	The Group's other related parties
Formosa Plastics Corporation	The Group's other related parties
Nanya Printed Circuit Board Corporation	The Group's other related parties
Formosa Waters Technology Co., Ltd.	The Group's other related parties
Nan Ya Plastics Corporation	The entity with significant influence over the Group
Min Chi University of Technology	The Group's other related parties

(b) Significant transactions with related parties

(i) Sales to related parties

Relationship	Sales				Accounts receivable to related parties		
	For the three months ended June 30,		For the six months ended June 30,		June 30, 2024	December 31, 2023	June 30, 2023
	2024	2023	2024	2023			
Nanya Printed Circuit Board Corporation	\$ -	-	-	-	-	124,000	-

The selling prices and collection terms for the sales to related parties above are not significantly different from those third party customers, and the normal credit term with the related parties above is O/A 30 days. There is no collateral received among related parties accounts receivable. However, not expected credit loss is necessary based on the result of management's evaluation.

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Purchase from related parties

Relationship	Purchases				Accounts payable to related parties		
	For the three months ended June 30,		For the six months ended June 30,		June 30, 2024	December 31, 2023	June 30, 2023
	2024	2023	2024	2023			
Entities with significant influence over the Group	\$ 34,830	38,217	72,526	73,334	15,470	13,673	12,094
Associates	726	-	726	7,268	-	-	-
Other related parties:							
Formosa Sumco Technology Corporation	228,158	87,977	434,266	167,671	156,463	121,209	62,601
Other related parties	58,906	63,790	119,120	128,669	11,630	10,178	14,235
	<u>\$ 322,620</u>	<u>189,984</u>	<u>626,638</u>	<u>376,942</u>	<u>183,563</u>	<u>145,060</u>	<u>88,930</u>

The terms and pricing of purchase transactions with related parties above were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

(iii) Consigned out for processing

Relationship	Amount				Other payables to related parties		
	For the three months ended June 30,		For the six months ended June 30,		June 30, 2024	December 31, 2023	June 30, 2023
	2024	2023	2024	2023			
Associates	\$ 1,836,477	1,435,045	3,590,360	3,158,815	1,099,122	851,177	729,919

The term of transactions with the related parties above is 60 days after the end of each month when processed consigned goods are received.

(iv) Property transactions

Acquisition of machinery and equipment

Relationship	Acquisition price				Other payables to related parties		
	For the three months ended June 30,		For the six months ended June 30,		June 30, 2024	December 31, 2023	June 30, 2023
	2024	2023	2024	2023			
Entities with significant influence over the Group	\$ -	-	350	-	-	-	-
Other related parties	244,000	14,960	352,500	31,740	323,793	11,968	14,960
	<u>\$ 244,000</u>	<u>14,960</u>	<u>352,850</u>	<u>31,740</u>	<u>323,793</u>	<u>11,968</u>	<u>14,960</u>

Acquisition of other equipment

Relationship	Acquisition price				Other payables to related parties		
	For the three months ended June 30,		For the six months ended June 30,		June 30, 2024	December 31, 2023	June 30, 2023
	2024	2023	2024	2023			
Other related parties	\$ -	110	-	110	-	-	-

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (v) Leases

<u>Relationship</u>	<u>Acquisition price</u>			
	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Entities with significant influence over the Group	\$ <u>5,019</u>	<u>4,933</u>	<u>10,164</u>	<u>9,790</u>

The rentals charged to the entities with significant influence over the Company are determined based on the local market prices, and rents are paid monthly.

The Group entered into a 20-year lease agreements in June and October 2022, as well as a 9-to-10-year lease agreement between July and August 2020, with Nan Ya Plastics Corporation, at the total values of \$3,556,784 and \$2,015,018, respectively. Also, for the three months and six months ended June 30, 2024 and 2023, the Group recognized the amounts of \$22,408, \$19,264, \$44,735 and \$36,730, respectively, as interest expenses. Furthermore, on June 30, 2024, December 31 and June 30, 2023, the balances of lease liabilities amounted to \$4,392,188, \$4,293,088 and \$4,458,598, respectively.

The Group entered into a 3-year lease agreement in December 2021 with Min Chi University of Technology, at the total values of \$50,198. Also, for the three months and six months ended June 30, 2024 and 2023, the Group recognized the amount of \$39, \$73, \$83 and \$156, respectively, as interest expense. Furthermore, on June 30, 2024, December 31 and June 30, 2023, the balance of lease liabilities amounted to \$6,568, \$16,623 and \$24,870, respectively.

## (vi) Others

<u>Relationship</u>	<u>Other income</u>			
	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Associates	\$ <u>-</u>	<u>27</u>	<u>43</u>	<u>98</u>

## (vii) Dividends

<u>Relationship</u>	<u>Other receivable from related parties</u>		
	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
Associates	\$ <u>127,360</u>	<u>-</u>	<u>466,987</u>

## (c) Key management personnel remuneration

Key management personnel remuneration comprised:

	<u>For the three months ended</u>		<u>For the six months ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ <u>12,136</u>	<u>10,336</u>	<u>25,227</u>	<u>22,175</u>

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(8) Pledged assets:**

The Group's assets pledged to secure loans are as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Non-current financial assets at amortized cost	Office leasing and performance guarantee	\$ <u>729,290</u>	<u>728,959</u>	<u>729,004</u>

**(9) Commitments and contingencies:****(a) Significant commitments**

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Guarantees for importation goods provided by bank	\$ 1,035,000	1,035,000	1,035,000
Performance guarantees for green energy projects provided by banks	20,000	20,000	20,000
Performance guarantees provided by bank	135,000	139,856	71,671
Issuance of promissory note for the performance guarantees of research and development programs	500,000	500,000	500,000
Unused letters of credit	650,631	3,089	382,101
Acquisition of property, plant and equipment	<u>17,936,657</u>	<u>21,068,688</u>	<u>23,111,673</u>
Total	<u>\$ 20,277,288</u>	<u>22,766,633</u>	<u>25,120,445</u>

**(b) Contingent liabilities**

- (i) In 2010, the Company was charged by Brazil's Ministry of Justice as being involved in the International Monopolies, which influences Brazil's DRAM market. Consequently, the Company, other large international companies and individuals are investigated at the same time. The lawsuit was in a court hearing. The Company has engaged counsels to properly handle it to ensure the Company's rights.
- (ii) In November 2019, Monterey Research LLC (Monterey) filed a lawsuit against Nanya Technology Corp. (Nanya) and two of its subsidiaries, Nanya Technology Corp., USA (NTC USA) and Nanya Technology Corp., Delaware (NTC Delaware), to the US District Court of Delaware for patent infringement. The case was settled in April 2024, without having any significant impact on the operations of the Group. The plaintiff withdrew the lawsuit, hence, the case was considered closed.
- (iii) In February, 2023, Polaris Innovations Limited (Polaris) filed a lawsuit against the Company, to the US District Court of East Texas for patent infringement. The Company has engaged counsels to properly handle it to ensure the Company's rights.

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(10) Losses Due to Major Disasters:**

Due to the earthquake that occurred in Hualien on April 3, 2024, the Group recognized the loss, including wafer damage and production interruptions, amounting to \$656,914, as cost of goods sold.

**(11) Subsequent Events: None**

**(12) Other:**

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the three months ended June 30, 2024			For the three months ended June 30, 2023		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salaries	634,174	584,913	1,219,087	629,443	534,819	1,164,262
Labor and health insurance	57,007	52,406	109,413	56,371	49,190	105,561
Pension expenses	27,836	26,590	54,426	28,132	24,405	52,537
Remuneration of directors	-	2,210	2,210	-	2,220	2,220
Other personnel expenses	18,226	9,211	27,437	16,775	8,109	24,884
Depreciation expenses	3,834,933	155,407	3,990,340	3,623,175	134,939	3,758,114
Amortization expenses	62,693	300	62,993	89,188	-	89,188

	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salaries	1,242,289	1,154,223	2,396,512	1,205,182	1,040,017	2,245,199
Labor and health insurance	113,183	104,197	217,380	112,525	98,719	211,244
Pension expenses	54,967	54,216	109,183	55,540	50,662	106,202
Remuneration for directors	-	4,250	4,250	-	4,260	4,260
Other personnel expenses	36,451	18,388	54,839	33,718	16,204	49,922
Depreciation expenses	7,687,773	313,286	8,001,059	7,151,591	300,967	7,452,558
Amortization expenses	125,862	300	126,162	153,393	-	153,393

(b) Seasonal operation:

The Group's operation is not affected by seasonal or cyclical factor.

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**(13) Other disclosures:**

## (a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2024:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through other comprehensive income – non-current	-	27,321	2.46 %	27,321	

(iv) Information regarding purchase or sale of securities for the period exceeding \$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding \$300 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Factory construction	April 28, 2021~ April 15, 2022	19,726,000	Monthly settlement based on the construction progress and acceptance	Yung Ching Construction Co., Ltd. and 6 other companies	Non-related parties	N/A	N/A	N/A	N/A	Based on market price	For purposes of production and operating	
The Company	Factory construction	April 19, 2022	5,227,880	Monthly settlement based on the construction progress and acceptance	Li Jin Engineering Co., Ltd	Non-related parties	N/A	N/A	N/A	N/A	Based on market price	For purposes of production and operating	
The Company	Factory construction	May 30, 2022	920,000	Monthly settlement based on the construction progress and acceptance	Lien Rong Construction Co., Ltd.	Non-related parties	N/A	N/A	N/A	N/A	Based on market price	For purposes of production and operating	
The Company	Factory construction	August 1, 2022	2,089,560	Monthly settlement based on the construction progress and acceptance	Kwang-Lien Construction Co., Ltd.	Non related parties	N/A	N/A	N/A	N/A	Based on market price	For purposes of production and operating	
The Company	Factory construction	May 18, 2023	2,053,353	Monthly settlement based on the construction progress and acceptance	Kwang-Lien Construction Co., Ltd.	Non related parties	N/A	N/A	N/A	N/A	Based on market price	For purposes of production and operating	

(vi) Disposal of individual real estate with amount exceeding \$300 million or 20% of the Company's paid-in capital: None

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**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

- (vii) Related-party transaction for purchases and sales for which amounts exceeding \$100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Nanya Technology Corp	Nanya Technology Corp., U.S.A.	Subsidiary	(Sale)	(2,448,125)	(12.70)%	O/A 60~90Days	-		900,820	15.28%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Japan	Subsidiary	(Sale)	(1,977,302)	(10.26)%	O/A 180Days	-		465,770	7.90%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Europe GmbH	Subsidiary	(Sale)	(880,692)	(4.57)%	O/A 60~90Days	-		244,433	4.15%	(Note)
Nanya Technology Corp., Delaware	Nanya Technology Corp	The parent company	(Sale)	(209,798)	(100.00)%	O/A 60~90 Days	-		46,106	100.00%	(Note)
Nanya Technology Corp., U.S.A.	Nanya Technology Corp	The parent company	Purchase	2,448,125	100.00%	O/A 60~90Days	-		(900,820)	(100.00)%	(Note)
Nanya Technology Corp., Japan	Nanya Technology Corp	The parent company	Purchase	1,977,302	100.00%	O/A 180 Days	-		(465,770)	(100.00)%	(Note)
Nanya Technology Corp., Europe GmbH	Nanya Technology Corp	The parent company	Purchase	880,692	100.00%	O/A 60~90Days	-		(244,433)	(100.00)%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Delaware	subsidiary	Purchase	209,798	3.61%	O/A 60~90Days	-		(46,106)	(1.25)%	(Note)
Nanya Technology Corp	Formosa Sumco Technology Corporation	Other related parties	Purchase	434,266	7.47%	O/A 60Days	-		(156,463)	(4.24)%	-

Note: The transactions were written off in the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding \$100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance of accounts receivable from related parties	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Nanya Technology Corp., U.S.A.	Subsidiary	900,820	6.49	-		320,660	-	(Note)
The Company	Nanya Technology Corp., Japan	Subsidiary	465,770	10.49	-		445,426	-	(Note)
The Company	Nanya Technology Europe GmbH	Subsidiary	244,433	4.23	-		97,063	-	(Note)

Note: The transactions were written off in the consolidated financial statements.

- (ix) Trading in derivative instruments: None  
(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Nanya Technology Corp.	Nanya Technology Corp., U.S.A	1	Sales	2,448,125	On the basis of general conditions	12.60%
0	Nanya Technology Corp.	Nanya Technology Corp., Japan	1	Sales	1,977,302	On the basis of general conditions	10.18%
0	Nanya Technology Corp.	Nanya Technology Europe GmbH	1	Sales	880,692	On the basis of general conditions	4.53%
0	Nanya Teconology Corp	Nanya Technology Corp., Delaware	1	Sales	209,798	On the basis of general conditions	1.08%
0	Nanya Technology Corp.	Nanya Technology Corp., U.S.A	1	Accounts receivable	900,820	On the basis of general conditions	0.45%
0	Nanya Technology Corp.	Nanya Technology Corp., Japan	1	Accounts receivable	465,770	On the basis of general conditions	0.23%

(Continued)

## NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Nanya Technology Corp.	Nanya Technology Europe GmbH	1	Accounts receivable	244,433	On the basis of general conditions	0.12%
1	Nanya Technology Corp. Delaware	Nanya Technology Corp.	2	Accounts receivable	46,106	On the basis of general conditions	0.02%

Note 1: Assigned numbers represent the following:

1. 0 represents the parent company.
2. The subsidiaries are represented numerically starting from 1.

Note 2: The terms of transactions are defined as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to Subsidiary.

Note 3: The business relationship and significant transactions between the parent company and the subsidiary only disclose the importations of sales and account receivable, did not repeat about the purchase and account payable.

Note 4: The transactions were written off in the consolidated financial statements.

(b) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for the six months ended June 30, 2024:

(In Thousands of New Taiwan Dollars / Thousands Shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income of investee	Share of profits of investee	Note
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
The Company	Nanya Technology Corp., U.S.A.	U.S.A	Sales of semiconductor products	20,392	20,392	2.4	100.00 %	264,341	9,285	9,285	(Note1)
The Company	Nanya Technology Corp., Delaware	U.S.A	Design of semiconductor products	36,005	36,005	-	100.00 %	268,070	13,666	13,666	(Note1)
The Company	Nanya Technology Corp., HK	Hong Kong	Sales of semiconductor products	66,271	66,271	19.7	100.00 %	110,130	4,826	4,826	(Note1)
The Company	Nanya Technology Corp., Japan	Japan	Sales of semiconductor products	20,161	20,161	1	100.00 %	546,210	170,437	170,437	(Note1)
The Company	Nanya Technology International, Ltd.	British Virgin Island	General investment business	48,145,600	48,145,600	1.6	100.00 %	57,505,439	1,558,480	1,558,480	(Note 1)
The Company	Formosa Advanced Technologies Co., Ltd.	Yunlin	Assembling, testing and producing modules for IC	5,099,482	5,099,482	141,511	32.00 %	4,926,736	631,314	72,889	(Note 2)
Nanya Technology Corp., HK	Nanya Technology Europe GmbH	Germany	Sales of semiconductor products	30,056	30,056	-	100.00 %	96,294	514	514	(Note1)

Note: (1) The transactions were written off in the consolidated financial statements.

(2) Investment accounted for using equity method.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Nanya Technology Corp., Shenzhen	Sales of semiconductor products	31,963 (USD985 thousand)	(2)	31,963 (USD985 thousand)	-	-	31,963 (USD985 thousand)	3,477	100.00%	3,477	31,041	-

Note 1 : Three types of investments were as follows:

- (1) Investing directly in Mainland China
- (2) Investing the companies in Mainland China through third parties.
- (3) Others

Note 2 : The financial statements were reviewed by a certified public accountant of the Taiwanese parent company.

Note3 : The transactions were written off in the consolidated financial statements.

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

Accumulated Investment in Mainland China as of June 30, 2024 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
31,963 (USD985 thousand)	31,963 (USD985 thousand)	100,651,677

Note 1 : The exchange rate of New Taiwan dollars to US dollars on June 30, 2024 was USD1 : TWD 32.45

Note 2 : 60% of net equity.

(iii) Significant transactions: None

(d) Information on major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Nan Ya Plastics Corporation		907,303,775	29.28 %
Formosa Chemicals & Fibre Corporation		334,815,409	10.80 %
Formosa Plastics Corporation		334,815,409	10.80 %
Formosa Petrochemical Corp		334,815,409	10.80 %

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical ordinary shares and preference shares (including treasury shares) on the last business date of each quarter. The actual registered non-physical shares may be different from the capital shares disclosed in the financial statement due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

**(14) Segment information:**

For the three months ended June 30, 2024						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 2,660,009	-	7,261,034	-	-	9,921,043
From sales among intersegments	15,209	111,535	2,600,258	-	(2,727,002)	-
Total revenue	<u>\$ 2,675,218</u>	<u>111,535</u>	<u>9,861,292</u>	<u>-</u>	<u>(2,727,002)</u>	<u>9,921,043</u>
Reportable segment profit or loss	<u>\$ 91,407</u>	<u>7,250</u>	<u>(1,274,823)</u>	<u>785,101</u>	<u>(882,208)</u>	<u>(1,273,273)</u>
For the three months ended June 30, 2023						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 1,890,506	-	5,136,565	-	-	7,027,071
From sales among intersegments	12,370	102,825	1,806,846	-	(1,922,041)	-
Total revenue	<u>\$ 1,902,876</u>	<u>102,825</u>	<u>6,943,411</u>	<u>-</u>	<u>(1,922,041)</u>	<u>7,027,071</u>
Reportable segment profit or loss	<u>\$ 61,608</u>	<u>6,199</u>	<u>(1,921,842)</u>	<u>664,266</u>	<u>(730,689)</u>	<u>(1,920,458)</u>

(Continued)

**NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

For the six months ended June 30, 2024

	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 5,551,163	-	13,872,817	-	-	19,423,980
From sales among intersegments	24,180	209,798	5,402,412	-	(5,636,390)	-
Total revenue	<u>\$ 5,575,343</u>	<u>209,798</u>	<u>19,275,229</u>	<u>-</u>	<u>(5,636,390)</u>	<u>19,423,980</u>
Reportable segment profit or loss	<u>\$ 187,295</u>	<u>13,666</u>	<u>(2,819,116)</u>	<u>1,558,480</u>	<u>(1,756,694)</u>	<u>(2,816,369)</u>

For the six months ended June 30, 2023

	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 4,029,989	-	9,421,965	-	-	13,451,954
From sales among intersegments	19,627	189,367	3,899,659	-	(4,108,653)	-
Total revenue	<u>\$ 4,049,616</u>	<u>189,367</u>	<u>13,321,624</u>	<u>-</u>	<u>(4,108,653)</u>	<u>13,451,954</u>
Reportable segment profit or loss	<u>\$ 67,529</u>	<u>11,343</u>	<u>(4,035,621)</u>	<u>1,247,681</u>	<u>(1,323,847)</u>	<u>(4,032,915)</u>

	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Reportable segment assets						
Balance at June 30, 2024	<u>\$ 2,607,265</u>	<u>271,545</u>	<u>200,905,876</u>	<u>57,505,439</u>	<u>(60,393,930)</u>	<u>200,896,195</u>
Balance at December 31, 2023	<u>\$ 2,314,061</u>	<u>259,317</u>	<u>192,346,515</u>	<u>52,965,027</u>	<u>(55,534,247)</u>	<u>192,350,673</u>
Balance at June 30, 2023	<u>\$ 1,729,478</u>	<u>239,237</u>	<u>195,448,794</u>	<u>52,150,551</u>	<u>(54,096,066)</u>	<u>195,471,994</u>

	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Reportable segment liabilities						
Balance at June 30, 2024	<u>\$ 1,681,912</u>	<u>3,475</u>	<u>33,153,081</u>	<u>-</u>	<u>(1,695,068)</u>	<u>33,143,400</u>
Balance at December 31, 2023	<u>\$ 1,556,042</u>	<u>18,578</u>	<u>25,422,359</u>	<u>-</u>	<u>(1,570,461)</u>	<u>25,426,518</u>
Balance at June 30, 2023	<u>\$ 965,894</u>	<u>3,950</u>	<u>22,814,963</u>	<u>-</u>	<u>(946,642)</u>	<u>22,838,165</u>