

**NANYA TECHNOLOGY CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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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 March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, 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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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 Jhang, Jhao-Wun and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)
May 2, 2025

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

March 31, 2025, December 31 and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024						March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (Note 6(a))	\$ 62,602,620	29	61,902,779	30	62,356,186	32	2100	Short-term borrowings (Notes 6(i) and (z))	\$ 15,747,700	7	14,536,000	7	13,020,100	7		
1170	Accounts receivable, net (Notes 6(c) and (t))	4,796,170	2	4,132,016	2	5,375,195	3	2110	Short-term notes payable (Notes 6(j) and (z))	3,497,574	2	6,734,090	3	-	-		
1200	Other receivables (Note 6(d))	4,020,199	2	3,908,000	2	3,157,757	2	2170	Accounts payable	5,551,197	3	5,008,693	3	2,915,073	1		
1210	Other receivables due from related parties (Note 7)	205,191	-	-	-	127,360	-	2180	Accounts payable to related parties (Note 7)	115,058	-	171,043	-	191,562	-		
1310	Inventories (Note 6(e))	37,588,408	17	35,318,045	17	27,770,325	14	2200	Other payables	4,024,957	2	4,337,915	2	3,959,435	2		
1410	Prepayments	1,265,948	1	1,421,633	1	841,780	-	2220	Other payables to related parties (Note 7)	1,398,028	1	1,501,159	1	1,226,993	1		
1470	Other current assets	1,372,719	1	1,263,364	-	764,685	-	2230	Current tax liabilities	-	-	55,996	-	138,529	-		
	Total current assets	111,851,255	52	107,945,837	52	100,393,288	51	2280	Current lease liabilities (Notes 6(m), (z) and 7)	443,977	-	417,230	-	406,946	-		
	Non-current assets:							2399	Other current liabilities(Note 6(n))	50,638	-	17,855	-	16,719	-		
1517	Non-current financial assets at fair value through other comprehensive income	27,445	-	27,820	-	20,625	-		Total current liabilities	30,829,129	15	32,779,981	16	21,875,357	11		
1535	Non-current financial assets at amortized cost, net (Notes 6(b) and 8)	726,200	-	723,586	-	732,429	-		Non-Current liabilities:								
1550	Investments accounted for using equity method (Note 6(f))	5,075,166	3	4,644,768	3	4,947,074	3	2530	Bonds payable (Notes 6(k) and (z))	3,995,200	2	3,994,900	2	-	-		
1600	Property, plant and equipment (Notes 6(g), (z), 7 and 8)	87,383,552	41	84,327,212	41	80,521,334	41	2540	Long-term borrowings (Notes 6(l), (z) and 8)	11,000,000	5	-	-	-	-		
1755	Right-of-use assets (Notes 6(h) and 7)	4,532,156	2	4,349,468	2	4,613,006	2	2570	Deferred tax liabilities (Note 6(p))	6,060	-	5,304	-	14,784	-		
1780	Intangible assets	630,291	-	688,288	-	865,248	1	2580	Non-current lease liabilities (Notes 6(m), (z) and 7)	4,201,295	2	4,037,118	2	4,286,330	2		
1840	Deferred tax assets (Note 6(p))	4,365,210	2	3,880,696	2	2,869,248	2	2640	Net defined benefit liability, non-current (Note 6(o))	427,072	-	430,645	-	503,976	-		
1990	Other non-current assets	146,040	-	118,642	-	119,501	-	2670	Other non-current liabilities (Notes 6(b) and (z))	407,118	-	405,094	-	580,132	1		
	Total non-current assets	102,886,060	48	98,760,480	48	94,688,465	49		Total non-current liabilities	20,036,745	9	8,873,061	4	5,385,222	3		
									Total liabilities	50,865,874	24	41,653,042	20	27,260,579	14		
									Equity (Note 6(q)):								
								3110	Ordinary shares	30,986,279	14	30,986,279	15	30,982,509	16		
								3140	Advance receipts for share capital	-	-	-	-	9,138	-		
								3200	Capital surplus	32,834,543	15	32,834,294	16	32,828,338	17		
								3310	Legal reserve	18,626,223	9	18,626,223	9	18,626,223	10		
								3350	Unappropriated retained earnings	76,911,117	36	78,851,756	38	82,681,328	42		
								3400	Other equity interest	4,513,279	2	3,754,723	2	2,693,638	1		
									Total equity	163,871,441	76	165,053,275	80	167,821,174	86		
	Total assets	\$ 214,737,315	100	206,706,317	100	195,081,753	100		Total liabilities and equity	\$ 214,737,315	100	206,706,317	100	195,081,753	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 ended March 31, 2025 and 2024

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

		For the three months ended March 31,			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(t))	\$ 7,187,940	100	9,502,937	100
5000	Operating costs (Notes 6(e), (g), (h), (m), (n), (o), 7 and 10)	<u>(8,262,612)</u>	<u>(115)</u>	<u>(9,779,561)</u>	<u>(103)</u>
	Gross loss from operations	<u>(1,074,672)</u>	<u>(15)</u>	<u>(276,624)</u>	<u>(3)</u>
	Operating expenses (Notes 6(g), (h), (m), (o) and 7):				
6100	Selling expenses	(151,941)	(2)	(153,202)	(2)
6200	Administrative expenses	(397,390)	(6)	(429,403)	(4)
6300	Research and development expenses	<u>(1,531,334)</u>	<u>(21)</u>	<u>(2,059,039)</u>	<u>(22)</u>
	Total operating expenses	<u>(2,080,665)</u>	<u>(29)</u>	<u>(2,641,644)</u>	<u>(28)</u>
	Net operating loss	<u>(3,155,337)</u>	<u>(44)</u>	<u>(2,918,268)</u>	<u>(31)</u>
	Non-operating income and expenses (Notes 6(f), (g), (m), (v) and 7):				
7100	Interest income	706,857	10	836,106	9
7020	Other gains and losses, net	154,540	2	570,645	6
7050	Finance costs	(142,837)	(2)	(77,049)	(1)
7060	Share of profit of associates accounted for using equity method, net	<u>13,381</u>	<u>-</u>	<u>45,470</u>	<u>1</u>
	Total non-operating income and expenses	<u>731,941</u>	<u>10</u>	<u>1,375,172</u>	<u>15</u>
7900	Loss before tax	(2,423,396)	(34)	(1,543,096)	(16)
7950	Income tax profit (Note 6(p))	<u>482,757</u>	<u>7</u>	<u>334,608</u>	<u>3</u>
	Loss	<u>(1,940,639)</u>	<u>(27)</u>	<u>(1,208,488)</u>	<u>(13)</u>
8300	Other comprehensive income (loss) (Notes 6(o), (p) and (q)):				
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	(375)	-	324	-
8320	Share of other comprehensive income of associates accounted for using equity method	10,148	-	(91,282)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(75)</u>	<u>-</u>	<u>65</u>	<u>-</u>
	Components of other comprehensive loss that will not be reclassified to profit or loss	<u>9,848</u>	<u>-</u>	<u>(91,023)</u>	<u>(1)</u>
8360	Components of other comprehensive loss that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	748,528	11	2,185,582	23
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	180	-	-	-
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>
	Components of other comprehensive income that may be reclassified to profit or loss	<u>748,708</u>	<u>11</u>	<u>2,185,582</u>	<u>23</u>
8300	Other comprehensive income, net	<u>758,556</u>	<u>11</u>	<u>2,094,559</u>	<u>22</u>
8500	Comprehensive (loss) income	<u>\$ (1,182,083)</u>	<u>(16)</u>	<u>886,071</u>	<u>9</u>
	loss per share (Note 6(s))				
9750	Basic loss per share	<u>\$ (0.63)</u>		<u>(0.39)</u>	

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

(Expressed in Thousands of New Taiwan Dollars)

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 three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31,	
	2025	2024
Cash flows from (used in) operating activities		
Loss before tax	\$ (2,423,396)	(1,543,096)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	3,891,788	4,010,719
Amortization expense	60,287	63,169
Interest expense	142,837	77,049
Interest income	(706,857)	(836,106)
Share of profit of associates accounted for using equity method	(13,381)	(45,470)
(Gain) loss on disposal of property, plant and equipment	(3,609)	1,875
Impairment loss on non-financial assets	13,811	6,442
Unrealized foreign exchange loss (gain)	6,700	(56,094)
Gain on lease modification	-	(142)
Total adjustments to reconcile profit	3,391,576	3,221,442
Changes in operating assets and liabilities:		
Accounts receivable (including related parties)	(614,121)	(74,112)
Other receivables (including related parties)	(361,138)	(60,244)
Inventories	(2,270,363)	(135,926)
Prepayments	155,685	(92,447)
Other current assets	(109,355)	(118,073)
Accounts payable (including related parties)	91,714	(98,425)
Other payables (including related parties)	(520,812)	183,840
Other current liabilities	32,783	(742)
Net defined benefit liability	(3,573)	(1,711)
Other non-current liabilities	(4,032)	563
Total net changes used in operating assets and liabilities	(3,603,212)	(397,277)
Cash inflow (used in) from operations	(2,635,032)	1,281,069
Interest received	955,080	1,165,739
Interest paid	(84,012)	(64,760)
Income taxes (paid) refunded	(57,832)	18,582
Net cash flows (used in) from operating activities	(1,821,796)	2,400,630
Cash flows used in investing activities:		
Acquisition of financial assets at amortized cost	2,491	(5)
Acquisition of investments accounted for using equity method	(611,880)	-
Acquisition of property, plant and equipment	(6,486,902)	(2,850,922)
Proceeds from disposal of property, plant and equipment	3,609	1,149
Increase in refundable deposits	(941)	(715)
Increase in other non-current assets	(28,447)	(1,147)
Net cash flows used in investing activities	(7,122,070)	(2,851,640)
Cash flows from financing activities:		
Increase in short-term borrowings	1,211,700	1,839,100
Decrease in short-term notes payable	(3,250,000)	-
Proceeds from long-term borrowings	11,000,000	-
Increase (decrease) in guarantee deposits received	1,603	(1,491)
Payment of lease liabilities	(105,880)	(96,430)
Exercise of employee share options	-	10,948
Net cash flows from financing activities	8,857,423	1,752,127
Effect of exchange rate changes on cash and cash equivalents	786,284	2,243,026
Net increase in cash and cash equivalents	699,841	3,544,143
Cash and cash equivalents at beginning of period	61,902,779	58,812,043
Cash and cash equivalents at end of period	\$ 62,602,620	62,356,186

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

March 31, 2025 and 2024

(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 May 2, 2025.

(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, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards 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”	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.	January 1, 2027

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<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

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”

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of compliance

2These 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, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

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

Investor	The name of subsidiaries	Business activity	Shareholding		
			March 31, 2025	December 31, 2024	March 31, 2024
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 %
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.

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) Provision

The recognition of provisions is due to present obligations arising from past events, which makes it probable that the Group will be required to outflow resources embodying economic benefits to settle the obligations in the future, and the amount of such obligations can be reliably estimated.

(i) Carbon fees

Carbon fees levied in accordance with Taiwan's Climate Change Response Act and Regulations Governing the Collection of Carbon Fees are recognized when the annual greenhouse gas emissions probably exceed the threshold, and the amount is estimated based on the proportion of greenhouse gas emissions that have occurred as of the reporting date divided by the total annual greenhouse gas emissions.

(e) 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.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) 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 IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(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, 2024. Please refer to Note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Petty cash	\$ 61	72	32
Checking accounts and demand deposits	1,289,562	2,426,797	3,459,919
Cash equivalents:			
Time deposits	61,312,997	59,175,910	58,896,235
Commercial paper	-	300,000	-
	<u><u>\$ 62,602,620</u></u>	<u><u>61,902,779</u></u>	<u><u>62,356,186</u></u>

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Non-current financial assets at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
Restricted Demand Deposits	\$ 849	822	4,048
Restricted Time Deposits	<u>725,351</u>	<u>722,764</u>	<u>728,381</u>
	<u>\$ 726,200</u>	<u>723,586</u>	<u>732,429</u>

The Group applied to the Minister of Economic Affairs (MOEA) for a research and development program subsidy in accordance with Reward and Assistance Regulations for Promoting Industry Innovation of Ministry of Economic Affairs. The subsidy 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 subsidy as other non-current liabilities. As of March 31, 2025 and 2024, the cumulative amounts of \$500,000 and \$492,567 were approved by the Ministry of Economic Affairs to be transferred to the designated account for subsidy, and \$495,155 and the cumulative amounts of \$484,583 were appropriated based on the actual payment. The remaining research subsidy of \$4,845 has been revoked.

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(w).

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

(c) Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	<u>\$ 4,796,170</u>	<u>4,132,016</u>	<u>5,375,195</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.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

March 31, 2025			
Due days	Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 4,724,941	-	-
1 to 30 days past due	71,229	-	-
	<u>\$ 4,796,170</u>		<u>-</u>
December 31, 2024			
Due days	Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 4,072,146	-	-
1 to 30 days past due	59,870	-	-
	<u>\$ 4,132,016</u>		<u>-</u>
March 31, 2024			
Due days	Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 5,354,118	-	-
1 to 30 days past due	21,077	-	-
	<u>\$ 5,375,195</u>		<u>-</u>

The Group did not recognize any allowance for impairment loss as there were no uncollected accounts receivable that were past due as of March 31, 2025, December 31 and March 31, 2024.

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

(d) Other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Tax refund receivable	\$ 3,608,053	3,294,005	2,463,617
Interest receivable	352,448	600,671	642,908
Others	59,698	13,324	51,232
	<u>\$ 4,020,199</u>	<u>3,908,000</u>	<u>3,157,757</u>

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

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 369,933	479,350	432,597
Work in progress	15,734,629	14,256,079	11,245,539
Finished goods	21,483,846	20,582,616	16,092,189
	<u>\$ 37,588,408</u>	<u>35,318,045</u>	<u>27,770,325</u>

The details of the cost of sales were as follows:

	For the three months ended March 31,	
	2025	2024
Inventory that has been sold	\$ 8,009,155	9,539,065
Write-down of inventories	69,322	111,831
Unallocated production overheads	165,711	104,855
Others	18,424	23,810
	<u>\$ 8,262,612</u>	<u>9,779,561</u>

(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:

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	<u>\$ 5,075,166</u>	<u>4,644,768</u>	<u>4,947,074</u>

On February 10, 2025, the Group invested in PieceMakers Technology, Inc. by acquiring 20,396 thousand common stocks at a price of \$30 per share, totaling \$611,880. This investment represents an approximate 35.76% ownership in the company.

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		
			March 31, 2025	December 31, 2024	March 31, 2024
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:

	March 31, 2025	December 31, 2024	March 31, 2024
Formosa Advanced Technologies Co., Ltd.	<u>\$ 12,559,111</u>	<u>12,470,667</u>	<u>16,229,556</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The financial information of FATC was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 9,451,622	9,369,700	9,853,061
Non-current assets	3,172,312	3,154,024	3,508,894
Current liabilities	(1,640,706)	(1,071,051)	(1,297,549)
Non-current liabilities	(533,539)	(545,746)	(592,585)
Net asset	<u><u>\$ 10,449,689</u></u>	<u><u>10,906,927</u></u>	<u><u>11,471,821</u></u>
Net asset contributed to non-controlling interest of Formosa Petrochemical Corporation	<u><u>\$ 7,105,789</u></u>	<u><u>7,416,711</u></u>	<u><u>7,800,839</u></u>
Net asset contributed to FATC	<u><u>\$ 3,343,900</u></u>	<u><u>3,490,216</u></u>	<u><u>3,670,982</u></u>
	For the three months ended March 31,		
Operating revenue	<u><u>\$ 2,230,203</u></u>	<u><u>2,359,653</u></u>	
Profit	<u><u>\$ 152,269</u></u>	<u><u>347,841</u></u>	
Other comprehensive loss	<u><u>31,715</u></u>	<u><u>(285,256)</u></u>	
Total comprehensive income	<u><u>\$ 183,984</u></u>	<u><u>62,585</u></u>	
Comprehensive income allocated to non-controlling interest of Formosa Petrochemical Corporation	<u><u>\$ 125,109</u></u>	<u><u>42,558</u></u>	
Total comprehensive income contributed to FATC	<u><u>\$ 58,875</u></u>	<u><u>20,027</u></u>	
	March 31, 2025	December 31, 2024	March 31, 2024
Share of net assets of the major associate at January 1	\$ 3,490,216	3,778,315	3,778,315
Total comprehensive income contributed to the Group	58,875	(160,764)	20,027
Uncollected dividends beyond the collection period which are reclassified to capital surplus	-	25	-
Cash dividends contributed to the Group	(205,191)	(127,360)	(127,360)
Share of net assets of major associate	3,343,900	3,490,216	3,670,982
Add: good will	1,463,162	1,463,162	1,463,162
Less: unrealized profits on upstream sales net assets of the associates	(340,687)	(308,610)	(187,070)
Total carrying amount of the major associate	<u><u>\$ 4,466,375</u></u>	<u><u>4,644,768</u></u>	<u><u>4,947,074</u></u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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The Group's financial information for investment accounted for using the equity method that are individually insignificant is as follows, and such financial information is included in the Group's consolidated financial statements:

	March 31, 2025
Carrying amount of the individually insignificant associate's equity - PieceMakers Technology, Inc.	\$ <u>608,791</u>
	For the three months ended March 31, 2025
Attributable to the Group:	
Net loss	\$ (3,268)
Other comprehensive income	<u>180</u>
Total comprehensive loss	\$ <u>(3,088)</u>

(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, 2025	\$ 1,013,924	10,555,487	234,114,157	922,414	28,142,136	274,748,118
Additions	-	6,493	425,975	9,003	6,403,669	6,845,140
Disposals	-	-	(677,620)	(2,036)	-	(679,656)
Reclassification	-	244,613	972,368	(341)	(1,216,640)	-
Effect of exchange rate change	-	81	1,370	719	-	2,170
Balance as of March 31, 2025	\$ <u>1,013,924</u>	<u>10,806,674</u>	<u>234,836,250</u>	<u>929,759</u>	<u>33,329,165</u>	<u>280,915,772</u>
Balance as of January 1, 2024	\$ 1,013,924	10,039,640	220,049,397	927,971	26,381,949	258,412,881
Additions	-	-	216,665	5,148	2,368,691	2,590,504
Disposals	-	(19,778)	(406,264)	(30,368)	-	(456,410)
Reclassification	-	341,079	12,315,583	6,882	(12,663,544)	-
Effect of exchange rate change	-	(43)	2,650	873	-	3,480
Balance as of March 31, 2024	\$ <u>1,013,924</u>	<u>10,360,898</u>	<u>232,178,031</u>	<u>910,506</u>	<u>16,087,096</u>	<u>260,550,455</u>
Accumulated depreciation / impairment loss:						
Balance as of January 1, 2025	\$ -	4,051,598	185,567,988	801,320	-	190,420,906
Depreciation for the period	-	104,805	3,658,030	12,522	-	3,775,357
Impairment loss	-	-	13,811	-	-	13,811
Disposals	-	-	(677,620)	(2,036)	-	(679,656)
Reclassification	-	-	338	(338)	-	-
Effect of exchange rate change	-	80	1,138	584	-	1,802
Balance as of March 31, 2025	\$ <u>-</u>	<u>4,156,483</u>	<u>188,563,685</u>	<u>812,052</u>	<u>-</u>	<u>193,532,220</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Under construction</u>	<u>Total</u>
Balance as of January 1, 2024	\$ -	3,676,050	172,118,133	781,080	-	176,575,263
Depreciation for the period	-	105,727	3,776,321	16,135	-	3,898,183
Impairment loss	-	-	6,442	-	-	6,442
Disposals	-	(16,757)	(406,261)	(30,368)	-	(453,386)
Reclassification	-	-	51	(51)	-	-
Effect of exchange rate change	-	(42)	2,071	590	-	2,619
Balance as of March 31, 2024	<u>\$ -</u>	<u>3,764,978</u>	<u>175,496,757</u>	<u>767,386</u>	<u>-</u>	<u>180,029,121</u>
Carrying amounts:						
Balance as of March 31, 2025	<u>\$ 1,013,924</u>	<u>6,650,191</u>	<u>46,272,565</u>	<u>117,707</u>	<u>33,329,165</u>	<u>87,383,552</u>
Balance as of December 31, 2024	<u>\$ 1,013,924</u>	<u>6,503,889</u>	<u>48,546,169</u>	<u>121,094</u>	<u>28,142,136</u>	<u>84,327,212</u>
Balance as of March 31, 2024	<u>\$ 1,013,924</u>	<u>6,595,920</u>	<u>56,681,274</u>	<u>143,120</u>	<u>16,087,096</u>	<u>80,521,334</u>

(i) Assessment on impairment

The estimated future recoverable amount of equipment, which had been identified to be no longer useful for its operation, is lower than the book value. In March 31, 2025 and 2024, the Group reassessed its estimates, wherein the amount of \$13,811 and \$6,442 of the impairment loss has been recognized, respectively.

(ii) Plants, and equipment under construction

For the three months ended March 31, 2024, the capitalized interest on borrowings for the purchase of properties, plants, and equipment of the Group amounted to \$17,655, with the interest rate of 1.75%~1.9463%.

(h) Right-of-use assets

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Total</u>
Cost :				
Balance at January 1, 2025	\$ 5,439,403	11,165	288,962	5,739,530
Additions	<u>299,119</u>	<u>-</u>	<u>-</u>	<u>299,119</u>
Balance at March 31, 2025	<u>\$ 5,738,522</u>	<u>11,165</u>	<u>288,962</u>	<u>6,038,649</u>
Balance at January 1, 2024	\$ 5,249,463	1,429	194,253	5,445,145
Additions	275,005	9,735	24,208	308,948
Decrease	<u>(44,902)</u>	<u>-</u>	<u>-</u>	<u>(44,902)</u>
Balance at March 31, 2024	<u>\$ 5,479,566</u>	<u>11,164</u>	<u>218,461</u>	<u>5,709,191</u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 1,325,365	3,650	61,047	1,390,062
Depreciation for the period	<u>103,424</u>	<u>883</u>	<u>12,124</u>	<u>116,431</u>
Balance at March 31, 2025	<u>\$ 1,428,789</u>	<u>4,533</u>	<u>73,171</u>	<u>1,506,493</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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	Land	Building	Machinery and equipment	Total
Balance at January 1, 2024	\$ 1,000,873	119	18,593	1,019,585
Depreciation for the period	102,551	883	9,102	112,536
Decrease	(35,936)	-	-	(35,936)
Balance at March 31, 2024	<u>\$ 1,067,488</u>	<u>1,002</u>	<u>27,695</u>	<u>1,096,185</u>
Carrying Amount:				
Balance at March 31, 2025	<u>\$ 4,309,733</u>	<u>6,632</u>	<u>215,791</u>	<u>4,532,156</u>
Balance at December 31, 2024	<u>\$ 4,114,038</u>	<u>7,515</u>	<u>227,915</u>	<u>4,349,468</u>
Balance at March 31, 2024	<u>\$ 4,412,078</u>	<u>10,162</u>	<u>190,766</u>	<u>4,613,006</u>

(i) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024,
Unsecured bank loans	<u>\$ 15,747,700</u>	<u>14,536,000</u>	<u>13,020,100</u>
Interest rate	<u>1.78%~1.90%</u>	<u>1.775%~1.90%</u>	<u>1.65%~1.78%</u>
Maturity date	<u>2025.04.09~2026.02.05</u>	<u>2025.01.02~2025.03.13</u>	<u>2024.04.01~2024.04.29</u>

(i) Increase in loans and repayments

	For the three months ended March 31	
	2025	2024
Opening Balance	\$ 14,536,000	11,181,000
Amount of increase in loans	40,843,100	35,676,400
Amount of repayment	(39,631,400)	(33,837,300)
Ending balance	<u>\$ 15,747,700</u>	<u>13,020,100</u>

(j) Short-term notes payable

	March 31, 2025	December 31, 2024	March 31, 2024
Short-term notes payable	\$ 3,500,000	6,750,000	-
Discount on short-term notes payable	(2,426)	(15,910)	-
Total	<u>\$ 3,497,574</u>	<u>6,734,090</u>	<u>-</u>
Range of interest rates	<u>1.80%~1.81%</u>	<u>1.76%~1.92%</u>	<u>0</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Bonds Payable

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic unsecured nonconvertible corporate bonds	\$ 4,000,000	4,000,000	-
Cost of issuing bonds	(4,800)	(5,100)	-
Current portion	-	-	-
Total	<u><u>\$ 3,995,200</u></u>	<u><u>3,994,900</u></u>	<u><u>-</u></u>

The terms of domestic corporate bonds as of above were as follows:

	The first domestic unsecured nonconvertible corporate bond in 2024
Issued amount	\$4,000,000
Balance, end of year	3,995,200
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.

(l) Long-term borrowings

	March 31, 2025,			
	Currency	Interest rate	Expiration	Amount
Secured long-term loans	NTD	1.9463%	119	<u><u>\$ 11,000,000</u></u>
Unused long-term credit lines				<u><u>\$ 14,000,000</u></u>

- (i) Please refer to note 6(w) for information on the Group's exposure to interest rate, foreign currency and liquidity risks.
- (ii) On January 9, 2025, the Group entered into a syndicated loan agreement with Bank of Taiwan and nine other financial institutions (collectively referred to as the "Syndicated Banks") for a credit facility of \$25,000,000. As of March 31, 2025, the Group has drawn down \$11,000,000 under the facility. For details of interest expenses, please refer to note 6(v).
- (iii) Pledged assets for bank loans

For details of the pledged assets for bank loans by the Group, please refer to note 8.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(iv) Financial covenants of significant loans and borrowings

The Group entered into a syndicated credit agreement with different financial institutions, with Bank of Taiwan being the lead bank, wherein the Group shall maintain certain financial ratios on the balance sheet date within the term of the loan. (i.e. current ratio, debt ratio, and tangible net worth, etc.) If, however, the Group breaches the contract, it should enhance its performance by increasing its cash capital or by other means during the improvement period. Otherwise, the loans will be considered due, and the Group will be required to pay off the remaining amount of the loan immediately. As of March 31, 2025, the Group has not breached the financial covenants.

(m) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>443,977</u>	<u>417,230</u>	<u>406,946</u>
Non-current	\$ <u>4,201,295</u>	<u>4,037,118</u>	<u>4,286,330</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest on lease liabilities	\$ <u>23,428</u>	<u>23,395</u>
Expenses relating to short-term leases	\$ <u>14,624</u>	<u>13,893</u>

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

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	\$ <u>143,932</u>	<u>133,718</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.

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(n) Provision

	March 31, 2025	December 31, 2024	March 31, 2024
Carbon fees	\$ <u>33,054</u>	<u>-</u>	<u>-</u>

For the three months ended March 31, 2025, the Group recognized a provision of \$33,054 for carbon fees levied on greenhouse gas emissions in accordance with the Taiwan's Climate Change Response Act. This provision is expected to be settled in 2026 by paying cash to the government and is classified under other current liabilities.

(o) 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, 2024 and 2023.

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

	For the three months ended March 31,	
	2025	2024
Operating cost	\$ 1,169	1,236
Operating expenses	<u>898</u>	<u>936</u>
Total	<u>\$ 2,067</u>	<u>2,172</u>

(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 March 31,	
	2025	2024
Operating cost	26,708	25,895
Operating expenses	<u>28,445</u>	<u>26,690</u>
Total	<u>\$ 55,153</u>	<u>52,585</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(p) Income tax

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

	For the three months ended March 31,	
	2025	2024
Current tax (profit) expense		
Current period	\$ (437,073)	(389,155)
Deferred tax (profit) expense	(45,684)	54,547
Income tax (profit) expense	<u>\$ (482,757)</u>	<u>(334,608)</u>

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

	For the three months ended March 31,	
	2025	2024
Items that could not be reclassified subsequently to profit or loss:		
Unrealized gains on equity investments at fair value through other comprehensive income	\$ <u>(75)</u>	<u>65</u>

(ii) The Company's tax returns have been examined by the ROC tax authority through 2023.

(q) Capital and other equity

Except as described below, there was no material change in equity for the three months ended March 31, 2025 and 2024. Please refer to Note 6(p) of the consolidated financial statements as of and for the year ended December 31, 2024 for the related detail disclosures on equity.

(i) Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
Premium from the issuance of stock	\$ 32,290,079	32,290,079	29,494,434
Treasury share transactions	274,385	274,385	274,385
Employee stock option plans	-	-	2,790,727
Expired employee share option plans	269,247	269,247	268,292
Past due unclaimed dividends	706	457	399
Change in net equity of associates accounted for using equity method	<u>126</u>	<u>126</u>	<u>101</u>
	<u>\$ 32,834,543</u>	<u>32,834,294</u>	<u>32,828,338</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(ii) Retain earning

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

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

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 and 2024 earnings distribution accrued by the Company due to the deficit incurred during 2023 and 2024, based on a resolution decided by the Board of Directors on February 26, 2025, and February 23, 2024.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) 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, 2025	\$ 4,502,042	(747,319)	3,754,723
Exchange differences on translation of foreign financial statements	748,528	-	748,528
Unrealized gains from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	10,148	10,148
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(300)	(300)
Exchange differences on associates accounts for using equity method	180	-	180
Balance as of March 31, 2025	<u>\$ 5,250,750</u>	<u>(737,471)</u>	<u>4,513,279</u>
Balance as of January 1, 2024	\$ 896,519	(297,440)	599,079
Exchange differences on translation of foreign financial statements	2,185,582	-	2,185,582
Unrealized losses from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(91,282)	(91,282)
Unrealized gains from financial of assets measured at fair value through other comprehensive income	-	259	259
Balance as of March 31, 2024	<u>\$ 3,082,101</u>	<u>(388,463)</u>	<u>2,693,638</u>

(r) Share-based payment transactions

Except as described below, there was no material change on the share-based payment transactions for the three months ended March 31, 2025 and 2024. Please refer to Note 6(q) of consolidated financial statements as of and for the year ended December 31, 2024 for related disclosures on share-based payment transactions.

(i) Relevant information of employee stock option plans

The Company:

	For the three months ended March 31, 2024	
	Weighted- average exercise price TWD)	Number of options (Units)
Outstanding as of January 1	\$ 25.56	487
Options exercised	25.52	(429)
Outstanding as of March 31	25.86	<u>58</u>
Options exercisable as of March 31	25.86	<u>58</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Loss per share

	For the three months ended March 31,	
	2025	2024
Basic loss per share:		
Net loss attributable to the Company's ordinary shareholders	\$ <u>(1,940,639)</u>	<u>(1,208,488)</u>
Weighted-average number of ordinary shares outstanding	<u>3,098,628</u>	<u>3,098,339</u>
Basic loss per share (dollar)	\$ <u>(0.63)</u>	<u>(0.39)</u>

The Company did not calculate the diluted loss per share for the three months ended March 31, 2025 and 2024 due to the net loss resulted in anti diluted effects to the employee share option and employee stock remuneration issued by the Company.

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2025		
	Manufacturing department	Overseas sales department	Total
Geographic markets of primary destination:			
Taiwan	\$ 1,159,992	116,207	1,276,199
Japan	-	576,543	576,543
Malaysia	129,875	347,218	477,093
China	561,299	554,209	1,115,508
Hong Kong	2,179,947	363,424	2,543,371
USA	5,528	330,795	336,323
Thailand	5,847	191,497	197,344
Germany	-	202,997	202,997
Other countries	<u>179,441</u>	<u>283,121</u>	<u>462,562</u>
	<u>\$ 4,221,929</u>	<u>2,966,011</u>	<u>7,187,940</u>
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 4,204,802	2,965,715	7,170,517
Others	<u>17,127</u>	<u>296</u>	<u>17,423</u>
	<u>\$ 4,221,929</u>	<u>2,966,011</u>	<u>7,187,940</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31, 2024		
	Manufacturing department	Overseas sales department	Total
Geographic markets of primary destination:			
Taiwan	\$ 2,522,712	273,897	2,796,609
Japan	-	384,830	384,830
Malaysia	139,577	132,376	271,953
China	693,679	784,145	1,477,824
Hong Kong	3,091,039	305,274	3,396,313
USA	705	139,634	140,339
Thailand	9,540	126,505	136,045
Germany	-	181,086	181,086
Vietnam	2,840	129,291	132,131
Other countries	151,691	434,116	585,807
	\$ 6,611,783	2,891,154	9,502,937
Major products line:			
Dynamic Random Access Memory (DRAM)	\$ 6,587,719	2,890,871	9,478,590
Others	24,064	283	24,347
	\$ 6,611,783	2,891,154	9,502,937

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	\$ 4,796,170	4,132,016	5,375,195

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

(u) 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 three months ended March 31, 2025 and 2024, 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

(v) Non-operating income and expenses

(i) Interest income

For the three months ended March 31,	
2025	2024
Interest income from bank deposits and short-term notes	
\$ 706,857	836,106

(ii) Other gains and losses

For the three months ended March 31,	
2025	2024
Gain (loss) on disposal of property, plant and equipment	\$ 3,609 (1,875)
Foreign exchange (losses) gains	(291) 403,813
Impairment losses on non-financial assets	(13,811) (6,442)
Government grants	- 136,623
Insurance compensation gains	131,931 -
Others	33,102 38,526
\$ 154,540	570,645

(iii) Finance costs

For the three months ended March 31,	
2025	2024
Interest expense	\$ 137,064 53,654
Less: Capitalization of interest	(17,655) -
Amortization interest of lease liability	23,428 23,395
\$ 142,837	77,049

(w) 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(v) of the consolidated financial statements for the year ended December 31, 2024.

(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.

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 March 31, 2025, December 31 and March 31, 2024, 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:

	Carrying amount	Contractual cash flow	Within 6 months	6-12months	1-2years	2-5years	Over 5 years
March 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	\$ 15,747,700	15,785,074	14,769,956	1,015,118	-	-	-
Short-term notes payable	3,497,574	3,500,000	3,500,000	-	-	-	-
Accounts payable (including related parties)	5,666,255	5,666,255	5,666,255	-	-	-	-
Other payables (including related parties)	5,422,985	5,422,985	5,422,985	-	-	-	-
Bonds payable	3,995,200	4,315,000	70,000	-	140,000	4,105,000	-
Lease liabilities (including current portion)	4,645,272	5,369,184	268,555	266,335	531,833	1,558,196	2,744,265
Long-term borrowings	11,000,000	12,061,474	106,321	107,926	214,093	11,633,134	-
Total	<u>\$ 49,974,986</u>	<u>52,119,972</u>	<u>29,804,072</u>	<u>1,389,379</u>	<u>885,926</u>	<u>17,296,330</u>	<u>2,744,265</u>
December 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 14,536,000	14,556,100	14,556,100	-	-	-	-
Short-term notes payable	6,734,090	6,750,000	6,750,000	-	-	-	-
Accounts payable (including related parties)	5,179,736	5,179,736	5,179,736	-	-	-	-
Other payables (including related parties)	5,839,074	5,839,074	5,839,074	-	-	-	-
Bonds payable	3,994,900	4,315,000	70,000	-	70,000	4,175,000	-
Lease liabilities (including current portion)	4,454,348	5,152,993	252,637	251,527	500,833	1,472,402	2,675,594
Total	<u>\$ 40,738,148</u>	<u>41,792,903</u>	<u>32,647,547</u>	<u>251,527</u>	<u>570,833</u>	<u>5,647,402</u>	<u>2,675,594</u>
March 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 13,020,100	13,027,771	13,027,771	-	-	-	-
Accounts payable (including related parties)	3,106,635	3,106,635	3,106,635	-	-	-	-
Other payables (including related parties)	5,186,428	5,186,428	5,186,428	-	-	-	-
Lease liabilities (including current portion)	4,693,276	5,457,022	250,603	247,297	487,981	1,452,644	3,018,497
Total	<u>\$ 26,006,439</u>	<u>26,777,856</u>	<u>21,571,437</u>	<u>247,297</u>	<u>487,981</u>	<u>1,452,644</u>	<u>3,018,497</u>

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

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Market risk

1) Exposure to currency risk

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

	March 31, 2025			December 31, 2024			March 31, 2024		
	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	\$ 402,048	33.182	13,340,757	110,739	32.781	3,630,135	290,480	31.990	9,292,455
JPY	826,020	0.2216	183,046	1,204,903	0.2087	251,463	1,089,649	0.2110	229,916
EUR	23	35.9413	827	13	34.0652	443	7	34.4645	241
Financial liabilities:									
Monetary items									
USD	\$ 96,544	33.182	3,203,523	104,682	32.781	3,431,581	99,778	31.990	3,191,898
JPY	2,272,225	0.2216	503,525	2,832,443	0.2087	591,131	1,162,937	0.2110	245,380
EUR	2,024	35.9413	72,745	6,613	34.0652	225,273	8,245	34.4645	284,160

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 March 31, 2025 and 2024 would have decreased and increased the net income before tax by \$97,448 and \$58,012 for the three months ended March 31, 2025 and 2024, 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 three months ended March 31, 2025 and 2024, foreign exchange (losses) and gains (including realized and unrealized portions) amounted to \$(291) and \$403,813, respectively.

(iv) Other market price risk

For the years ended March 31, 2025 and 2024, 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 three months ended March 31,	
	2025	2024
	Other comprehensive income after tax	Other comprehensive income after tax
Increase 1%	\$ 220	165
Decrease 1%	(220)	(165)

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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:

March 31, 2025					
	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	\$ 27,445	-	-	27,445	27,445
Financial assets measured at amortized cost					
Cash and cash equivalents	62,602,620	-	-	-	-
Financial assets measured at cost	726,200	-	-	-	-
Accounts receivable	4,796,170	-	-	-	-
Other receivables (including related parties)	4,225,390	-	-	-	-
Subtotal	72,350,380	-	-	-	-
Total	<u>\$ 72,377,825</u>	<u>-</u>	<u>-</u>	<u>27,445</u>	<u>27,445</u>
Financial liabilities measured at amortized cost					
Shor-term borrowings	\$ 15,747,700	-	-	-	-
Short-term notes payable	3,497,574	-	-	-	-
Accounts payable (including related parties)	5,666,255	-	-	-	-
Other payables (including related parties)	5,422,985	-	-	-	-
Bonds payable	3,995,200	-	-	-	-
Lease liabilities (including current portion)	4,645,272	-	-	-	-
Long-term borrowings	11,000,000	-	-	-	-
Total	<u>\$ 49,974,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 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	\$ 27,820	-	-	27,820	27,820
Financial assets measured at amortized cost					
Cash and cash equivalents	61,902,779	-	-	-	-
Financial assets measured at cost	723,586	-	-	-	-
Accounts receivable	4,132,016	-	-	-	-
Other receivables	3,908,000	-	-	-	-
Subtotal	70,666,381	-	-	-	-
Total	<u>\$ 70,694,201</u>	<u>-</u>	<u>-</u>	<u>27,820</u>	<u>27,820</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 14,536,000	-	-	-	-
Short-term notes payable	6,734,090	-	-	-	-
Accounts payable (including related parties)	5,179,736	-	-	-	-
Other payables (including related parties)	5,839,074	-	-	-	-
Bonds payable	3,994,900	-	-	-	-
Lease liabilities (including current portion)	4,454,348	-	-	-	-
Total	<u>\$ 40,738,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 31, 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	\$ 20,625	-	-	20,625	20,625
Financial assets measured at amortized cost					
Cash and cash equivalents	62,356,186	-	-	-	-
Financial assets measured at cost	732,429	-	-	-	-
Accounts receivable	5,375,195	-	-	-	-
Other receivables (including related parties)	3,285,117	-	-	-	-
Subtotal	71,748,927	-	-	-	-
Total	<u>\$ 71,769,552</u>	<u>-</u>	<u>-</u>	<u>20,625</u>	<u>20,625</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 13,020,100	-	-	-	-
Accounts payable (including related parties)	3,106,635	-	-	-	-
Other payables (including related parties)	5,186,428	-	-	-	-
Lease liabilities (including current portion)	4,693,276	-	-	-	-
Total	<u>\$ 26,006,439</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
Notes to the Consolidated Financial Statements

3) Transfer between levels

For the three months ended March 31, 2025 and 2024, there was no transfer from financial assets.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income <hr/> Unquoted equity instruments
Balance as of January 1, 2025	\$ 27,820
Total losses recognized in other comprehensive income	(375)
Balance as of March 31, 2025	<u><u>\$ 27,445</u></u>
Balance as of January 1, 2024	\$ 20,301
Total gains recognized in other comprehensive income	324
Balance as of March 31, 2024	<u><u>\$ 20,625</u></u>

For the three months ended March 31, 2025 and 2024, total (losses) gains that were included in “unrealized gains or losses from existing financial assets at fair value through other comprehensive income” were as follows:

	For the three months ended March 31	
	<hr/> 2025	<hr/> 2024
Total (losses) gains recognized in other comprehensive income, and presented in “unrealized gains or losses from financial assets at fair value through other comprehensive income”	<u><u>\$ (300)</u></u>	<u><u>259</u></u>

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.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 March 31, 2025, December 31 and March 31, 2024, 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
March 31, 2025				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	1%	\$ 305	(305)
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	1%	309	(309)
March 31, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Discount for lack of marketability	1%	229	(229)

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.

- (x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(w) of the consolidated financial statements for the year ended December 31, 2024.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) 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, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2024 for further details.

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

The Group's investing and financing activities on non-cash transactions for the three months ended March 31, 2025 and 2024 were as follows:

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

(ii)

	For the three months ended March 31,	
	2025	2024
Acquisition of property, plant and equipment	\$ 6,845,140	2,590,504
Add: Payables on equipment at beginning of period	3,680,531	1,807,098
Less: Payables on equipment at end of period	<u>(4,038,769)</u>	<u>(1,546,680)</u>
Cash Paid	<u><u>\$ 6,486,902</u></u>	<u><u>2,850,922</u></u>

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

	Non-Cash changes						March 31, 2025
	January 1, 2025	Cash flow	Change in an index of lease payment	Increased	Decreased	Others (Note)	
Short-term borrowings	\$ 14,536,000	1,211,700	-	-	-	-	15,747,700
Short-term notes payable	6,734,090	(3,250,000)	-	-	-	13,484	3,497,574
Lease liabilities	4,454,348	(105,880)	299,119	-	-	(2,315)	4,645,272
Bonds payable	3,994,900	-	-	-	-	300	3,995,200
Long-term borrowings	-	11,000,000	-	-	-	-	11,000,000
Guarantee deposits	<u>25,704</u>	<u>1,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126</u>	<u>27,433</u>
	<u><u>\$ 29,745,042</u></u>	<u><u>8,857,423</u></u>	<u><u>299,119</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>11,595</u></u>	<u><u>38,913,179</u></u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2024	Cash flow	Non-Cash changes				March 31, 2024
			Change in an index of lease payment	Increased	Decreased	Others (Note)	
Short-term borrowings	\$ 11,181,000	1,839,100	-	-	-	-	13,020,100
Lease liabilities	4,497,208	(96,430)	275,005	33,943	(9,108)	(7,342)	4,693,276
Guarantee deposits	14,567	(1,491)	-	-	-	-	13,076
	<u>\$ 15,692,775</u>	<u>1,741,179</u>	<u>275,005</u>	<u>33,943</u>	<u>(9,108)</u>	<u>(7,342)</u>	<u>17,726,452</u>

Note: Others include changes in other payables, discounts on short-term notes payable, guarantee deposits foreign exchange losses and gains, and cost of issuing bonds.

(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

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(b) Significant transactions with related parties

(i) Purchase from related parties

Relationship	Purchases		Accounts payable to related parties		
	For the three months ended		March 31, 2025	December 31, 2024	March 31, 2024
	March 31, 2025	2024			
Entities with significant influence over the Group	\$ 43,378	37,696	18,900	14,465	13,662
Other related parties:					
Formosa Sumco Technology Corporation	78,453	206,108	76,581	145,930	162,537
Other related parties	53,374	60,214	19,577	10,648	15,363
	<u>\$ 175,205</u>	<u>304,018</u>	<u>115,058</u>	<u>171,043</u>	<u>191,562</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.

(ii) Consigned out for processing

Relationship	Amount		Other payables to related parties		
	For the three months ended		March 31,	December 31,	March 31,
	March 31,				
	2025	2024	2025	2024	2024
Associates	\$ 1,573,230	1,753,883	998,454	1,001,163	1,122,800

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

(iii) Property transactions

Acquisition of machinery and equipment

Relationship	Acquisition price		Other payables to related parties		
	For the three months ended		March 31, 2025	December 31, 2024	March 31, 2024
	March 31,				
	2025	2024			
Entities with significant influence over the Group	\$ -	350	68,840	120,470	-
Other related parties:					
Nan Ya Photonics Incorporation	-	-	257,134	287,526	-
Other related parties	-	108,500	73,600	92,000	104,193
	\$ -	108,850	399,574	499,996	104,193

(Continued)

NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Leases

Relationship	Acquisition price	
	For the three months ended	
	March 31,	
	2025	2024
Entities with significant influence over the Group	\$ <u>5,162</u>	<u>5,145</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 ended March 31, 2025 and 2024, the Group recognized the amounts of \$22,266 and \$22,327, respectively, as interest expenses. Furthermore, on March 31, 2025, December 31 and March 31, 2024, the balances of lease liabilities amounted to \$4,417,600, \$4,212,965 and \$4,481,224, respectively.

The Group entered into a 3-year lease agreement in December 2021 with Min Chi University of Technology, at the total values of \$50,198. Also, for the three months ended March 31, 2024, the Group recognized the amount of \$44, respectively, as interest expense. Furthermore, on March 31, 2024, the balance of lease liabilities amounted to \$9,829, respectively.

(v) Others

Relationship	Other income	
	For the three months ended	
	March 31	
	2025	2024
Associates	\$ <u>57</u>	<u>43</u>

(vi) Dividends

Relationship	Other receivable from related parties		
	March 31,	December 31,	March 31,
	2025	2024	2024
Associates	\$ <u>205,191</u>	<u>-</u>	<u>127,360</u>

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

	For the three months ended	
	March 31,	
	2025	2024
Short-term employee benefits	\$ <u>13,256</u>	<u>13,091</u>

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(8) Pledged assets:

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

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Other non-current assets	Office leasing	\$ 723,613	723,568	729,195
Property, plant and equipment	Bank loans	12,294,364	-	-
		<u>\$ 13,017,977</u>	<u>723,568</u>	<u>729,195</u>

(9) Commitments and contingencies:

(a) Significant commitments

	March 31, 2025	December 31, 2024	March 31, 2024
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	42,800	20,000
Performance guarantees provided by bank	7,433	142,433	269,564
Issuance of promissory note for the performance guarantees of research and development programs	500,000	500,000	500,000
Unused letters of credit	178,304	553,500	15,035
Acquisition of property, plant and equipment	<u>17,481,518</u>	<u>13,827,420</u>	<u>18,801,777</u>
Total	<u>\$ 19,245,055</u>	<u>16,101,153</u>	<u>20,641,376</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.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (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.

(10) Losses Due to Major Disasters: None

(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 March 31, 2025			For the three months ended March 31, 2024		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salaries	615,066	599,194	1,214,260	608,115	569,310	1,177,425
Labor and health insurance	56,905	53,538	110,443	56,176	51,791	107,967
Pension expenses	27,877	29,343	57,220	27,131	27,626	54,757
Remuneration for directors	-	2,000	2,000	-	2,040	2,040
Other personnel expenses	21,903	11,294	33,197	18,225	9,177	27,402
Depreciation expenses	3,762,254	129,534	3,891,788	3,852,840	157,879	4,010,719
Amortization expenses	59,112	1,175	60,287	63,169	-	63,169

- (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 three months ended March 31, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through other comprehensive income — non-current	-	27,445	2.46 %	27,445	

(iv) 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)	(1,383,228)	(19.68)%	O/A 60~90Days	-		1,101,519	24.74%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Japan	Subsidiary	(Sale)	(819,353)	(11.66)%	O/A 180Days	-		253,654	5.70%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Europe GmbH	Subsidiary	(Sale)	(565,457)	(8.05)%	O/A 60~90Days	-		446,096	10.02%	(Note)
Nanya Technology Corp., U.S.A.	Nanya Technology Corp	The parent company	Purchase	1,383,228	100.00%	O/A 60~90Days	-		(1,101,519)	(100.00)%	(Note)
Nanya Technology Corp., Japan	Nanya Technology Corp	The parent company	Purchase	819,353	100.00%	O/A 180 Days	-		(253,654)	(100.00)%	(Note)
Nanya Technology Corp., Europe GmbH	Nanya Technology Corp	The parent company	Purchase	565,457	100.00%	O/A 60~90Days	-		(446,096)	(100.00)%	(Note)

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

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

- (v) 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	1,101,519	4.92	-		469,775	-	(Note)
The Company	Nanya Technology Corp., Japan	Subsidiary	253,654	15.44	-		232,345	-	(Note)
The Company	Nanya Technology Europe GmbH	Subsidiary	446,096	6.53	-		205,177	-	(Note)

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

- (vi) 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	1,383,228	On the basis of general conditions	19.24%
0	Nanya Technology Corp.	Nanya Technology Corp., Japan	1	Sales	819,353	On the basis of general conditions	11.40%
0	Nanya Technology Corp.	Nanya Technology Europe GmbH	1	Sales	565,457	On the basis of general conditions	7.87%
0	Nanya Technology Corp.	Nanya Technology Corp., U.S.A	1	Accounts receivable	1,101,519	On the basis of general conditions	0.51%
0	Nanya Technology Corp.	Nanya Technology Corp., Japan	1	Accounts receivable	253,654	On the basis of general conditions	0.12%
0	Nanya Technology Corp.	Nanya Technology Europe GmbH	1	Accounts receivable	446,096	On the basis of general conditions	0.21%

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 three months ended March 31, 2025:

(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 March 31, 2025			Net income of investee	Share of profits of investee	Note
				March 31, 2025	December 31, 2024	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 %	290,231	5,364	5,364	(Note1)
The Company	Nanya Technology Corp., Delaware	U.S.A	Design of semiconductor products	36,005	36,005	-	100.00 %	288,365	6,145	6,145	(Note1)
The Company	Nanya Technology Corp., HK	Hong Kong	Sales of semiconductor products	66,271	66,271	19.7	100.00 %	113,193	(3,720)	(3,720)	(Note1)
The Company	Nanya Technology Corp., Japan	Japan	Sales of semiconductor products	20,161	20,161	1	100.00 %	483,552	(26,078)	(26,078)	(Note1)
The Company	Nanya Technology International, Ltd.	British Virgin Island	General investment business	38,220,100	48,145,600	1.3	100.00 %	51,163,203	694,302	694,302	(Note 1)(Note3)
The Company	PieceMakers Technology, Inc.	Hsinchu	Design of semiconductor products	611,880	-	20,396	35.76 %	608,791	(9,139)	(3,268)	(Note1)
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 %	4,466,375	152,269	16,649	(Note 2)
Nanya Technology Corp., HK	Nanya Technology Europe GmbH	Germany	Sales of semiconductor products	30,056	30,056	-	100.00 %	98,539	(3,717)	(3,717)	(Note1)

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

(2) Investment accounted for using equity method.

(3) On March 25, 2025, Nanya Technology International, Ltd. resolved by the Board of Directors to carry out a cash capital reduction in line with its financial planning. The amount of capital reduction was \$9,925,500, with a total of 0.3 thousand shares being cancelled.

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NANYA TECHNOLOGY CORPORATION AND SUBSIDIARIES
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(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, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	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	32,684 (USD985 thousand)	(2)	32,684 (USD985 thousand)	-	-	32,684 (USD985 thousand)	(328)	100.00%	(328)	31,296	-

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 March 31, 2025 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
32,684 (USD985 thousand)	32,684 (USD985 thousand)	98,322,865

Note 1 : The exchange rate of New Taiwan dollars to US dollars on March 31, 2025 was USD1 : TWD 33.182

Note 2 : 60% of net equity.

(iii) Significant transactions: None

(14) Segment information:

For the three months ended March 31, 2025						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 2,966,011	-	4,221,929	-	-	7,187,940
From sales among intersegments	11,370	90,247	2,805,999	-	(2,907,616)	-
Total revenue	\$ 2,977,381	90,247	7,027,928	-	(2,907,616)	7,187,940
Reportable segment profit or loss	\$ (23,548)	6,145	(2,424,282)	694,302	(676,013)	(2,423,396)

For the three months ended March 31, 2024						
	Overseas sales division	Overseas R&D division	Manufacturing divisions	Investment divisions	Adjustments and eliminated	Total
Revenue:						
From external customers	\$ 2,891,154	-	6,611,783	-	-	9,502,937
From sales among intersegments	8,971	98,263	2,802,154	-	(2,909,388)	-
Total revenue	\$ 2,900,125	98,263	9,413,937	-	(2,909,388)	9,502,937
Reportable segment profit or loss	\$ 95,888	6,416	(1,544,293)	773,379	(874,486)	(1,543,096)

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	<u>Overseas sales division</u>	<u>Overseas R&D division</u>	<u>Manufacturing divisions</u>	<u>Investment divisions</u>	<u>Adjustments and eliminated</u>	<u>Total</u>
Reportable segment assets						
Balance at March 31, 2025	\$ <u>2,767,051</u>	<u>291,654</u>	<u>214,722,828</u>	<u>51,163,203</u>	<u>(54,207,421)</u>	<u>214,737,315</u>
Balance at December 31, 2024	\$ <u>2,552,907</u>	<u>295,998</u>	<u>206,653,080</u>	<u>59,687,253</u>	<u>(62,482,921)</u>	<u>206,706,317</u>
Balance at March 31, 2024	\$ <u>2,645,388</u>	<u>260,521</u>	<u>195,083,718</u>	<u>55,914,497</u>	<u>(58,822,371)</u>	<u>195,081,753</u>
	<u>Overseas sales division</u>	<u>Overseas R&D division</u>	<u>Manufacturing divisions</u>	<u>Investment divisions</u>	<u>Adjustments and eliminated</u>	<u>Total</u>
Reportable segment liabilities						
Balance at March 31, 2025	\$ <u>1,885,789</u>	<u>3,289</u>	<u>50,851,387</u>	<u>-</u>	<u>(1,874,591)</u>	<u>50,865,874</u>
Balance at December 31, 2024	\$ <u>1,685,129</u>	<u>17,242</u>	<u>41,599,805</u>	<u>-</u>	<u>(1,649,134)</u>	<u>41,653,042</u>
Balance at March 31, 2024	\$ <u>1,793,127</u>	<u>3,426</u>	<u>27,262,543</u>	<u>-</u>	<u>(1,798,517)</u>	<u>27,260,579</u>