

**NANYA TECHNOLOGY CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 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 September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
November 6, 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

September 30, 2024, December 31 and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023						September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (Note 6(a))	\$ 61,157,437	30	58,812,043	31	60,474,193	31	2100	Short-term borrowings (Notes 6(j) and (y))	\$ 15,250,000	8	11,181,000	6	8,297,300	4		
1170	Accounts receivable, net (Notes 6(c) and (s))	5,164,831	3	5,095,790	3	4,974,526	3	2110	Short-term notes payable (Notes 6(k) and (y))	3,597,411	2	-	-	-	-		
1180	Accounts receivable due from related parties, net (Notes 6(c), (s) and 7)	-	-	124,000	-	8,586	-	2170	Accounts payable	4,488,208	2	3,298,034	1	2,669,946	2		
1200	Other receivables (Notes 6(d) and (i))	3,909,838	2	3,447,889	2	2,964,821	2	2180	Accounts payable to related parties (Note 7)	127,545	-	145,060	-	164,252	-		
1310	Inventories (Note 6(e))	31,606,529	15	27,634,399	14	28,041,545	14	2200	Other payables	4,410,221	2	4,081,114	2	3,755,258	2		
1410	Prepayments	1,870,657	1	749,333	-	878,259	1	2220	Other payables to related parties (Note 7)	1,526,935	1	863,145	1	707,513	-		
1470	Other current assets	859,514	-	646,612	-	644,634	-	2230	Current tax liabilities	-	-	138,687	-	510,780	-		
	Total current assets	104,568,806	51	96,510,066	50	97,986,564	51	2280	Current lease liabilities (Notes 6(m), (y) and 7)	415,985	-	393,063	-	383,963	-		
Non-current assets:								2399	Other current liabilities	17,100	-	17,461	-	1,225	-		
1517	Non-current financial assets at fair value through other comprehensive income	26,697	-	20,301	-	22,516	-		Total current liabilities	29,833,405	15	20,117,564	10	16,490,237	8		
1535	Non-current financial assets at amortized cost, net (Notes 6(b) and 8)	731,232	-	868,815	-	809,773	-	2530	Non-Current liabilities:								
1550	Investments accounted for using equity method (Note 6(f))	4,836,790	3	5,120,246	3	5,088,637	3	2570	Bonds payable (Notes 6(l) and (y))	3,994,600	2	-	-	-	-		
1600	Property, plant and equipment (Notes 6(g), (y) and 7)	84,696,283	42	81,837,618	43	82,656,289	43	2580	Deferred tax liabilities	4,000	-	3,426	-	6,759	-		
1755	Right-of-use assets (Note 6(h))	4,440,139	2	4,425,560	2	4,459,377	2	2640	Non-current lease liabilities (Notes 6(m), (y) and 7)	4,121,951	2	4,104,145	2	4,138,189	2		
1780	Intangible assets	749,984	-	927,365	1	1,001,953	-	2670	Net defined benefit liability, non-current	491,599	-	505,687	-	525,345	-		
1840	Deferred tax assets	3,480,190	2	2,522,011	1	1,825,299	1		Other non-current liabilities (Note 6(b))	450,011	-	695,696	1	798,731	1		
1990	Other non-current assets	119,201	-	118,691	-	117,914	-		Total non-current liabilities	9,062,161	4	5,308,954	3	5,469,024	3		
	Total non-current assets	99,080,516	49	95,840,607	50	95,981,758	49		Total liabilities	38,895,566	19	25,426,518	13	21,959,261	11		
Total assets		\$ 203,649,322	100	192,350,673	100	193,968,322	100	3110	Equity (Note 6(p)):								
								3140	Ordinary shares	30,986,279	15	30,981,209	16	30,980,689	16		
								3200	Advance receipts for share capital	-	-	1,505	-	331	-		
								3200	Capital surplus	32,834,236	16	32,826,323	17	32,825,520	17		
								3310	Legal reserve	18,626,223	9	18,626,223	10	18,626,223	10		
								3350	Unappropriated retained earnings	80,380,153	40	83,889,816	44	86,354,281	44		
								3400	Other equity interest	1,926,865	1	599,079	-	3,222,017	2		
									Total equity	164,753,756	81	166,924,155	87	172,009,061	89		
									Total liabilities and equity	\$ 203,649,322	100	192,350,673	100	193,968,322	100		

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 nine months ended September 30, 2024 and 2023

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

		For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(s))	\$ 8,132,593	100	7,736,374	100	27,556,573	100	21,188,328	100
5000	Operating costs (Notes 6(e), (g), (h), (m), (n), (q), (t), 7 and 10)	<u>(7,868,968)</u>	<u>(97)</u>	<u>(9,689,044)</u>	<u>(125)</u>	<u>(27,282,608)</u>	<u>(99)</u>	<u>(24,483,460)</u>	<u>(116)</u>
	Gross profit (loss) from operations	<u>263,625</u>	<u>3</u>	<u>(1,952,670)</u>	<u>(25)</u>	<u>273,965</u>	<u>1</u>	<u>(3,295,132)</u>	<u>(16)</u>
	Operating expenses (Notes 6(g), (h), (m), (n), (q), (t) and 7):								
6100	Selling expenses	(165,096)	(2)	(152,782)	(2)	(482,859)	(2)	(420,277)	(2)
6200	Administrative expenses	(465,844)	(6)	(447,533)	(6)	(1,338,336)	(5)	(1,332,819)	(6)
6300	Research and development expenses	<u>(2,138,055)</u>	<u>(26)</u>	<u>(1,787,056)</u>	<u>(23)</u>	<u>(6,195,586)</u>	<u>(22)</u>	<u>(5,361,707)</u>	<u>(25)</u>
	Total operating expenses	<u>(2,768,995)</u>	<u>(34)</u>	<u>(2,387,371)</u>	<u>(31)</u>	<u>(8,016,781)</u>	<u>(29)</u>	<u>(7,114,803)</u>	<u>(33)</u>
	Net operating loss	<u>(2,505,370)</u>	<u>(31)</u>	<u>(4,340,041)</u>	<u>(56)</u>	<u>(7,742,816)</u>	<u>(28)</u>	<u>(10,409,935)</u>	<u>(49)</u>
	Non-operating income and expenses (Notes 6(f), (g), (i), (m), (u) and 7):								
7100	Interest income	843,182	11	778,848	10	2,556,856	9	2,276,110	11
7020	Other gains and losses, net	(84,159)	(1)	437,751	6	721,213	3	850,186	4
7050	Finance costs	(102,921)	(1)	(44,753)	-	(273,779)	(1)	(82,759)	(1)
7060	Share of profit of associates accounted for using equity method, net	<u>21,331</u>	<u>-</u>	<u>26,020</u>	<u>-</u>	<u>94,220</u>	<u>-</u>	<u>191,308</u>	<u>1</u>
	Total non-operating income and expenses	<u>677,433</u>	<u>9</u>	<u>1,197,866</u>	<u>16</u>	<u>3,098,510</u>	<u>11</u>	<u>3,234,845</u>	<u>15</u>
7900	Loss before tax	(1,827,937)	(22)	(3,142,175)	(40)	(4,644,306)	(17)	(7,175,090)	(34)
7950	Income tax profit (Note 6(o))	<u>341,247</u>	<u>4</u>	<u>637,604</u>	<u>8</u>	<u>1,134,643</u>	<u>4</u>	<u>2,214,958</u>	<u>11</u>
	Loss	<u>(1,486,690)</u>	<u>(18)</u>	<u>(2,504,571)</u>	<u>(32)</u>	<u>(3,509,663)</u>	<u>(13)</u>	<u>(4,960,132)</u>	<u>(23)</u>
8300	Other comprehensive income (loss) (Notes 6(o) and (p)):								
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316	Unrealized profit from investments in equity instruments measured at fair value through other comprehensive income	(624)	-	(366)	-	396	-	(50)	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(111,302)	(1)	(52,098)	(1)	(250,341)	(1)	(21,612)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(125)</u>	<u>-</u>	<u>(73)</u>	<u>-</u>	<u>79</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
	Components of other comprehensive loss that will not be reclassified to profit or loss	<u>(111,801)</u>	<u>(1)</u>	<u>(52,391)</u>	<u>(1)</u>	<u>(250,024)</u>	<u>(1)</u>	<u>(21,652)</u>	<u>-</u>
8360	Components of other comprehensive loss that may be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(1,400,573)	(18)	1,931,546	25	1,577,810	6	2,631,436	12
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that may be reclassified to profit or loss	<u>(1,400,573)</u>	<u>(18)</u>	<u>1,931,546</u>	<u>25</u>	<u>1,577,810</u>	<u>6</u>	<u>2,631,436</u>	<u>12</u>
8300	Other comprehensive income, net	<u>(1,512,374)</u>	<u>(19)</u>	<u>1,879,155</u>	<u>24</u>	<u>1,327,786</u>	<u>5</u>	<u>2,609,784</u>	<u>12</u>
8500	Comprehensive (loss) income	<u>\$ (2,999,064)</u>	<u>(37)</u>	<u>(625,416)</u>	<u>(8)</u>	<u>(2,181,877)</u>	<u>(8)</u>	<u>(2,350,348)</u>	<u>(11)</u>
	loss per share (Note 6(r))								
9750	Basic loss per share	<u>\$ (0.48)</u>		<u>(0.81)</u>		<u>(1.13)</u>		<u>(1.60)</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 nine months ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

							Other equity interest		
							Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		
Balance at January 1, 2023	\$ 30,980,079	736	32,824,366	17,156,884	4,116,942	95,266,810	913,316	(301,083)	180,958,050
Net loss for the nine months ended September 30, 2023	-	-	-	-	-	(4,960,132)	-	-	(4,960,132)
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	2,631,436	(21,652)	2,609,784
Total comprehensive (loss) income for the nine months ended September 30, 2023	-	-	-	-	-	(4,960,132)	2,631,436	(21,652)	(2,350,348)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	-	1,469,339	-	(1,469,339)	-	-	-
Special reserve reversed	-	-	-	-	(4,116,942)	4,116,942	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(6,600,000)	-	-	(6,600,000)
Other changes in capital surplus:									
Changes in equity of associates accounted for using equity method	-	-	28	-	-	-	-	-	28
Past due unclaimed dividends	-	-	136	-	-	-	-	-	136
Exercise of employee share options	610	(405)	990	-	-	-	-	-	1,195
Balance at September 30, 2023	\$ 30,980,689	331	32,825,520	18,626,223	-	86,354,281	3,544,752	(322,735)	172,009,061
Balance at January 1, 2024	\$ 30,981,209	1,505	32,826,323	18,626,223	-	83,889,816	896,519	(297,440)	166,924,155
Net loss for the nine months ended September 30, 2024	-	-	-	-	-	(3,509,663)	-	-	(3,509,663)
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	1,577,810	(250,024)	1,327,786
Total comprehensive (loss) income for the nine months ended September 30, 2024	-	-	-	-	-	(3,509,663)	1,577,810	(250,024)	(2,181,877)
Other changes in capital surplus:									
Changes in equity of associates accounted for using equity method	-	-	25	-	-	-	-	-	25
Exercise of employee share options	5,070	(1,505)	7,888	-	-	-	-	-	11,453
Balance at September 30, 2024	\$ 30,986,279	-	32,834,236	18,626,223	-	80,380,153	2,474,329	(547,464)	164,753,756

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 nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30,	
	2024	2023
Cash flows from (used in) operating activities		
Loss before tax	\$ (4,644,306)	(7,175,090)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	11,957,387	11,241,269
Amortization expense	189,155	229,872
Interest expense	273,779	82,759
Interest income	(2,556,856)	(2,276,110)
Share of profit of associates accounted for using equity method	(94,220)	(191,308)
Loss (gain) on disposal of property, plant and equipment	1,937	(65,760)
Impairment loss (reversal of impairment loss) on non-financial assets	6,526	(27,238)
Unrealized foreign exchange loss (gain)	71,198	(12,601)
Gain on lease modification	(142)	(171)
Total adjustments to reconcile profit	9,848,764	8,980,712
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	(2,032)	(552,012)
Other receivables	(761,452)	(616,966)
Inventories	(3,972,130)	(4,657,098)
Prepayments	(1,121,324)	89,350
Other current assets	(212,902)	230,876
Accounts payable (including related parties)	(537,851)	(447,157)
Other payables (including related parties)	908,568	(2,256,660)
Other current liabilities	(361)	(8,547)
Net defined benefit liability	(14,088)	(5,343)
Other non-current liabilities	25,639	268
Total net changes used in operating assets and liabilities	(5,687,933)	(8,223,289)
Cash inflow from operations	(483,475)	(6,417,667)
Interest received	2,891,675	2,112,635
Interest paid	(242,933)	(76,038)
Income taxes refunded (paid)	2,294	(2,291,313)
Net cash flows from (used in) operating activities	2,167,561	(6,672,383)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	-	(58)
Acquisition of financial assets designated at fair value through other comprehensive income	(6,000)	(6,000)
Acquisition of property, plant and equipment	(12,770,731)	(11,055,299)
Proceeds from disposal of property, plant and equipment	1,149	95,294
Increase in refundable deposits	(3,441)	(48,983)
Acquisition of intangible assets	(112,631)	(258,373)
Decrease in lease and installment receivables	-	198,248
Decrease (increase) in other non-current assets	727	(814)
Dividends received	127,360	466,987
Net cash flows used in investing activities	(12,763,567)	(10,608,998)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	4,069,000	8,297,300
Increase in short-term notes payable	3,600,000	-
Proceed from issuing bonds	4,000,000	-
Payment on cost of issuing bonds	(6,000)	-
Increase in guarantee deposits received	7,126	66,762
Payment of lease liabilities	(304,968)	(284,679)
Cash dividends paid	-	(6,600,000)
Exercise of employee share options	11,453	1,195
Net cash flows from financing activities	11,376,611	1,480,578
Effect of exchange rate changes on cash and cash equivalents	1,564,789	2,681,734
Net increase (decrease) in cash and cash equivalents	2,345,394	(13,119,069)
Cash and cash equivalents at beginning of period	58,812,043	73,593,262
Cash and cash equivalents at end of period	\$ 61,157,437	60,474,193

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

September 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 November 6, 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:

Standards or Interpretations	Content of amendment	Effective date per IASB
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"> • 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. • 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. • 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. 	January 1, 2027

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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		
			September 30, 2024	December 31, 2023	September 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
Notes to the Consolidated Financial Statements

Investor	The name of subsidiaries	Business activity	Shareholding		
			September 30, 2024	December 31, 2023	September 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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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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

	September 30, 2024	December 31, 2023	September 30, 2023
Petty cash	\$ 29	42	54
Checking accounts and demand deposits	4,486,859	3,188,931	3,797,641
Cash equivalents:			
Time deposits	<u>56,670,549</u>	<u>55,623,070</u>	<u>56,676,498</u>
	<u>\$ 61,157,437</u>	<u>58,812,043</u>	<u>60,474,193</u>

(b) Non-current financial assets at amortized cost

	September 30, 2024	December 31, 2023	September 30, 2023
Restricted Demand Deposits	\$ 8,468	140,659	81,353
Restricted Time Deposits	<u>722,764</u>	<u>728,156</u>	<u>728,420</u>
	<u>\$ 731,232</u>	<u>868,815</u>	<u>809,773</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 September 30, 2024 and 2023, the research grant amounted to \$500,000 and \$357,567 thousand was approved by the Ministry of Economic Affairs to be transferred to the designated account for grants, and \$487,722 and \$277,275 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
Notes to the Consolidated Financial Statements

(c) Accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable- measured at amortized cost	\$ 5,164,831	5,095,790	4,974,526
Accounts receivable- related parties	-	124,000	8,586
	<u><u>\$ 5,164,831</u></u>	<u><u>5,219,790</u></u>	<u><u>4,983,112</u></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:

September 30, 2024			
Due days	Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 5,154,242	-	-
1 to 30 days past due	10,589	-	-
	<u><u>\$ 5,164,831</u></u>		<u><u>-</u></u>
December 31, 2023			
Due days	Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 5,204,431	-	-
1 to 30 days past due	14,311	-	-
31 to 60 days past due	1,048	-	-
	<u><u>\$ 5,219,790</u></u>		<u><u>-</u></u>
September 30, 2023			
Due days	Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 4,902,772	-	-
1 to 30 days past due	80,340	-	-
	<u><u>\$ 4,983,112</u></u>		<u><u>-</u></u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group did not recognize any allowance for impairment loss as there were no uncollected accounts receivable that were past due as of September 30, 2024, December 31 and September 30, 2023.

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

(d) Other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Tax refund receivable	\$ 3,167,027	2,432,222	2,222,241
Lease payment receivable	-	16,450	66,082
Interest receivable	637,723	972,542	639,073
Others	105,088	26,675	37,425
	<u>\$ 3,909,838</u>	<u>3,447,889</u>	<u>2,964,821</u>

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

(e) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 389,187	562,024	538,294
Work in progress	12,357,689	11,671,966	10,330,729
Finished goods	18,859,653	15,400,409	17,172,522
	<u>\$ 31,606,529</u>	<u>27,634,399</u>	<u>28,041,545</u>

The details of the cost of sales were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Inventory that has been sold	\$ 7,240,605	8,241,991	25,570,498	22,162,383
Write-down of inventories	10,440	252,344	164,032	252,344
Unallocated production overheads	496,947	1,161,832	1,244,576	1,992,851
Others	120,976	32,877	303,502	75,882
	<u>\$ 7,868,968</u>	<u>9,689,044</u>	<u>27,282,608</u>	<u>24,483,460</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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:

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	\$ <u>4,836,790</u>	<u>5,120,246</u>	<u>5,088,637</u>

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

Name of Associates	Nature of Relationship to the Group	Registration Country	Percentage of ownership		
			September 30, 2024	December 31, 2023	September 30, 2023
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:

	September 30, 2024	December 31, 2023	September 30, 2023
Formosa Advanced Technologies Co., Ltd.	\$ <u>16,096,889</u>	<u>17,246,667</u>	<u>17,074,667</u>

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

The financial information of FATC was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 9,454,350	9,573,354	9,384,458
Non-current assets	3,281,059	3,690,084	3,701,606
Current liabilities	(796,972)	(868,488)	(765,872)
Non-current liabilities	(557,912)	(587,714)	(629,422)
Net asset	\$ <u>11,380,525</u>	<u>11,807,236</u>	<u>11,690,770</u>
Net asset contributed to non-controlling interest of Formosa Petrochemical Corporation	\$ <u>7,738,757</u>	<u>8,028,921</u>	<u>7,949,723</u>
Net asset contributed to FATC	\$ <u>3,641,768</u>	<u>3,778,315</u>	<u>3,741,047</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Operating revenue	<u>\$ 2,080,389</u>	<u>1,641,108</u>	<u>6,777,591</u>	<u>5,691,742</u>
Profit	\$ 122,213	43,765	753,527	506,266
Other comprehensive loss	<u>(347,818)</u>	<u>(162,808)</u>	<u>(782,316)</u>	<u>(67,539)</u>
Total comprehensive (loss) income	<u>\$ (225,605)</u>	<u>(119,043)</u>	<u>(28,789)</u>	<u>438,727</u>
Comprehensive income allocated to non-controlling interest of Formosa Petrochemical Corporation	<u>\$ (153,412)</u>	<u>(80,949)</u>	<u>(19,577)</u>	<u>298,334</u>
Total comprehensive income contributed to FATC	<u>\$ (72,193)</u>	<u>(38,094)</u>	<u>(9,212)</u>	<u>140,393</u>
			For the nine months ended September 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			(9,212)	140,393
Dividends not received within the statute of limitations are transferred to capital reserves			25	28
Cash dividends contributed to the Group			<u>(127,360)</u>	<u>(466,987)</u>
Shares of net assets of major associate			3,641,768	3,741,047
Add: good will			1,463,162	1,463,162
Less: unrealized profits on upstream sales net assets of the associates			<u>(268,140)</u>	<u>(115,572)</u>
Total carrying amount of the major associate			<u>\$ 4,836,790</u>	<u>5,088,637</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Property, plant and equipment

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Under construction</u>	<u>Total</u>
Cost:						
Balance as of January 1, 2024	\$ 1,013,924	10,039,640	220,049,397	927,971	26,381,949	258,412,881
Additions	-	-	398,163	21,321	14,066,105	14,485,589
Disposals	-	(19,778)	(431,407)	(33,790)	-	(484,975)
Reclassification	-	374,246	13,914,687	3,979	(14,292,912)	-
Effect of exchange rate change	-	27	2,477	936	-	3,440
Balance as of September 30, 2024	<u>\$ 1,013,924</u>	<u>10,394,135</u>	<u>233,933,317</u>	<u>920,417</u>	<u>26,155,142</u>	<u>272,416,935</u>
Balance as of January 1, 2023	\$ 1,013,924	8,581,514	214,760,268	938,626	22,483,972	247,778,304
Additions	-	-	461,851	23,863	8,203,089	8,688,803
Disposals	-	-	(742,184)	(37,997)	-	(780,181)
Reclassification	-	1,458,219	5,244,236	(129)	(6,702,326)	-
Effect of exchange rate change	-	(105)	2,266	743	-	2,904
Balance as of September 30, 2023	<u>\$ 1,013,924</u>	<u>10,039,628</u>	<u>219,726,437</u>	<u>925,106</u>	<u>23,984,735</u>	<u>255,689,830</u>
Accumulated depreciation / impairment loss:						
Balance as of January 1, 2024	\$ -	3,676,050	172,118,133	781,080	-	176,575,263
Depreciation for the period	-	315,830	11,255,872	46,366	-	11,618,068
Impairment loss	-	-	6,526	-	-	6,526
Disposals	-	(16,757)	(431,346)	(33,786)	-	(481,889)
Reclassification	-	-	2,560	(2,560)	-	-
Effect of exchange rate change	-	27	2,004	653	-	2,684
Balance as of September 30, 2024	<u>\$ -</u>	<u>3,975,150</u>	<u>182,953,749</u>	<u>791,753</u>	<u>-</u>	<u>187,720,652</u>
Balance as of January 1, 2023	\$ -	3,258,420	158,859,971	762,519	-	162,880,910
Depreciation for the period	-	300,806	10,578,935	48,810	-	10,928,551
Reversal of impairment loss	-	-	(27,238)	-	-	(27,238)
Disposals	-	-	(712,650)	(37,997)	-	(750,647)
Reclassification	-	15,476	(15,163)	(313)	-	-
Effect of exchange rate change	-	(103)	1,597	471	-	1,965
Balance as of September 30, 2023	<u>\$ -</u>	<u>3,574,599</u>	<u>168,685,452</u>	<u>773,490</u>	<u>-</u>	<u>173,033,541</u>
Carrying amounts:						
Balance as of September 30, 2024	<u>\$ 1,013,924</u>	<u>6,418,985</u>	<u>50,979,568</u>	<u>128,664</u>	<u>26,155,142</u>	<u>84,696,283</u>
Balance as of December 31, 2023	<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>
Balance as of September 30, 2023	<u>\$ 1,013,924</u>	<u>6,465,029</u>	<u>51,040,985</u>	<u>151,616</u>	<u>23,984,735</u>	<u>82,656,289</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(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 September 30, 2024 and 2023, the Group reassessed its estimates, wherein the amount of \$6,526 and \$27,238 of the impairment loss and reversal of impairment loss has been recognized, respectively.

(ii) Plants, and equipment under construction

For the nine months ended September 30, 2024, the capitalized interest on borrowings for the purchase of properties, plants, and equipment of the Group amounted to \$17,933, 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>
Cost :				
Balance at January 1, 2024	\$ 5,249,463	1,429	194,253	5,445,145
Additions	281,570	9,736	71,558	362,864
Decrease	(44,902)	-	-	(44,902)
Balance at September 30, 2024	<u>\$ 5,486,131</u>	<u>11,165</u>	<u>265,811</u>	<u>5,763,107</u>
Balance at January 1, 2023	\$ 5,074,689	8,181	48,848	5,131,718
Additions	411,038	1,429	72,782	485,249
Decrease	(236,264)	(592)	-	(236,856)
Balance at September 30, 2023	<u>\$ 5,249,463</u>	<u>9,018</u>	<u>121,630</u>	<u>5,380,111</u>
Accumulated depreciation:				
Balance at January 1, 2024	\$ 1,000,873	119	18,593	1,019,585
Depreciation for the period	306,341	2,648	30,330	339,319
Decrease	(35,936)	-	-	(35,936)
Balance at September 30, 2024	<u>\$ 1,271,278</u>	<u>2,767</u>	<u>48,923</u>	<u>1,322,968</u>
Balance at January 1, 2023	\$ 603,062	4,868	678	608,608
Depreciation for the period	298,977	2,576	11,165	312,718
Decrease	-	(592)	-	(592)
Balance at September 30, 2023	<u>\$ 902,039</u>	<u>6,852</u>	<u>11,843</u>	<u>920,734</u>
Carrying Amount:				
Balance at September 30, 2024	<u>\$ 4,214,853</u>	<u>8,398</u>	<u>216,888</u>	<u>4,440,139</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 September 30, 2023	<u>\$ 4,347,424</u>	<u>2,166</u>	<u>109,787</u>	<u>4,459,377</u>

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(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.
- (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 nine months, September 30, 2023 the Group recognized the interest revenue of \$1,700 and \$10,025, 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.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Less than one year	\$ -	-	66,082
Total lease payments receivable	-	-	66,082
Unearned finance income	-	-	-
Present value of lease payments receivable	<u>\$ -</u>	<u>-</u>	<u>66,082</u>

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

(j) Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023,
Unsecured bank loans	\$ <u>15,250,000</u>	<u>11,181,000</u>	<u>8,297,300</u>
Interest rate	<u>1.75%~1.795%</u>	<u>1.65%~1.73%</u>	<u>1.65%~1.70%</u>
Maturity date	<u>2024.10.02~2024.10.30</u>	<u>2024.01.03~2024.04.26</u>	<u>112.10.01~112.11.22</u>

(i) Increase in loans and repayments

	For the nine months ended September 30	
	2024	2023
Opening Balance	\$ 11,181,000	-
Amount of increase in loans	122,104,800	23,410,700
Amount of repayment	(118,035,800)	(15,113,400)
Ending balance	<u>\$ 15,250,000</u>	<u>8,297,300</u>

(k) Short-term notes payable

	September 30, 2024	December 31, 2023	September 30, 2023
Short-term notes payable	\$ 3,600,000	-	-
Discount on short-term notes payable	(2,589)	-	-
Total	<u>\$ 3,597,411</u>	<u>-</u>	<u>-</u>
Range of interest rates	<u>1.75%</u>		

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Bonds Payable

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic unsecured nonconvertible corporate bonds	\$ 4,000,000	-	-
Cost of issuing bonds	(5,400)	-	-
Current portion	-	-	-
Total	<u><u>\$ 3,994,600</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

	The first domestic unsecured nonconvertible corporate bond in 2024
Issued amount	\$4,000,000
Balance, end of year	3,994,600
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

	September 30, 2024	December 31, 2023	September 30, 2023
Current	<u><u>\$ 415,985</u></u>	<u><u>393,063</u></u>	<u><u>383,963</u></u>
Non-current	<u><u>\$ 4,121,951</u></u>	<u><u>4,104,145</u></u>	<u><u>4,138,189</u></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:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>23,218</u>	<u>22,676</u>	<u>70,165</u>	<u>60,391</u>
Expenses relating to short-term leases	\$ <u>13,655</u>	<u>13,721</u>	<u>41,899</u>	<u>38,399</u>

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

	For the nine months ended September 30,	
	2024	2023
Total cash outflow for leases	\$ <u>417,032</u>	<u>383,469</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:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Operating cost	\$ 1,243	1,457	3,717	4,372
Operating expenses	929	1,012	2,799	3,035
Total	\$ <u>2,172</u>	<u>2,469</u>	<u>6,516</u>	<u>7,407</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:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Operating cost	\$ 26,699	26,521	79,192	79,146
Operating expenses	24,709	24,824	77,055	73,463
Total	<u>\$ 51,408</u>	<u>51,345</u>	<u>156,247</u>	<u>152,609</u>

(o) Income tax

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Current tax (profit) expense				
Current period	\$ (399,335)	(386,191)	(1,129,011)	(1,230,704)
Adjustment for prior periods	-	-	(155,396)	(1,266,984)
Surtax on undistributed earnings	-	-	-	537,049
Deferred tax expense (profit)	58,088	(251,413)	149,764	(254,319)
Income tax profit	<u>\$ (341,247)</u>	<u>(637,604)</u>	<u>(1,134,643)</u>	<u>(2,214,958)</u>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains on equity investments at fair value through other comprehensive income	\$ <u>(125)</u>	<u>(73)</u>	<u>79</u>	<u>(10)</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 nine months ended September 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, May 9 and August 2, 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, 358 thousand shares and 19 thousand shares, with the issuing prices of \$25.5 dollars, \$25.5 to \$26.6 dollars and \$26.6 dollars, per share respectively, which are totaled \$5,070. All issued shares were paid up upon issuance and the related process for registration had been completed.

(ii) Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Premium from the issuance of stock	\$ 32,290,079	29,492,419	29,491,613
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	400
Change in net equity of associates accounted for using equity method	126	101	103
	<u>\$ 32,834,236</u>	<u>32,826,323</u>	<u>32,825,520</u>

(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.

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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.

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:

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

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized (losses) gains on financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2024	\$ 896,519	(297,440)	599,079
Exchange differences on translation of foreign financial statements	1,577,810	-	1,577,810
Unrealized losses from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(250,341)	(250,341)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	317	317
Balance as of September 30, 2024	<u>\$ 2,474,329</u>	<u>(547,464)</u>	<u>1,926,865</u>
Balance as of January 1, 2023	\$ 913,316	(301,083)	612,233
Exchange differences on translation of foreign financial statements	2,631,436	-	2,631,436
Unrealized gains from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(21,612)	(21,612)
Unrealized gains from financial of assets measured at fair value through other comprehensive income	-	(40)	(40)
Balance as of September 30, 2023	<u>\$ 3,544,752</u>	<u>(322,735)</u>	<u>3,222,017</u>

(q) Share-based payment transactions

Except as described below, there was no material change on the share-based payment transactions for the nine months ended September 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 nine months ended September 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)	25.50	(46)
Options expired	25.50	(39)	-	-
Outstanding as of September 30	-	-	25.55	<u>585</u>
Options exercisable as of September 30	-	-	25.55	<u>585</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Loss per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Basic loss per share:				
Net loss attributable to the Company's ordinary shareholders	\$ <u>(1,486,690)</u>	<u>(2,504,571)</u>	<u>(3,509,663)</u>	<u>(4,960,132)</u>
Weighted-average number of ordinary shares outstanding	<u>3,098,628</u>	<u>3,098,071</u>	<u>3,098,526</u>	<u>3,098,055</u>
Basic loss per share (dollar)	\$ <u>(0.48)</u>	<u>(0.81)</u>	<u>(1.13)</u>	<u>(1.60)</u>

The Company did not calculate the diluted loss per share for the three months and nine months ended September 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

	For the three months ended September 30, 2024		
	Manufacturing department	Overseas sales department	Total
Geographic markets of primary destination:			
Taiwan	\$ 2,191,965	174,754	2,366,719
Japan	-	544,601	544,601
Malaysia	122,059	152,298	274,357
China	565,988	683,512	1,249,500
Hong Kong	2,211,109	335,202	2,546,311
USA	136	101,009	101,145
Thailand	11,032	335,292	346,324
Germany	-	149,298	149,298
Other countries	218,987	335,351	554,338
	<u>\$ 5,321,276</u>	<u>2,811,317</u>	<u>8,132,593</u>
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 5,291,492	2,811,026	8,102,518
Other	29,784	291	30,075
	<u>\$ 5,321,276</u>	<u>2,811,317</u>	<u>8,132,593</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended September 30, 2023			
	Manufacturing department	Overseas sales department	Total
Geographic markets of primary destination:			
Taiwan	\$ 3,015,710	288,917	3,304,627
Japan	-	251,665	251,665
Malaysia	89,973	118,478	208,451
China	677,571	250,878	928,449
Hong Kong	1,768,755	309,213	2,077,968
USA	533	164,759	165,292
Thailand	42,990	29,041	72,031
Germany	-	229,164	229,164
Singapore	52,696	(74)	52,622
Poland	-	41,478	41,478
Other countries	131,517	273,110	404,627
	\$ 5,779,745	1,956,629	7,736,374
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 5,751,176	1,956,343	7,707,519
Other	28,569	286	28,855
	\$ 5,779,745	1,956,629	7,736,374
For the nine months ended September 30, 2024			
	Manufacturing department	Overseas sales department	Total
Geographic markets of primary destination:			
Taiwan	\$ 7,546,386	603,296	8,149,682
Japan	-	1,469,166	1,469,166
Malaysia	408,941	459,215	868,156
China	2,179,338	1,972,905	4,152,243
Hong Kong	8,351,744	927,360	9,279,104
USA	1,313	386,549	387,862
Thailand	30,883	675,327	706,210
Germany	-	465,639	465,639
Other countries	675,488	1,403,023	2,078,511
	\$ 19,194,093	8,362,480	27,556,573
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 19,116,513	8,361,614	27,478,127
Others	77,580	866	78,446
	\$ 19,194,093	8,362,480	27,556,573

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the nine months ended September 30, 2023		
	Manufacturing department	Overseas sales department	Total
Geographic markets of primary destination:			
Taiwan	\$ 7,221,920	527,771	7,749,691
Japan	-	746,434	746,434
Malaysia	149,728	350,408	500,136
China	2,124,842	883,108	3,007,950
Hong Kong	5,051,803	1,014,968	6,066,771
USA	1,593	258,673	260,266
Thailand	137,833	323,923	461,756
Germany	-	840,825	840,825
Singapore	195,406	6,499	201,905
Poland	-	120,138	120,138
Other countries	318,585	913,871	1,232,456
	\$ 15,201,710	5,986,618	21,188,328
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 15,127,633	5,985,782	21,113,415
Others	74,077	836	74,913
	\$ 15,201,710	5,986,618	21,188,328

(ii) Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	\$ 5,164,831	5,095,790	4,974,526
Accounts receivable- related parties	-	124,000	8,586
	\$ 5,164,831	5,219,790	4,983,112

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

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Non-operating income and expenses

(i) Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest income from bank deposits and short-term notes	\$ 843,182	777,148	2,556,856	2,266,085
Interest income from financial lease receivables	-	1,700	-	10,025
	<u>\$ 843,182</u>	<u>778,848</u>	<u>2,556,856</u>	<u>2,276,110</u>

(ii) Other gains and losses

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
(Loss) gain on disposal of property, plant and equipment	\$ (3)	257	(1,937)	65,760
Foreign exchange (losses) gains	(127,218)	266,768	473,203	368,228
(Impairment losses) reversal of impairment losses on non-financial assets	(84)	149	(6,526)	27,238
Government grants	-	125,681	139,762	277,275
Others	43,146	44,896	116,711	111,685
	<u>\$ (84,159)</u>	<u>437,751</u>	<u>721,213</u>	<u>850,186</u>

(iii) Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest expense	\$ 90,830	22,077	221,547	22,077
Less: Capitalization of interest	(11,127)	-	(17,933)	-
Amortization interest of lease liability	23,218	22,676	70,165	60,391
Others	-	-	-	291
	<u>\$ 102,921</u>	<u>44,753</u>	<u>273,779</u>	<u>82,759</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

As of September 30, 2024, December 31 and September 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>
September 30, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 15,250,000	15,261,739	15,261,739	-	-	-	-
Short-term notes payable	3,597,411	3,600,000	3,600,000	-	-	-	-
Accounts payable (including related parties)	4,615,753	4,615,753	4,615,753	-	-	-	-
Other payables (including related parties)	5,937,156	5,937,156	5,937,156	-	-	-	-
Bonds payable	3,994,600	4,315,000	-	70,000	70,000	4,175,000	-
Lease liabilities (including current portion)	4,537,936	5,257,984	253,801	250,495	496,549	1,467,601	2,789,538
	<u>\$ 37,932,856</u>	<u>38,987,632</u>	<u>29,668,449</u>	<u>320,495</u>	<u>566,549</u>	<u>5,642,601</u>	<u>2,789,538</u>
December 31, 2023							
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	-	-	-	-
Other payables (including related parties)	4,944,259	4,944,259	4,944,259	-	-	-	-
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>
September 30, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 8,297,300	8,305,538	8,305,538	-	-	-	-
Accounts payable (including related parties)	2,834,198	2,834,198	2,834,198	-	-	-	-
Other payables (including related parties)	4,462,771	4,462,771	4,462,771	-	-	-	-
Lease liabilities (including current portion)	4,522,152	5,279,003	235,894	235,097	444,693	1,321,480	3,041,839
	<u>\$ 20,116,421</u>	<u>20,881,510</u>	<u>15,838,401</u>	<u>235,097</u>	<u>444,693</u>	<u>1,321,480</u>	<u>3,041,839</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

(iii) Market risk

1) Exposure to currency risk

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

	September 30, 2024			December 31, 2023			September 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	\$ 178,600	31.651	5,652,869	299,790	30.735	9,214,046	280,757	32.268	9,059,467
JPY	496,418	0.2220	110,205	916,270	0.2172	199,014	251,298	0.2155	54,155
EUR	48	35.2472	1,692	86	33.9755	2,922	109	33.8573	3,690
Financial liabilities:									
Monetary items									
USD	\$ 101,790	31.651	3,221,755	101,028	30.735	3,105,096	96,852	32.268	3,125,220
JPY	897,668	0.2220	199,282	655,640	0.2172	142,405	477,008	0.2155	102,795
EUR	28,740	35.2472	1,013,005	4,557	33.9755	154,826	4,477	33.8573	151,579

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 September 30, 2024 and 2023 would have decreased and increased the net income before tax by \$13,307 and \$57,377 for the nine months ended September 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 nine months ended September 30, 2024 and 2023, foreign exchange gains (including realized and unrealized portions) amounted to \$473,203 and \$368,228, respectively.

(iv) Other market price risk

For the nine months ended September 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 nine months ended September 30,	
	2024	2023
	Other comprehensive income after tax	Other comprehensive income after tax
Increase 1%	\$ 214	180
Decrease 1%	(214)	(180)

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Fair value information

1) Types and fair value of financial instruments

The Group's financial assets measured at fair value through other comprehensive income was measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities (including the information on fair value hierarchy; but excluding financial instruments were not measured at fair value whose carrying amount were reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required) were as follows:

September 30, 2024					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income:					
Equity instruments without a market price measured at fair value	\$ 26,697	-	-	26,697	26,697
Financial assets measured at amortized cost					
Cash and cash equivalents	61,157,437	-	-	-	-
Financial assets measured at cost	731,232	-	-	-	-
Accounts receivable	5,164,831	-	-	-	-
Other receivables (including related parties)	3,909,838	-	-	-	-
Subtotal	70,963,338	-	-	-	-
Total	\$ 70,990,035	-	-	26,697	26,697
Financial liabilities measured at amortized cost					
Shor-term borrowings	\$ 15,250,000	-	-	-	-
Short-term notes payable	3,597,411	-	-	-	-
Accounts payable (including related parties)	4,615,753	-	-	-	-
Other payables (including related parties)	5,937,156	-	-	-	-
Bonds payable	3,994,600	-	-	-	-
Lease liabilities (including current portion)	4,537,936	-	-	-	-
Total	\$ 37,932,856	-	-	-	-
December 31, 2023					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income:					
Equity instruments without a market price measured at fair value	\$ 20,301	-	-	20,301	20,301
Financial assets measured at amortized cost					
Cash and cash equivalents	58,812,043	-	-	-	-
Financial assets measured at cost	868,815	-	-	-	-
Accounts receivable (including related parties)	5,219,790	-	-	-	-
Other receivables (including related parties)	3,447,889	-	-	-	-
Subtotal	68,348,537	-	-	-	-
Total	\$ 68,368,838	-	-	20,301	20,301

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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December 31, 2023					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 11,181,000	-	-	-	-
Accounts payable (including related parties)	3,443,094	-	-	-	-
Other payables (including related parties)	4,944,259	-	-	-	-
Lease liabilities (including current portion)	4,497,208	-	-	-	-
Total	<u>\$ 24,065,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2023					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Equity instruments without a market price measured at fair value	\$ 22,516	-	-	22,516	22,516
Financial assets measured at amortized cost					
Cash and cash equivalents	60,474,193	-	-	-	-
Financial assets measured at cost	809,773	-	-	-	-
Accounts receivable (including related parties)	4,983,112	-	-	-	-
Other receivables (including related parties)	2,964,821	-	-	-	-
Subtotal	69,231,899	-	-	-	-
Total	<u>\$ 69,254,415</u>	<u>-</u>	<u>-</u>	<u>22,516</u>	<u>22,516</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 8,297,300	-	-	-	-
Accounts payable (including related parties)	2,834,198	-	-	-	-
Other payables (including related parties)	4,462,771	-	-	-	-
Lease liabilities (including current portion)	4,522,152	-	-	-	-
Total	<u>\$ 20,116,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

The category and attribute of the Group's financial instruments without an active market were as follows:

- Equity instruments without an active market price: Measurements of fair value of financial instruments without an active market price are calculated using the net asset value method, which is measured according to the main assumption based on the equity value of the investee's net asset. The estimation has already been adjusted in accordance with the discount on the lack of marketability of the equity stock.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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3) Transfer between levels

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

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	<u>Unquoted equity instruments</u>
Balance as of January 1, 2024	\$ 20,301
Purchased	6,000
Total gains recognized in other comprehensive income	<u>396</u>
Balance as of September 30, 2024	<u><u>\$ 26,697</u></u>
Balance as of January 1, 2023	\$ 16,566
Purchased	6,000
Total losses recognized in other comprehensive income	<u>(50)</u>
Balance as of September 30, 2023	<u><u>\$ 22,516</u></u>

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

	For the nine months ended September 30	
	<u>2024</u>	<u>2023</u>
Total gains (losses) recognized in other comprehensive income, and presented in “unrealized gains or losses from financial assets at fair value through other comprehensive income”	<u><u>\$ 317</u></u>	<u><u>(40)</u></u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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 September 30, 2024, December 31 and September 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:

			Effects of changes in fair value on other comprehensive income	
	Inputs	Increase or decrease	Favorable change	Unfavorable change
September 30, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	1%	\$ 297	(297)
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	1%	226	(226)
September 30, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	1%	250	(250)

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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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.

(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 nine months ended September 30, 2024 and 2023 were as follows:

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

(ii)

	For the nine months ended September 30,	
	2024	2023
Acquisition of property, plant and equipment	\$ 14,485,589	8,688,803
Add: Payables on equipment at beginning of period	1,807,098	3,508,900
Less: Payables on equipment at end of period	<u>(3,521,956)</u>	<u>(1,142,404)</u>
Cash Paid	<u>\$ 12,770,731</u>	<u>11,055,299</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(iii) Reconciliation of liabilities arising from financing activities was as follow:

	January 1, 2024	Cash flow	Non-Cash changes				September 30, 2024
			Change in an index of lease payment	Increased	Decreased	Others (Note)	
Lease liabilities	\$ 4,497,208	(304,968)	275,006	87,858	(9,108)	(8,060)	4,537,936
Short-term borrowings	11,181,000	4,069,000	-	-	-	-	15,250,000
Short-term notes payable	-	3,600,000	-	-	-	(2,589)	3,597,411
Guarantee deposits	14,567	7,126	-	-	-	-	21,693
bonds payable	-	4,000,000	-	-	-	(5,400)	3,994,600
	<u>\$ 15,692,775</u>	<u>11,371,158</u>	<u>275,006</u>	<u>87,858</u>	<u>(9,108)</u>	<u>(16,049)</u>	<u>27,401,640</u>

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

	January 1, 2023	Cash flow	Non-Cash changes				September 30, 2023
			Change in an index of lease payment	Increased	Increased by other payables	Foreign exchange movement	
Lease liabilities	\$ 4,561,342	(284,679)	174,602	74,211	(3,324)	-	4,522,152
Short-term borrowings	-	8,297,300	-	-	-	-	8,297,300
Guarantee deposits	23,188	66,762	-	-	-	546	90,496
	<u>\$ 4,584,530</u>	<u>8,079,383</u>	<u>174,602</u>	<u>74,211</u>	<u>(3,324)</u>	<u>546</u>	<u>12,909,948</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.

<u>Name of related party</u>	<u>Relationship with the Group</u>
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

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant transactions with related parties

(i) Sales to related parties

Relationship	Sales				Accounts receivable to related parties		
	For the three months ended September 30,		For the nine months ended September 30,		September 30, 2024	December 31, 2023	September 30, 2023
	2024	2023	2024	2023			
Nanya Printed Circuit Board Corporation	\$ -	12,369	-	12,369	-	124,000	8,586

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.

(ii) Purchase from related parties

Relationship	Purchases				Accounts payable to related parties		
	For the three months ended September 30,		For the nine months ended September 30,		September 30, 2024	December 31, 2023	September 30, 2023
	2024	2023	2024	2023			
Entities with significant influence over the Group	\$ 41,780	35,892	114,306	109,226	17,484	13,673	12,811
Associates	-	-	726	7,268	-	-	-
Other related parties:							
Formosa Sumco Technology Corporation	157,684	179,395	591,950	347,066	96,624	121,209	138,138
Other related parties	56,686	56,231	175,806	184,900	13,437	10,178	13,303
	<u>\$ 256,150</u>	<u>271,518</u>	<u>882,788</u>	<u>648,460</u>	<u>127,545</u>	<u>145,060</u>	<u>164,252</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 September 30,		For the nine months ended September 30,		September 30, 2024	December 31, 2023	September 30, 2023
	2024	2023	2024	2023			
Associates	\$ 1,583,986	1,206,308	5,174,346	4,365,123	1,051,803	851,177	695,545

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

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Property transactions

Acquisition of machinery and equipment

Relationship	Acquisition price				Other payables to related parties		
	For the three months ended September 30,		For the nine months ended September 30,		September 30, 2024	December 31, 2023	September 30, 2023
	2024	2023	2024	2023			
Entities with significant influence over the Group	\$ 172,100	-	172,450	-	172,100	-	-
Other related parties	-	-	352,500	31,740	303,032	11,968	11,968
	<u>\$ 172,100</u>	<u>-</u>	<u>524,950</u>	<u>31,740</u>	<u>475,132</u>	<u>11,968</u>	<u>11,968</u>

Acquisition of other equipment

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

(v) Leases

Relationship	Acquisition price			
	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Entities with significant influence over the Group	\$ <u>5,045</u>	<u>4,911</u>	<u>15,209</u>	<u>14,701</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 nine months ended September 30, 2024 and 2023, the Group recognized the amounts of \$22,026, \$22,120, \$66,761 and \$58,850, respectively, as interest expenses. Furthermore, on September 30, 2024, December 31 and September 30, 2023, the balances of lease liabilities amounted to \$4,302,769, \$4,293,088 and \$4,376,020, respectively.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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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 nine months ended September 30, 2024 and 2023, the Group recognized the amount of \$25, \$62, \$108 and \$218, respectively, as interest expense. Furthermore, on September 30, 2024, December 31 and September 30, 2023, the balance of lease liabilities amounted to \$3,291, \$16,623 and \$20,752, respectively.

(vi) Others

Relationship	Other income			
	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Associates	\$ <u>121</u>	<u>46</u>	<u>164</u>	<u>144</u>

Relationship	Paid in advance			
	For the three months ended September 30,		For the year ended December 31	
	2024	2023	2024	2023
Associates	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>4,893</u>

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
	\$			
Short-term employee benefits	<u>22,541</u>	<u>44,206</u>	<u>47,768</u>	<u>66,381</u>

(8) Pledged assets:

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

Pledged assets	Object	September 30, 2024	December 31, 2023	September 30, 2023
Non-current financial assets at amortized cost	Office leasing and performance guarantee	\$ <u>723,596</u>	<u>728,959</u>	<u>729,220</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies:

(a) Significant commitments

	September 30, 2024	December 31, 2023	September 30, 2023
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	42,800	20,000	20,000
Performance guarantees provided by bank	142,433	139,856	80,554
Issuance of promissory note for the performance guarantees of research and development programs	500,000	500,000	500,000
Unused letters of credit	600,506	3,089	3,405
Acquisition of property, plant and equipment	<u>15,300,089</u>	<u>21,068,688</u>	<u>22,472,045</u>
Total	<u>\$ 17,620,828</u>	<u>22,766,633</u>	<u>24,111,004</u>

The Group has signed ten-year green electricity procurement contracts with Formosa Solar Renewable Power Co., Ltd. and Sustainable Energy Solution Co., Ltd., wherein the Group purchases 25 million kWh of green electricity annually, with a total of 250 million kWh for ten years.

(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. This case was settled in August 2024, with the plaintiff withdrawing the lawsuit in September 2024. Hence, this case has been concluded without any significant impact on the Company's operations.

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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, a high-voltage power outage caused by a lightning strike occurred on August 13, 2024, resulting in a loss on wafer damage and production interruptions, amounting to \$656,914, and \$474,888, respectively, recognized as costs 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 September 30, 2024			For the three months ended September 30, 2023		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salaries	695,292	638,477	1,333,769	647,953	592,363	1,240,316
Labor and health insurance	57,397	52,485	109,882	56,387	48,934	105,321
Pension expenses	27,942	25,638	53,580	27,978	25,836	53,814
Remuneration of directors	-	2,010	2,010	-	2,040	2,040
Other personnel expenses	19,858	9,938	29,796	15,647	7,484	23,131
Depreciation expenses	3,808,252	148,076	3,956,328	3,648,635	140,076	3,788,711
Amortization expenses	62,693	300	62,993	76,479	-	76,479

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salaries	1,937,581	1,792,700	3,730,281	1,853,135	1,632,380	3,485,515
Labor and health insurance	170,580	156,682	327,262	168,912	147,653	316,565
Pension expenses	82,909	79,854	162,763	83,518	76,498	160,016
Remuneration for directors	-	6,260	6,260	-	6,300	6,300
Other personnel expenses	56,309	28,326	84,635	49,365	23,688	73,053
Depreciation expenses	11,496,025	461,362	11,957,387	10,800,226	441,043	11,241,269
Amortization expenses	188,555	600	189,155	229,872	-	229,872

- (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 nine months ended September 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	-	26,697	2.46 %	26,697	

(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)	(3,858,370)	(14.11)%	O/A 60~90Days	-		1,107,328	22.22%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Japan	Subsidiary	(Sale)	(2,978,632)	(10.89)%	O/A 180Days	-		476,497	9.56%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Europe GmbH	Subsidiary	(Sale)	(1,172,402)	(4.29)%	O/A 60~90Days	-		180,690	3.63%	(Note)
Nanya Technology Corp	Nanya Technology Corp., HK	subsidiary	(Sale)	(136,934)	(0.50)%	O/A 60~90 Days	-		30,965	0.62%	(Note)
Nanya Technology Corp., Delaware	Nanya Technology Corp	The parent company	(Sale)	(308,361)	(100.00)%	O/A 60~90 Days	-		33,391	100.00%	(Note)
Nanya Technology Corp., U.S.A.	Nanya Technology Corp	The parent company	Purchase	3,858,370	100.00%	O/A 60~90Days	-		(1,107,328)	(100.00)%	(Note)
Nanya Technology Corp., Japan	Nanya Technology Corp	The parent company	Purchase	2,978,632	100.00%	O/A 180 Days	-		(476,497)	(100.00)%	(Note)
Nanya Technology Corp., Europe GmbH	Nanya Technology Corp	The parent company	Purchase	1,172,402	100.00%	O/A 60~90Days	-		(180,690)	(100.00)%	(Note)
Nanya Technology Corp., HK	Nanya Technology Corp	The parent company	Purchase	136,934	100.00%	O/A 60~90Days	-		(30,965)	(100.00)%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Delaware	subsidiary	Purchase	308,361	3.62%	O/A 60~90Days	-		(33,391)	(0.72)%	(Note)
Nanya Technology Corp	Formosa Sumco Technology Corporation	Other related parties	Purchase	591,950	6.95%	O/A 60Days	-		(96,624)	(2.09)%	-
Nanya Technology Corp	Nanya Plastic Corporation	The entities with significant influence over the Group	Purchase	114,306	1.34%	Payment after arrival and inspection of good	-		(17,484)	(0.38)%	-

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	1,107,328	6.00	-		324,962	-	(Note)
The Company	Nanya Technology Corp., Japan	Subsidiary	476,497	10.39	-		334,880	-	(Note)
The Company	Nanya Technology Europe GmbH	Subsidiary	180,690	4.07	-		101,596	-	(Note)

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

- (ix) Trading in derivative instruments: None

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(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	3,858,370	On the basis of general conditions	14.00%
0	Nanya Technology Corp.	Nanya Technology Corp., Japan	1	Sales	2,978,632	On the basis of general conditions	10.81%
0	Nanya Technology Corp.	Nanya Technology Europe GmbH	1	Sales	1,172,402	On the basis of general conditions	4.25%
0	Nanya Technology Corp.	Nanya Technology Corp. HK	1	Sales	136,934	On the basis of general conditions	0.50%
1	Nanya Technology Corp. Delaware	Nanya Technology Corp.	2	Sales	308,361	On the basis of general conditions	1.12%
0	Nanya Technology Corp.	Nanya Technology Corp., U.S.A	1	Accounts receivable	1,107,328	On the basis of general conditions	0.54%
0	Nanya Technology Corp.	Nanya Technology Corp., Japan	1	Accounts receivable	476,497	On the basis of general conditions	0.23%
0	Nanya Technology Corp.	Nanya Technology Europe GmbH	1	Accounts receivable	180,690	On the basis of general conditions	0.09%
0	Nanya Technology Corp.	Nanya Technology Corp. HK	1	Accounts receivable	30,965	On the basis of general conditions	0.02%
1	Nanya Technology Corp. Delaware	Nanya Technology Corp.	2	Accounts receivable	33,391	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 nine months ended September 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 September 30, 2024			Net income of investee	Share of profits of investee	Note
				September 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 %	263,817	15,262	15,262	(Note1)
The Company	Nanya Technology Corp., Delaware	U.S.A	Design of semiconductor products	36,005	36,005	-	100.00 %	268,023	20,365	20,365	(Note1)
The Company	Nanya Technology Corp., HK	Hong Kong	Sales of semiconductor products	66,271	66,271	19.7	100.00 %	108,566	2,179	2,179	(Note1)
The Company	Nanya Technology Corp., Japan	Japan	Sales of semiconductor products	20,161	20,161	1	100.00 %	453,520	38,710	38,710	(Note1)
The Company	Nanya Technology International, Ltd.	British Virgin Island	General investment business	48,145,600	48,145,600	1.6	100.00 %	56,873,117	2,359,082	2,359,082	(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 %	4,836,790	753,527	94,220	(Note 2)
Nanya Technology Corp., HK	Nanya Technology Europe GmbH	Germany	Sales of semiconductor products	30,056	30,056	-	100.00 %	93,667	(3,205)	(3,205)	(Note1)

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

(2) Investment accounted for using equity method.

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(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 September 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	31,176 (USD985 thousand)	(2)	31,176 (USD985 thousand)	-	-	31,176 (USD985 thousand)	4,144	100.00%	4,144	31,273	-

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.

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

Accumulated Investment in Mainland China as of September 30, 2024 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
31,176 (USD985 thousand)	31,176 (USD985 thousand)	98,852,254

Note 1 : The exchange rate of New Taiwan dollars to US dollars on September 30, 2024 was USD1 : TWD 31.651

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.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(14) Segment information:

For the three months ended September 30, 2024						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 2,811,317	-	5,321,276	-	-	8,132,593
From sales among intersegments	10,461	98,563	2,743,927	-	(2,852,951)	-
Total revenue	<u>\$ 2,821,778</u>	<u>98,563</u>	<u>8,065,203</u>	<u>-</u>	<u>(2,852,951)</u>	<u>8,132,593</u>
Reportable segment profit or loss	<u>\$ (126,792)</u>	<u>6,699</u>	<u>(1,829,542)</u>	<u>800,602</u>	<u>(678,904)</u>	<u>(1,827,937)</u>
For the three months ended September 30, 2023						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 1,956,628	-	5,779,746	-	-	7,736,374
From sales among intersegments	13,099	133,514	1,871,717	-	(2,018,330)	-
Total revenue	<u>\$ 1,969,727</u>	<u>133,514</u>	<u>7,651,463</u>	<u>-</u>	<u>(2,018,330)</u>	<u>7,736,374</u>
Reportable segment profit or loss	<u>\$ 31,173</u>	<u>7,762</u>	<u>(3,143,591)</u>	<u>740,823</u>	<u>(778,342)</u>	<u>(3,142,175)</u>
For the nine months ended September 30, 2024						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 8,362,480	-	19,194,093	-	-	27,556,573
From sales among intersegments	34,641	308,361	8,146,339	-	(8,489,341)	-
Total revenue	<u>\$ 8,397,121</u>	<u>308,361</u>	<u>27,340,432</u>	<u>-</u>	<u>(8,489,341)</u>	<u>27,556,573</u>
Reportable segment profit or loss	<u>\$ 60,503</u>	<u>20,365</u>	<u>(4,648,658)</u>	<u>2,359,082</u>	<u>(2,435,598)</u>	<u>(4,644,306)</u>
For the nine months ended September 30, 2023						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 5,986,617	-	15,201,711	-	-	21,188,328
From sales among intersegments	32,726	322,881	5,771,376	-	(6,126,983)	-
Total revenue	<u>\$ 6,019,343</u>	<u>322,881</u>	<u>20,973,087</u>	<u>-</u>	<u>(6,126,983)</u>	<u>21,188,328</u>
Reportable segment profit or loss	<u>\$ 98,702</u>	<u>19,105</u>	<u>(7,179,212)</u>	<u>1,988,504</u>	<u>(2,102,189)</u>	<u>(7,175,090)</u>
Reportable segment assets						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Balance at September 30, 2024	<u>\$ 2,653,907</u>	<u>271,413</u>	<u>203,659,305</u>	<u>56,873,117</u>	<u>(59,808,420)</u>	<u>203,649,322</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 September 30, 2023	<u>\$ 1,972,854</u>	<u>255,879</u>	<u>193,966,086</u>	<u>54,803,620</u>	<u>(57,030,117)</u>	<u>193,968,322</u>
Reportable segment liabilities						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Balance at September 30, 2024	<u>\$ 1,817,855</u>	<u>3,389</u>	<u>38,905,549</u>	<u>-</u>	<u>(1,831,227)</u>	<u>38,895,566</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 September 30, 2023	<u>\$ 1,168,951</u>	<u>4,094</u>	<u>21,957,024</u>	<u>-</u>	<u>(1,170,808)</u>	<u>21,959,261</u>