Stock Code:2408

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NANYA TECHNOLOGY CORPORATION

Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of Nanya Technology Corporation:

Opinion

We have audited the financial statements of Nanya Technology Corporation("the Company"), which comprise the balance sheet as of December 31, 2025 and 2024, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of Timing of Revenue Recognition:

Please refer to Notes 4(o) and Notes 6(t) for details on accounting policy and disclosure on relevant information, respectively.

Description of Key Audit Matters:

The revenue of the Company mainly comes from sales of DRAM. Since the timing of revenue recognition may be affected by the transaction terms agreed with customers, there is a risk that revenue relating to periods before or after the reporting date may be recorded at an incorrect timing. Hence, the accuracy of the timing of revenue recognition is considered one of our key audit matters.

<u>Audit Procedures Performed in Response:</u>

The principal audit procedures performed with respect to the above key audit matter were as follows:

- Obtained an understanding of the nature of the major revenue streams, contract terms, and transaction conditions.

- Inspected key customers' sales agreements and evaluated the internal controls over shipping processes and revenue recognition procedures.

- Selected samples of shipping transactions occurring before and after the balance sheet date of the Company and examined the supporting documentation to assess whether sales revenue was recognized in the appropriate accounting period in the financial statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities of the investments in other entities accounted for using the equity method. We are responsible for the direction, supervision and performance of our audit. Furthermore, we remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jhang, Jhao-Wun and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)
March 4, 2026

Notes to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying 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 financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

Nanya Technology Corporation

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 6,657,812	3	1,836,324	1
1170	Accounts receivable, net (Notes 6(c) and (t))	7,933,919	4	2,466,781	1
1180	Accounts receivable due from related parties, net (Notes 6(c), (t) and 7)	9,186,123	4	1,595,660	1
1200	Other receivables (Note 6(d))	2,716,400	1	3,292,324	2
1210	Other receivables due from related parties (Notes 6(d) and 7)	299	-	-	-
1310	Inventories (Note 6(e))	27,124,806	13	35,228,406	17
1410	Prepayments	1,203,129	1	1,412,122	1
1470	Other current assets	1,988,324	1	1,263,364	-
	Total current assets	56,810,812	27	47,094,981	23
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income	29,477	-	27,820	-
1535	Non-current financial assets at amortized cost, net (Notes 6(b) and 8)	722,764	-	722,782	-
1550	Investments accounted for using equity method (Note 6(f))	57,455,231	28	65,478,155	32
1600	Property, plant and equipment (Notes 6(g), (z), 7 and 8)	85,001,810	41	84,302,338	41
1755	Right-of-use assets (Notes 6(h) and 7)	4,220,353	2	4,349,468	2
1780	Intangible assets	531,328	-	688,288	-
1840	Deferred tax assets (Note 6(p))	3,323,728	2	3,874,125	2
1990	Other non-current assets	127,903	-	115,123	-
	Total non-current assets	151,412,594	73	159,558,099	77
	Total assets	**$ 208,223,406**	**100**	**206,653,080**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes 6(i) and (z))	$ 5,059,500	3	14,536,000	7
2110	Short-term notes and bills payable (Notes 6(j) and (z))	-	-	6,734,090	3
2170	Accounts payable	6,367,903	3	5,008,693	3
2180	Accounts payable to related parties (Note 7)	112,851	-	171,043	-
2200	Other payables	4,224,490	2	4,290,609	2
2220	Other payables to related parties (Note 7)	1,673,861	1	1,554,633	1
2230	Current tax liabilities	599,956	-	-	-
2280	Current lease liabilities (Notes 6(m), (z) and 7)	455,283	-	417,230	-
2399	Other current liabilities (Note 6(n))	442,006	-	17,855	-
	Total current liabilities	18,935,850	9	32,730,153	16
	Non-Current liabilities:				
2530	Bonds payable (Notes 6(k) and (z))	3,996,100	2	3,994,900	2
2540	Long-term borrowings (Notes 6(l), (z) and 8)	10,200,000	5	-	-
2570	Deferred tax liabilities (Note 6(p))	32,765	-	1,895	-
2580	Non-current lease liabilities (Notes 6(m), (z) and 7)	3,900,917	2	4,037,118	2
2640	Net defined benefit liability, non-current (Note 6(o))	396,189	-	430,645	-
2670	Other non-current liabilities (Notes 6(b) and (z))	361,733	-	405,094	-
	Total non-current liabilities	18,887,704	9	8,869,652	4
	Total liabilities	37,823,554	18	41,599,805	20
	Equity (Note 6(q)):				
3110	Ordinary share	30,986,279	15	30,986,279	15
3200	Capital surplus (Note 6(r))	33,080,785	16	32,834,294	16
3310	Legal reserve	18,626,223	9	18,626,223	9
3350	Unappropriated retained earnings	85,475,632	41	78,851,756	38
3400	Other equity interest	2,230,933	1	3,754,723	2
	Total equity	170,399,852	82	165,053,275	80
	Total liabilities and equity	**$ 208,223,406**	**100**	**206,653,080**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NANYA TECHNOLOGY CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(t) and 7)	$ 66,164,284	100	33,892,433	100
5000	Operating costs (Notes 6(e), (g), (h), (m), (o), 7 and 10)	51,362,846	78	34,554,311	102
	Gross profit (loss) from operations	14,801,438	22	(661,878)	(2)
5910	Less: Unrealized loss from sales	205,618	-	400	-
5920	Add: Realized profit (loss) from sales	400	-	(3,657)	-
	Gross profit (loss) from operations	14,596,220	22	(665,935)	(2)
	Operating expenses (Notes 6(g), (h), (m), (o) and 7):				
6100	Selling expenses	665,856	1	489,343	1
6200	Administrative expenses	1,846,381	3	1,765,997	5
6300	Research and development expenses	7,057,565	10	7,705,313	23
	Total operating expenses	9,569,802	14	9,960,653	29
	Net operating income (loss)	5,026,418	8	(10,626,588)	(31)
	Non-operating income and expenses (Notes 6(f), (g), (m), (v) and 7):				
7100	Total interest income	172,019	-	207,023	-
7020	Other gains and losses, net	307,174	1	807,736	2
7050	Finance costs	(571,498)	(1)	(386,243)	(1)
7070	Share of profit of associates accounted for using equity method, net	2,873,139	4	3,365,212	10
	Total non-operating income and expenses	2,780,834	4	3,993,728	11
7900	**Income (loss) before tax**	7,807,252	12	(6,632,860)	(20)
7950	Less: Income tax expense (profit) (Note 6(p))	(1,193,480)	(2)	1,549,510	5
	Income (loss)	6,613,772	10	(5,083,350)	(15)
8300	**Other comprehensive income (Notes 6(o), (p) and (q)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurements of the net defined benefit	21,447	-	53,837	-
8316	Unrealized loss from investments in equity instruments measured at fair value through other comprehensive income	1,933	-	1,519	-
8330	Share of other comprehensive income of subsidiaries, and associates for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	441,188	1	(448,874)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	4,677	-	11,071	-
	Components of other comprehensive income that will not be reclassified to profit or loss	459,891	1	(404,589)	(1)
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(1,968,952)	(3)	3,605,523	10
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(50)	-	-	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(1,969,002)	(3)	3,605,523	10
8300	**Other comprehensive (loss) income, net**	(1,509,111)	(2)	3,200,934	9
8500	**Comprehensive loss income**	**$ 5,104,661**	**8**	**(1,882,416)**	**(6)**
	Earnings (loss) per share (dollar) (Note 6(s)):				
9750	Basic earnings (loss) per share	**$ 2.13**		**(1.64)**	
9850	Diluted earnings per share	**$ 2.10**			

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

Nanya Technology Corporation

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Other equity interest: Exchange differences on translation of foreign financial statements	Other equity interest: Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2024	$ 30,981,209	1,505	32,826,323	18,626,223	83,889,816	896,519	(297,440)	599,079	166,924,155
Net loss for the year ended December 31, 2024	-	-	-	-	(5,083,350)	-	-	-	(5,083,350)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	45,290	3,605,523	(449,879)	3,155,644	3,200,934
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	(5,038,060)	3,605,523	(449,879)	3,155,644	(1,882,416)
Appropriation and distribution of retained earnings:									
Other changes in capital surplus:									
Changes in equity of associates accounted for using equity method	-	-	25	-	-	-	-	-	25
Past due unclaimed dividends	-	-	58	-	-	-	-	-	58
Exercise of employee share option	5,070	(1,505)	7,888	-	-	-	-	-	11,453
Balance at December 31, 2024	30,986,279	-	32,834,294	18,626,223	78,851,756	4,502,042	(747,319)	3,754,723	165,053,275
Net income for the year ended December 31, 2025	-	-	-	-	6,613,772	-	-	-	6,613,772
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	14,679	(1,969,002)	445,212	(1,523,790)	(1,509,111)
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	6,628,451	(1,969,002)	445,212	(1,523,790)	5,104,661
Appropriation and distribution of retained earnings:									
Other changes in capital surplus									
Changes in equity of associates accounted for using equity method	-	-	(126)	-	(4,575)	-	-	-	(4,701)
Share-based payment transactions	-	-	246,127	-	-	-	-	-	246,127
Past due unclaimed dividends	-	-	490	-	-	-	-	-	490
Balance at December 31, 2025	**$ 30,986,279**	**-**	**33,080,785**	**18,626,223**	**85,475,632**	**2,533,040**	**(302,107)**	**2,230,933**	**170,399,852**

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

Nanya Technology Corporation

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows used in operating activities		
Profit (loss) before tax	$ 7,807,252	(6,632,860)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	14,024,140	15,883,482
Amortization expense	247,452	252,148
Interest expense	571,498	386,243
Interest income	(172,019)	(207,023)
Share-based payments	246,127	-
Share of profit of subsidiaries and associates accounted for using equity method	(2,873,139)	(3,365,212)
Loss from disposal of property, plant and equipment	6,086	19,391
Impairment loss (reversal of impairment loss) on non-financial assets	(151,871)	67,557
Unrealized profit from sales	205,618	400
Realized (profit) loss from sales	(400)	3,657
Unrealized foreign exchange (gain) loss	(115,997)	15,851
Gain on lease modification	(10)	(142)
Total adjustments to reconcile profit	11,987,485	13,056,352
Changes in operating assets and liabilities:		
Accounts receivable (including related parties)	(12,889,984)	946,172
Other receivables (including related parties)	534,971	(800,409)
Inventories	8,103,600	(7,621,133)
Prepayments	224,903	(671,716)
Other non-current assets	(724,960)	(616,752)
Accounts payable (including related parties)	617,870	(156,828)
Other payable (including related parties)	95,416	759,966
Other current liabilities	424,151	402
Net defined benefit liability	(13,009)	(21,204)
Other non-current liabilities	1,384	21,664
Total changes in operating assets and liabilities	(3,625,658)	(8,159,838)
Cash inflow (used in) generated from operations	16,169,079	(1,736,346)
Interest received	169,430	213,310
Interest paid	(558,468)	(353,679)
Income taxes refund (paid)	26,308	(21,476)
Net cash flows used in operating activities	15,806,349	(1,898,191)
Cash flows used in investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	276	-
Acquisition of financial assets at fair value through other comprehensive income	-	(6,000)
Acquisition of investments accounted for using equity method	(972,360)	-
Proceeds from capital reduction of investments accounted for using equity method	9,925,500	-
Acquisition of property, plant and equipment	(13,430,918)	(16,133,308)
Proceeds from disposal of property, plant and equipment	4,855	1,349
Decrease (Increase) in refundable deposits	13,931	(3,543)
Acquisition of intangible assets	(238,110)	(165,110)
Decrease (increase) in other non-current assets	(35,758)	1,153
Dividends received	205,191	127,360
Net cash flows used in investing activities	(4,527,393)	(16,178,099)
Cash flows from financing activities:		
(Decrease) increase in short-term loans	(9,476,500)	3,355,000
(Decrease) increase in short-term notes and bills payable	(6,750,000)	6,750,000
Proceeds from issuing convertible bonds	-	4,000,000
Payment on cost of issuing bonds	-	(6,000)
Proceeds from long-term debt	17,200,000	-
Repayments of long-term debt	(7,000,000)	-
Increase in guarantee deposits received	9,293	11,063
Payment of lease liabilities	(439,308)	(414,187)
Exercise of employee share options	-	11,453
Net cash flows (used in) from financing activities	(6,456,515)	13,707,329
Effect of exchange rate changes on cash and cash equivalents	(953)	15,796
Net increase (decrease) in cash and cash equivalents	4,821,488	(4,353,165)
Cash and cash equivalents at beginning of period	1,836,324	6,189,489
Cash and cash equivalents at end of period	**$ 6,657,812**	**1,836,324**

See accompanying notes to financial statements.

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NANYA TECHNOLOGY CORPORATION

Notes to the Financial Statements

For the years ended December 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 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 financial statements:

The financial statements were authorized for issue by the Board of Directors on March 4, 2026.

(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 Company has initially adopted the following new amendments, which do not have a significant impact on its 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 endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- 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"

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(c) 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 Company, 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. ● 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 note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company 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 financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material policies:

The material accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The accompanying financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Regulations”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis.

1) Financial assets at fair value through other comprehensive income are measured at fair value.

2) The defined benefit liabilities are measured as the fair value of the plan assets, less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entities operate. The financial statements are presented in New Taiwan Dollar, which is the Company’ s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to the Company' s functional currency at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to the Company's functional currency at average rate. Foreign currency differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planed nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

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

The Company 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 Company 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 Company 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.

(e) Cash and cash equivalents

Cash comprises cash on hand, checks and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are classified under cash equivalents.

(f) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost and fair value through other comprehensive income (FVOCI)– equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets measured at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

· the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

· how the performance of the portfolio is evaluated and reported to the Company's management;

· the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

· how managers of the business are compensated ─ e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

· the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

(Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

· contingent events that would change the amount or timing of cash flows;

· terms that may adjust the contractual coupon rate, including variable rate features;

· prepayment and extension features; and

· terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables (including related parties), other receivable, leases receivable, and guarantee deposit paid).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for note and trade receivables due from related parties are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

(Continued)

NANYA TECHNOLOGY CORPORATION
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The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ' credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· a breach of contract such as a default or being more than 90 days past due;

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

(ii) Financial liabilities and equity instruments

1) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

2) Financial liabilities

Financial liabilities are classified at amortized cost. Foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized in profit or loss.

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their present location and condition. The cost of inventories is calculated using the weighted-average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Subsidiaries

The Company accounts for investee companies in which it has a controlling interest using the equity method. The net income, other comprehensive income, and shareholders' equity in the financial reports of the Company and the net income, other comprehensive income, and shareholder's equity that belongs to the Company in the consolidated financial reports should be the same.

The Company accounts for changes in owners' equity of subsidiaries as equity transactions between the two parties of the transaction, provided that control is still exists.

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives.

Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment has an unlimited useful life and therefore are as follows:

1) Buildings: 25 to 50 years.

2) Machinery and equipment: 4 to 16 years.

3) Other equipment: 4 to 15years.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate, the change is accounted for as a change in accounting estimate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

— there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of dormitory, parking lots and offices. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

The Company recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(l) Intangible assets

(i) Recognition and measurement

Intangible assets, patents that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful lives of patent for current and comparative periods are both 5~10 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-derivative financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from an acquisition about an investment accounted for using the equity method is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is value in use fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

(Continued)

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

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

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) 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.

(o) Revenue recognition

Revenue from contracts with customers is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The Company manufactures and sells semi-conductor products on the market. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(p) Government grants

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

(q) Employee benefits

(i) Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plan

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The grant date of a share-based payment is the date which the Board of Directors authorized the price and number of a share-based payment.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction.

(ii) Temporary differences related to investments in subsidiaries that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and,

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) The same taxable entity; or

2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee stock options and employee compensation.

(u) Operating segments

The Company discloses its information on operating segments in its consolidated financial statements, so it need not disclose such information in its financial statements.

(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 Company is likely to be facing economic uncertainty, such as geopolitics, lifting rates and inflation, which might have an influence on the demand of DRAM market. These events may have a significant impact on the following accounting estimates made by the Company, which involve the future forecasts.

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(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Pretty cash	$ 1	1
Demand deposit and checking accounts	2,568,478	1,536,323
Cash equivalents:		
Time deposits	4,089,333	-
Commercial paper	-	300,000
	$ 6,657,812	**1,836,324**

Refer to Note 6(w) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Non-current financial assets at amortized cost

	December 31, 2025	December 31, 2024
Restricted Demand Deposits	$ -	18
Restricted Time Deposits	722,764	722,764
	$ 722,764	**722,782**

The Company has assessed that these financial assets 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 investments were classified as financial assets measured at amortized cost.

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

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

(c) Accounts receivable (including related parties)

	December 31, 2025	December 31, 2024
Accounts receivable	$ 7,933,919	2,466,781
Accounts receivable -related parties	9,186,123	1,595,660
	$ 17,120,042	**4,062,441**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivables (including related parties). To measure the expected credit losses, accounts receivables (including related parties) 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.

(Continued)

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The expected credit losses for accounts receivables (including related parties) were determined as follows:

Due days	December 31, 2025 Accounts receivables (including related parties) gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	$ 17,076,711	-	-
1 to 30 days past due	42,994	-	-
31 to 60 days past due	337	-	-
	$ 17,120,042		-

Due days	December 31, 2024 Accounts receivables (including related parties) gross carrying amount gross	Weighted average loss rate	Loss allowance provision
Current	$ 4,062,441	-	-

The Company did not recognize any allowance for impairment as there were no uncollected and accounts receivable (including related parties) that were past due as of December 31, 2025 and 2024.

None of the Company's accounts receivable (including related parties) were pledged as collateral as of December 31, 2025 and 2024.

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

(d) Other receivables

	December 31, 2025	December 31, 2024
Tax refund receivable	$ 2,577,646	3,282,625
Interest receivable	3,093	504
Others	135,960	9,195
	$ 2,716,699	3,292,324

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

(e) Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 367,921	479,350
Work in progress	15,761,403	14,256,079
Finished goods	10,995,482	20,492,977
Total	$ 27,124,806	35,228,406

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

The details of the cost of sales were as follows:

	For the year ended December 31, 2025	2024
Inventory that has been sold	$ 51,066,043	32,110,099
Write-down of inventories (Reversal of Write-down)	(384,273)	229,789
Unallocated production overheads	581,627	1,883,627
Others	99,449	330,796
Total	**$ 51,362,846**	**34,554,311**

The Company recognized a reversal of write-down of inventories of $384,273 thousand in 2025 due to improvements in the factors that previously resulted in inventories declining to net realizable value. Moreover, the Company recognized a write-down of inventories to net realizable value of $229,789 thousand in 2024.

None of the Company's inventories were pledged as collateral as of December 31, 2025 and 2024.

(f) Investments accounted for using equity method

The components of the investments accounted for using equity method at the reporting date were as follows:

	December 31, 2025	December 31, 2024
Subsidiaries	$ 51,551,619	60,833,387
Associates	5,903,612	4,644,768
	$ 57,455,231	**65,478,155**

(i) Subsidiaries

Please refer to the consolidated financial statements as of and for the year ended December 31, 2025 for further information.

(ii) Associates

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

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

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

Name of Associates	Nature of Relationship to the Group	Registration Country	Percentage of ownership December 31, 2025	Percentage of ownership December 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 %

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

	December 31, 2025	December 31, 2024
Formosa Advanced Technologies Co., Ltd.	$ 28,611,778	12,470,667

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

The financial information of FATC was as follows:

	December 31, 2025	December 31, 2024
Current assets	$ 9,443,229	9,369,700
Non-current assets	4,473,900	3,154,024
Current liabilities	(1,179,280)	(1,071,051)
Non-current liabilities	(490,717)	(545,746)
Net asset	$ 12,247,132	10,906,927
Net asset contributed to non-controlling interest of Formosa Petrochemical Corporation	$ 8,328,050	7,416,711
Net asset contributed to FATC	$ 3,919,082	3,490,216

	For the year ended December 31, 2025	For the year ended December 31, 2024
Operating revenue	$ 9,921,208	8,932,564
Profit	$ 602,632	900,345
Other comprehensive income loss	1,378,717	(1,402,732)
Total comprehensive income	$ 1,981,349	(502,387)
Comprehensive income allocated to non-controlling interest of Formosa Petrochemical Corporation	$ 1,347,317	(341,623)
Comprehensive income contributed to FATC	$ 634,032	(160,764)

(Continued)

NANYA TECHNOLOGY CORPORATION

Notes to the Financial Statements

	December 31, 2025	December 31, 2024
Share of net assets of the major associate at January 1	$ 3,490,216	3,778,315
Acquisition of share of net assets of the major associate allocated to the Company	192,844	288,110
Total comprehensive income contributed to the Company	441,188	(448,874)
Uncollected dividends beyond the collection period which are reclassified to capital surplus	25	25
Cash dividends contributed to the Company	(205,191)	(127,360)
Share of net assets of major associate at December 31	3,919,082	3,490,216
Add: Goodwill	1,463,162	1,463,162
Less: Unrealized profits on upstream sales net assets of the associates	(158,496)	(308,610)
Total carrying amount of the major associate	**$ 5,223,748**	**4,644,768**

The Company's financial information for investment accounted for using the equity method that are individually insignificant is included in the Company's consolidated financial statements as follows:

	December 31, 2025
Carrying amount of the individually insignificant associate's equity – PieceMakers Technology, Inc.	**$ 679,864**

	For the year ended December 31 2025
Attributable to the Company:	
Net income	$ 74,507
Other comprehensive income	(50)
Total comprehensive income	**$ 74,457**

None of the Company's investments accounted for using the equity method were pledged as collateral as of December 31, 2025 and 2024.

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(g) Property, plant and equipment

		Land	Building	Machinery and equipment	Other equipment	Under construction	Total
Cost:							
Balance as of January 1, 2025	$	1,013,924	10,554,171	234,037,163	892,437	28,142,136	274,639,831
Additions		-	-	2,816,229	29,045	11,263,008	14,108,282
Disposals		-	(29,909)	(1,861,711)	(14,403)	-	(1,906,023)
Reclassification		-	2,612,310	8,223,994	(1,922)	(10,834,382)	-
Balance as of December 31, 2025	**$**	**1,013,924**	**13,136,572**	**243,215,675**	**905,157**	**28,570,762**	**286,842,090**
Balance as of January 1, 2024	$	1,013,924	10,038,123	219,969,611	896,255	26,381,949	258,299,862
Additions		-	-	764,701	27,094	17,214,946	18,006,741
Disposals		-	(63,909)	(1,571,070)	(31,793)	-	(1,666,772)
Reclassification		-	579,957	14,873,921	881	(15,454,759)	-
Balance as of December 31, 2024	**$**	**1,013,924**	**10,554,171**	**234,037,163**	**892,437**	**28,142,136**	**274,639,831**
Accumulated depreciation / impairment:							
Balance as of January 1, 2025	$	-	4,050,296	185,508,970	778,227	-	190,337,493
Depreciation for the period		-	443,227	13,059,443	47,070	-	13,549,740
Impairment loss		-	-	(151,871)	-	-	(151,871)
Disposals		-	(29,908)	(1,850,771)	(14,403)	-	(1,895,082)
Reclassification		-	-	3,574	(3,574)	-	-
Balance as of December 31, 2025	**$**	**-**	**4,463,615**	**196,569,345**	**807,320**	**-**	**201,840,280**
Balance as of January 1, 2024	$	-	3,674,564	172,053,477	757,586	-	176,485,627
Depreciation for the period		-	420,179	14,952,135	58,027	-	15,430,341
Impairment loss		-	-	67,557	-	-	67,557
Disposals		-	(44,447)	(1,569,792)	(31,793)	-	(1,646,032)
Reclassification		-	-	5,593	(5,593)	-	-
Balance as of December 31, 2024	**$**	**-**	**4,050,296**	**185,508,970**	**778,227**	**-**	**190,337,493**
Balance as of December 31, 2025	**$**	**1,013,924**	**8,672,957**	**46,646,330**	**97,837**	**28,570,762**	**85,001,810**
Balance as of December 31, 2024	**$**	**1,013,924**	**6,503,875**	**48,528,193**	**114,210**	**28,142,136**	**84,302,338**

(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 2025 and 2024, the Group reassessed its estimates, wherein the amount of $151,871 and $67,557 of the impairment loss and reversal of impairment loss has been recognized, respectively.

(ii) Plants, and equipment under construction

For the years ended December 31, 2025 and 2024, the capitalized interest on borrowings for the purchase of properties, plants, and equipment of the Company amounted to $87,594 and $34,869, with the interest rate of 1.75%~1.9474% and 1.75%.

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(iii) Provided as collateral

Information on the properties pledged as collateral for long-term borrowings and credit facilities is disclosed in Note 8 as of December 31, 2025 and 2024 is disclosed in Note 8.

(h) Right-of-use assets

	Land	Building	Machinery and equipment	Total
Cost：				
Balance at January 1, 2025	$ 5,439,403	11,165	288,962	5,739,530
Additions	299,119	-	46,895	346,014
Decrease	(6,565)	-	-	(6,565)
Balance at December 31, 2025	**$ 5,731,957**	**11,165**	**335,857**	**6,078,979**
Balance at January 1, 2024	$ 5,249,463	1,429	194,253	5,445,145
Additions	281,570	9,736	94,709	386,015
Decrease	(91,630)	-	-	(91,630)
Balance at December 31, 2024	**$ 5,439,403**	**11,165**	**288,962**	**5,739,530**
Accumulated depreciation:				
Balance at January 1, 2025	$ 1,325,365	3,650	61,047	1,390,062
Depreciation for the period	419,023	3,531	51,846	474,400
Decrease	(5,836)	-	-	(5,836)
Balance at December 31, 2025	**$ 1,738,552**	**7,181**	**112,893**	**1,858,626**
Balance at January 1, 2024	$ 1,000,873	119	18,593	1,019,585
Depreciation for the period	407,156	3,531	42,454	453,141
Decrease	(82,664)	-	-	(82,664)
Balance at December 31, 2024	**$ 1,325,365**	**3,650**	**61,047**	**1,390,062**
Carrying Amount:				
Balance at December 31, 2025	**$ 3,993,405**	**3,984**	**222,964**	**4,220,353**
Balance at December 31, 2024	**$ 4,114,038**	**7,515**	**227,915**	**4,349,468**

(i) Short-term loans

	December 31, 2025	December 31, 2024
Unsecured bank loans	**$ 5,059,500**	**14,536,000**
Interest rate	**1.780%~1.850%**	**1.775%~1.90%**
Maturity date	**2026.01.11~2026.02.05**	**2025.01.02~2025.03.13**

None of the Company’s assets were pledged as collateral for short-term borrowings.

(Continued)

NANYA TECHNOLOGY CORPORATION

Notes to the Financial Statements

(j) Short-term notes payable

	December 31, 2025	December 31, 2024
Short-term notes payable	$ -	6,750,000
Discount on short-term notes payable	-	(15,910)
Total	**$ -**	**6,734,090**
Range of interest rates	**-**	**1.76%~1.92%**

(k) Bonds Payable

	December 31, 2025	December 31, 2024
Domestic unsecured nonconvertible corporate bonds	$ 4,000,000	4,000,000
Cost of issuing bonds	(3,900)	(5,100)
Current portion	-	-
Total	**$ 3,996,100**	**3,994,900**

The terms of domestic corporate bonds as of December 31,2025 were as follows:

	The first domestic unsecured nonconvertible corporate bond in 2024
Issued amount	$4,000,000
Balance, end of year	3,996,100
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

	December 31, 2025			
	Currency	**Interest rate range**	**Expiration**	**Amount**
Secured bank loans	NTD	1.9158%	119	**$ 10,200,000**
Unused long term of credit				**$ 7,800,000**

(i) Please refer to note 6(w) for information on the Company's exposure to interest rate, foreign currency and liquidity risks.

(ii) Syndicated Loan Agreement

To finance the Company’ s working capital requirements and capital expenditures for the purchase of machinery and equipment, the Company entered into a syndicated loan agreement on January 9, 2025, with Bank of Taiwan acting as the lead bank, together with a group of participating syndicated banks. The main terms of the agreement are as follows:

1) Facility Amount: NT$25 billion.

2) Interest Rate: Based on the arrangements negotiated with the participating banks.

3) Term: Five years.

4) The restrictions of the loan agreement require that the financial ratios in the Company’s annual consolidated financial statements, audited by independent accountants, comply with the specified thresholds (with the assessment date being March 31 each year). If the Company fails to meet the requirements, it shall make improvements by the next assessment date (the “Improvement Period”), during which, such non-compliance is not regarded as an event of default.

   If the Company completes the required improvements within the Improvement Period, as evidenced by the next year’ s audited consolidated financial statements, the non-compliance is deemed remedied. Otherwise, the lending banks may suspend further drawdowns of the credit facility or may require the Company to immediately repay all outstanding loan amounts.

   The required financial ratios are as follows:

   a) Current ratio (Total current assets / Total current liabilities): Maintained at 100% or above.

   b) Debt ratio (Total liabilities / Tangible net worth): Maintained at 100% or below.

   c) Tangible net worth: Maintained at NT$100 billion or above.

5) As of December 31, 2025, the Company complied with all required financial ratios under the syndicated loan agreement.

(iii) Collateral for Bank Borrowings

For details of the assets pledged as collateral for the Company’s bank borrowings, please refer to Note 8.

(m) Lease liabilities

		December 31, 2025	December 31, 2024
Current	$	455,283	417,230
Non-current	$	3,900,917	4,037,118

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

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NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

The amount recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	**2024**
Interest on lease liabilities	**$ 92,753**	**93,046**
Expenses relating to short term leases	**$ 21,439**	**21,606**

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

	For the years ended December 31,	
	2025	**2024**
Total cash outflow for leases	**$ 553,500**	**528,839**

(i) Land lease

The Company leases its land, building and equipment with a period of 2 to 20 years.

(ii) Other leases

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

(n) Provision

	December 31, 2025	**December 31, 2024**
Carbon Fees	**$ 132,215**	**-**

For the year ended December 31, 2025, the Company recognized a provision of $132,215 thousand, classified under other current liabilities, 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.

(o) Employee benefits

(i) Defined benefit plan

The movements in the present value of the defined benefit obligations and fair value of plan assets were as follows:

	December 31, 2025	**December 31, 2024**
Present value of defined benefit obligations	$ 1,044,309	1,060,419
Fair value of plan assets	(648,120)	(629,774)
Net defined benefit liabilities	**$ 396,189**	**430,645**

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

The Company has established an employee defined benefit retirement plan covering full-time employees. Under this plan, contributions are made to an independent fund that is deposited with Bank of Taiwan. Employees are eligible for retirement and payments of retirement benefits are based on years of service and the average salary for the last six months before the employee's retirement according to the R.O.C. Labor Standards Law.

1) Composition of plan assets

The Labor Pension Fund Supervisory Committee manages the Company's pension fund which is being funded according to the Labor Standards Law. Under the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, this fund is required to distribute minimum income, but such minimum income shall not be less than the interest income derived from two-year time deposit with the local banks.

As of December 31, 2025, the Company's pension fund with Bank of Taiwan amounted to $648,120. Please refer to the related information published on the website of the Labor Pension Supervisory Committee concerning the utilization of the labor pension fund, related yield rate and its allocation.

2) Movements in present value of the defined benefit obligations

	For the years ended December 31,	
	2025	**2024**
Defined benefit obligation as of January 1,	$ 1,060,419	1,080,711
Current service and interest costs	17,346	15,925
Remeasurement of net defined benefit liabilities		
－actuarial losses arising from change in financial assumptions	22,556	(2,828)
Reclassification of liabilities from transfer of employees	(444)	(8,453)
Benefits paid	(55,568)	(24,936)
Defined benefit obligation as of December 31,	**$ 1,044,309**	**1,060,419**

3) Movements in fair value of defined benefit plan assets

	For the years ended December 31,	
	2025	**2024**
Fair value of plan assets as of January 1,	$ 629,774	575,024
Interest income	9,074	7,240
Remeasurement of net defined liabilities		
－return on plan assets (excluding interest income)	44,003	51,009
Contributions from employer	15,395	15,629
Benefits already paid by the plan	(50,126)	(19,128)
Fair value of plan assets as of December 31,	**$ 648,120**	**629,774**

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

4) Expenses recognized in profit or loss

	For the years ended December 31,	
	2025	2024
Current service costs	$ 2,140	2,466
Net interest income of net defined benefit liabilities	15,206	13,459
Operating expected rate of return for the plan asset	(9,074)	(7,240)
	$ 8,272	**8,685**

	2025	2024
Operating costs	$ 4,628	4,961
Operating expenses	3,644	3,724
	$ 8,272	**8,685**

5) Remeasurement of net defined benefit liabilities recognized in other comprehensive income

	For the years ended December 31,	
	2025	2024
Balance as of January 1,	$ (6,352)	47,485
Recognized during the period	(21,447)	(53,837)
Balance as of December 31,	**$ (27,799)**	**(6,352)**

6) Actuarial assumptions

	December 31, 2025	December 31, 2024
Discount rate	1.25 %	1.45 %
Future salary increases	2.85 %	2.85 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date for 2025 is $15,420.

The weighted average duration of the defined benefit plan is 8.7 years.

7) Sensitivity analysis

	Effect of defined benefit obligations	
	Increase amount	Decrease amount
December 31, 2025		
Discount rate (change 0.25%)	$ 17,678	(17,189)
Future salaries (change1%)	73,030	(66,653)
December 31, 2023		
Discount rate (change 0.25%)	20,427	(19,817)
Future salaries (change1%)	85,285	(77,102)

(Continued)

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Notes to the Financial Statements

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The sensitivity analysis adopts the same methods for determining the defined benefit assets at balance sheet date.

The same methods and assumptions are adopted in the preparation of sensitivity analysis as in previous year.

(ii) Defined contribution plan

The Company contributes an amount equal to 6% of the employee’s monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act, under which, the Company is not required to bear the regulated or putative obligation subsequent to the payment of fixed-rate contribution.

The Company’s pension costs under the contribution pension plan amounted to $192,432 and $185,608 for the years ended 2025 and 2024, respectively.

(p) Income tax

(i) The Company’s income tax profit recognized were as follows:

	For the years ended December 31, 2025	2024
Current tax profit		
Current period	$ 616,890	(1,440,423)
Adjustment for prior periods	118,115	(155,396)
Deferred tax profit (expense)	458,475	46,309
Income tax profit	**$ 1,193,480**	**(1,549,510)**

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

	For the years ended December 31, 2025	2024
Items that could not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit plan	$ 4,290	10,767
Unrealized gains on equity investments at fair value through other comprehensive income	387	304
	$ 4,677	**11,071**

(Continued)

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Notes to the Financial Statements

Reconciliation of income tax profit before tax were as follows:

	For the years ended December 31, 2025	2024
Income tax calculated based on local tax rate	$ 1,070,315	(1,326,572)
Decrease of investment tax credit	(411,379)	-
Tax adjustments	(56)	-
Tax effect of permanent differences	416,485	(67,573)
Change in unrecognized temporary differences	-	31
Adjustment for prior periods	118,115	(155,396)
	$ 1,193,480	**(1,549,510)**

(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

As of December 31, 2025 and 2024, the company had no unrecognized deferred income tax assets or liabilities.

2) Recognized deferred tax assets and liabilities

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

As of December 31, 2025, the information of the company unused tax losses for which deferred tax assets were recognized are as follows:

Year	Unused loss carry forward	Expiry year
2023	$ 8,874,685	2033
2024	7,080,521	2034
	$ 15,955,206	

Changes in the amount of deferred tax assets and liabilities for T were as follows：

Deferred tax assets：

	Unrealized foreign exchange gain or loss	Impairment loss of assets	Tax loss	Others	Total
Balance as of January 1, 2025	$ 3,170	59,876	3,309,156	501,923	3,874,125
Recognized in profit or loss	(3,170)	(47,374)	(118,115)	(377,061)	(545,720)
Recognized in other comprehensive income	-	-	-	(4,677)	(4,677)
Balance as of December 31, 2025	**$ -**	**12,502**	**3,191,041**	**120,185**	**3,323,728**
Balance as of January 1, 2024	$ 32,278	61,179	1,894,750	526,997	2,515,204
Recognized in profit or loss	(29,108)	(1,303)	1,414,406	(14,003)	1,369,992
Recognized in other comprehensive income	-	-	-	(11,071)	(11,071)
Balance as of December 31, 2024	**$ 3,170**	**59,876**	**3,309,156**	**501,923**	**3,874,125**

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

Deferred tax liabilities：

	Unrealized foreign exchange gain or loss	Excess Pension Contributions	Others	Total
Balance as of January 1, 2025	$ -	1,895	-	1,895
Recognized in profit or loss	23,199	2,602	5,069	30,870
Balance as of December 31, 2025	**$ 23,199**	**4,497**	**5,069**	**32,765**
Recognized in profit or loss	$ -	1,895	-	1,895
Balance as of December 31, 2024	**$ -**	**1,895**	**-**	**1,895**

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

(v) Global Minimum Tax

The Company recognizes any top-up tax incurred as current income tax. Deferred income tax relating to the top-up tax is subject to the mandatory temporary exemption. The Company is within the scope of the Global Minimum Tax regime under Pillar Two as certain subsidiaries are located in Germany, Japan and Hong Kong, where the Income Inclusion Rule has been effective from December 30, 2023, April 1, 2024, and January 1, 2025, respectively, and the related tax regimes are applicable to fiscal years beginning on the respective implementation dates. Based on an assessment of the tax regimes and local effective tax rates in these jurisdictions, the Company does not expect to incur any material top-up tax liabilities.

(q) Capital and other equity

As of December 31, 2025 and 2024, the Company’ s capital both amounted to $300,000,000 thousand, consisting of 30,000,000 thousand shares, at a par value of $10 dollars per share, totaling $30,986,279 thousand. All issued shares were fully paid upon issuance.

The movements of shares outstanding for the years ended 2025 and 2024 were as follows:

(in thousand shares)

	Ordinary Shares	
	2025	**2024**
Balance as of January 1,	3,098,628	3,098,121
Exercise of employees share options	-	507
Balance as of December 31,	**3,098,628**	**3,098,628**

(i) Ordinary share

On February 23, May 9 and August 2, 2024, the Company’s Board of Directors approved to issue the Company’ s ordinary shares deriving from the exercise of employee share options.

NANYA TECHNOLOGY CORPORATION
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The Company had issued 130 thousand shares, 358 thousand shares and 19 thousand shares, with the issuing prices of $25.5 dollars, $25.5 to $26.6 dollars and $26.6 dollars, per share respectively, which are totaled $5,070. All issued shares were paid up upon issuance and the related process for registration had been completed.

(ii) Capital surplus

	December 31, 2025	December 31, 2024
Premium from the issuance of stock	$ 32,290,079	32,290,079
Treasure shares transactions	274,385	274,385
Change in recognized shares of subsidiaries and associates accounted for using equity method	246,127	-
Expired employee share option plans	269,247	269,247
Past due unclaimed dividends	947	457
Change in equity of associates accounted for using equity method	-	126
	$ 33,080,785	32,834,294

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the paid-up capital.

(iii) Retain earning

According to the Company’s Articles of Incorporation, the Company’s annual net profit, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof until the accumulated balance of legal reserve equals the total issued capital and any special reserves pursuant to relevant laws and regulations. The remainder, plus the undistributed earnings of the previous years, are distributed or left undistributed for business purposes according to the resolution of the stockholders’ dividend distribution plan, which are initially proposed by the Board of Directors, 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.

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

There was no 2023 earnings distribution accrued by the Company due to the deficit incurred during the year, based on a resolution decided at the board meeting held on February 23, 2024. The earnings distribution for 2025 was approved by the board of directors on March 4, 2026, with the undistributed earnings of $4,647,942 thousand.

(iv) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from 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	(1,968,952)	-	(1,968,952)
Unrealized gains from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	443,665	443,665
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	1,547	1,547
	(50)	-	(50)
Balance as of December 31, 2025	**$ 2,533,040**	**(302,107)**	**2,230,933**
Balance as of January 1, 2024	$ 896,519	(297,440)	599,079
Exchange differences on translation of foreign financial statements	3,605,523	-	3,605,523
Unrealized losses from financial of assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(451,094)	(451,094)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	1,215	1,215
Balance as of December 31, 2024	**$ 4,502,042**	**(747,319)**	**3,754,723**

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(r) Share-based payment transactions

(i) As of December 31, 2025, the Company has share-based payment arrangements as follows:

	Period 2025-1 Employee Stock Option Plan	Period 2025-2 Employee Stock Option Plan
Grant date	2025.4.16	2025.8.7
Grant unit	135,600 thousand shares	4,400 thousand shares
Fair value at grant date (dollar)	7.02~7.81	9.6
Exercise price (dollar)	32.75	42.2
Expected volatilty (%)	3.5%	3.5%
Expected volatilty (%)	36.65%	36.65%
Risk-free rate (%)	1.41~1.47%	1.47%
Deal period	6 years	6 years
Vested Conditions	Duration of two years duration and at certain proportion	Duration of two years duration and at certain proportion

The Company adopted the Black-Scholes Model to estimate the fair value of the stock option at grant date.

The expected volatility, the expected life of the stock options and the risk-free interest rate were based on historical volatility, issuance terms, and government bond yields, respectively.

(ii) Relevant information of employee stock option plans

The Company:

	For the years ended December 31,			
	2025		2024	
	Weighted-average exercise (price TWD)	Number of options (Units)	Weighted-average exercise (price TWD)	Number of options (Units)
Outstanding as of January 1	$ -	-	25.56	487
Options granted	33.05	140,000	-	-
Options exercised	-	-	25.57	(448)
Options forfeited	33.31	(3,720)	-	-
Options expired	-	-	25.50	(39)
Outstanding as of December 31	33.04	**136,280**	-	**-**
Options exercisable as of December 31	-	**-**	-	**-**

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

Information on stock options outstanding is as follows:

	December 31, 2025	December 31, 2024
Range of exercise prices	32.75~42.20	-
Remaining contractual life (years)	5.29~5.60	-

(iii) Remuneration cost

	For the years ended December 31, 2025	2024
Remuneration cost arising from share options granted to employees	$ **246,127**	**-**

(s) Earnings (Losses) per share

	For the years ended December 31, 2025	2024
Basic earnings (losses) per share:		
Net earnings (losses) attributable to the Company's ordinary shareholders	$ **6,613,772**	**(5,083,350)**
Weighted-average number of ordinary shares outstanding	3,098,628	3,098,552
Basic earnings (losses) per share (dollar)	$ **2.13**	**(1.64)**
Diluted earnings per share:		
Net profit attributable to the Company (basic)	$ **6,613,772**	
Weighted-average number of ordinary shares outstanding	3,098,628	
Effect of employee stock options	50,629	
Impact of employee remuneration	3,109	
	3,152,366	
Diluted earnings per share (dollar)	$ **2.10**	

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

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the year ended December 31, 2025 Manufacturing department	For the year ended December 31, 2024 Manufacturing department
Geographic markets of primary destination:		
Taiwan	$ 11,842,804	9,329,769
Japan	4,552,902	3,606,264
China	4,875,191	2,459,222
Hong Kong	24,359,331	10,255,127
USA	14,796,650	5,345,865
Other countries	5,737,406	2,896,186
	$ 66,164,284	**33,892,433**
Major products line:		
Dynamic Random Access Memory (DRAM)	$ 66,062,391	33,789,428
Others	101,893	103,005
	$ 66,164,284	**33,892,433**

(i) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable	$ 7,933,919	2,466,781	3,319,844
Accounts receivable-related parties	9,186,123	1,595,660	1,641,072
Total	**$ 17,120,042**	**4,062,441**	**4,960,916**

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

(u) Remuneration to employees

On May 28, 2025, the Company resolved at its shareholders' meeting to amend its Articles of Incorporation. Under the revised articles, if the Company incurs profit for the year, the profit should first be used to offset against any accumulated deficits. Thereafter, 1% to 12% of the profit before tax (in form of stock or cash) shall be appropriated as employee remuneration (of which, 0.3% to 3.6% shall be reserved specifically for frontline employees); recipients may include employees of the Company's subsidiaries who meet certain requirements.

Under the Articles of Incorporation prior to the amendment, if the Company incurs profit for the year, the profit should first be used to offset against any accumulated deficits. Thereafter, 1% to 12% of the profit before tax (in form of stock or cash) shall be appropriated as employee remuneration; recipients may include employees of the Company's subsidiaries who meet certain requirements.

(Continued)

The employee remuneration, including that of the frontline employees, was accrued at $600,000 thousand for 2025, which was estimated based on the profit before tax before employee remuneration for the period, multiplied by the distribution percentage stipulated in the Company's Articles of Incorporation. The amount was recognized as operating costs or operating expenses for 2025 and was fully paid in cash. As the Company incurred a pretax loss in 2024, no employee remuneration was accrued for the year. Relevant information is available on the Market Observation Post System. There were no differences between the actual and the estimated amounts of employee remuneration in 2025 and 2024.

(v) Non-operating income and expenses

(i) Interest income

	For the years ended December 31,	
	2025	**2024**
Interest income from bank deposits and short-term notes	**$ 172,019**	**207,023**

(ii) Other gains and losses

	For the years ended December 31,	
	2025	**2024**
	$ (6,086)	(19,391)
Losses (gain) on disposal of property, plant and equipment	10	142
Foreign exchange gains (losses)	(222,513)	586,408
(Impairment losses) reversal of impairment losses on non-financial assets	151,871	(67,557)
Government grants	15,948	147,195
Insurance compensation	249,506	-
Others	118,438	160,939
	$ 307,174	**807,736**

(iii) Finance costs

	For the years ended December 31,	
	2025	**2024**
Bank loan	$ 566,339	328,066
Less: Interest capitalized	(87,594)	(34,869)
Amortization interest of lease liabilities	92,753	93,046
	$ 571,498	**386,243**

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(w) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk.

2) Concentration of credit risk

The majority of Company's customers are mostly those in the high-tech industry. In order to reduce accounts receivable credit risk, the Company continuously assesses the financial condition of its customers. If it is necessary, the Company will ask for guarantees or warranties. The Company still regularly assesses the likelihood of collectability of accounts receivable and sets aside allowance for bad debts, based on the result of management's evaluation of the overall amounts of bad debts.

As of December 31, 2025 and 2024, the Company's major customers consisted of six and five customers, which accounted for 76.61% and 71.18%, respectively, of accounts receivable. Hence, the management believes there is concentration of credit risk.

3) Credit risk of receivables

For credit risk exposure of receivables (including related parties), please refer to note 6(c).

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

Considering that the Company 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 December 31, 2025 and 2024, no allowance for impairment 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
December 31, 2025							
Non-derivative financial liabilities							
Short-term borrowings	$ 5,059,500	5,064,534	5,064,534	-	-	-	-
Accounts payable (including related parties)	6,480,754	6,480,754	6,480,754	-	-	-	-
Other payable (including related parties)	5,898,351	5,898,351	5,898,351	-	-	-	-
Bonds payable	3,996,100	4,245,000	70,000	-	70,000	4,105,000	-
Lease liabilities (including current portion)	4,356,200	5,013,872	270,619	270,619	537,891	1,417,392	2,517,351
Long-term borrowings	10,200,000	10,958,689	92,179	98,509	195,412	10,572,589	-
Total	**$ 35,990,905**	**37,661,200**	**17,876,437**	**369,128**	**803,303**	**16,094,981**	**2,517,351**

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

	Carrying amount	Contractual cash flow	Within 6 months	6-12months	1-2years	2-5years	Over 5 years
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 payable (including related parties)	5,845,242	5,845,242	5,845,242	-	-	-	-
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	$ 40,744,316	41,799,071	32,653,715	251,527	570,833	5,647,402	2,675,594

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

(iii) Currency risk

1) Exposure to currency risk

The Company’s significant exposure to foreign currency risk was as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency (in thousands)	Foreign rate (dollars)	New Taiwan Dollars	Foreign currency (in thousands)	Foreign rate (dollars)	New Taiwan Dollars
Financial assets:						
Monetary items						
USD	$ 719,452	31.438	22,618,132	154,203	32.781	5,054,929
JPY	7,026,767	0.1997	1,403,245	2,023,533	0.2087	422,311
EUR	100	36.6957	3,670	13	34.065	443
Financial liabilities:						
Monetary items						
USD	$ 122,038	31.438	3,836,631	104,682	32.781	3,431,581
JPY	543,940	0.1997	108,625	2,832,443	0.2087	591,131
EUR	1,709	36.6957	62,713	6,613	34.065	225,273

2) Sensitivity analysis

The Company’s exposure to foreign currency risk arises from translation of the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable (including related parties), accounts payable (including related parties), and other payables (including related parties) which are denominated in different foreign currencies. A 1% appreciaition and depreciation of the TWD against the USD, EUR, and JPY as of December 31, 2025 and 2024 would have decreased and increased the net income before tax by $200,171 and $12,297 for the years ended 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.

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

Since the Company has many kinds of functional currency, the information on foreign exchange loss on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange gains and losses (including realized and unrealized portions) amounted to $222,513 and $586,408, respectively.

(iv) Other market price risk

For the years ended December 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:

	For the years ended December 31,	
	2025	**2024**
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Other comprehensive income after tax**
Increase 1%	$ 236	223
Decrease 1%	(236)	(223)

(v) Fair value of financial instruments

1) Types and fair value of financial instruments

The Company’ 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 Company'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:

	December 31, 2025				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income:					
Equity instruments without an market price measured at fair value	$ 29,477	-	-	29,477	29,477
Financial assets measured at amortized cost					
Cash and cash equivalents	6,657,812	-	-	-	-
Financial assets measured at cost	722,764	-	-	-	-
Accounts receivable (including related parties)	17,120,042	-	-	-	-
Other receivables	2,716,699	-	-	-	-
Subtotal	27,217,317	-	-	-	-
Total	**$ 27,246,794**	-	-	**29,477**	**29,477**

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

	December 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 5,059,500	-	-	-	-
Accounts payable (including related parties)	6,480,754	-	-	-	-
Other payables (including related parties)	5,898,351	-	-	-	-
Lease liabilities (including current portion)	3,996,100	-	-	-	-
Bonds payable	4,356,200	-	-	-	-
Long-term borrowings (including current portion)	10,200,000	-	-	-	-
Total	$ 35,990,905	-	-	-	-

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income:					
Equity instruments without an market price measured at fair value	$ 27,820	-	-	27,820	27,820
Financial assets measured at amortized cost					
Cash and cash equivalents	1,836,324	-	-	-	-
Financial assets measured at cost	722,782	-	-	-	-
Accounts receivable (including related parties)	4,062,441	-	-	-	-
Other receivables	3,292,324	-	-	-	-
Subtotal	9,913,871	-	-	-	-
Total	$ 9,941,691	-	-	27,820	27,820
Financial liabilities measured at amortized cost					
Shor-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)	5,845,242	-	-	-	-
Bonds payable	3,994,900	-	-	-	-
Lease liabilities (including current portion)	4,454,348	-	-	-	-
Total	$ 40,744,316	-	-	-	-

(Continued)

2) Valuation techniques for financial instruments measured at fair value

The category and attribute of the Company'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.

3) Transfer between levels

For the years ended December 31, 2025 and 2024, there was no transfer from financial assets.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance as of January 1, 2025	$ 27,820
Purchased	(276)
Total gains recognized in other comprehensive income	1,933
Balance as of December 31, 2025	**$ 29,477**
Balance as of January 1, 2024	20,301
Purchased	6,000
Total gains recognized in other comprehensive income	1,519
Balances as of December 31, 2024	**$ 27,820**

For the years ended December 31, 2025 and 2024, total gains that were included in "unrealized gains from financial assets at fair value through other comprehensive income" were as follows:

	For the years ended December 31	
	2025	**2024**
Total gains recognized in other comprehensive income, and presented in "unrealized losses from financial assets at fair value through other comprehensive income"	**$ 1,547**	**1,215**

(Continued)

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

The Company's financial instruments that use Level 3 inputs to measure fair value "fair value through other comprehensive income – equity investments".

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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 December 31, 2025 and December 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:

	Inputs	Increase or decrease	Effects of changes in fair value on other comprehensive income: Favorable change	Effects of changes in fair value on other comprehensive income: Unfavorable change
December 31, 2025				
Equity investments without an active market				
Financial assets at fair value through other comprehensive income equity investments without an active markets	Discount for lack of marketability	1%	328	(328)
December 31, 2024				
Equity investments without an active market	Net asset value	1%		
Financial assets at fair value through other comprehensive income equity investments without an active markets			309	(309)

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.

(Continued)

(x) Financial risk management

(i) Nature and extent

The Company has the following exposure risks for holding certain financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following further discloses detailed information about exposure risk arising from the aforementioned risks and the Company’s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these exposure risks, please refer to the respective notes in the financial statements.

(ii) Framework of risk management

The Company's Board of Directors has an overall responsibility for the establishment and oversight of the risk management framework, and developing and monitoring the risk management policies. However, the Risk Management Committee, which has been established in 2020, was merged into Sustainability Development Committee in 2022.

The Company's risk management policies are established to identify and analyze the risks being faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company’s Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, bank deposits and investments.

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

1) Accounts receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the Company; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company established an impairment allowance that represents its estimate of incurred losses in respect of accounts receivable and investments. Major components of this impairment allowance are specific loss component that is related to individually significant exposure and collective loss component where is the loss is incurred but not identified. The collective component is based on historical payment experience of similar financial assets.

2) Investment

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by the Company's finance department. Considering that the Company deals only with banks and other external parties with good credit standing and with above investment grade financial institutions, corporate and partnership organization and government agencies, management is not expecting non-compliance issues and significant credit risk.

3) Guarantees

The Company' s policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2025 and 2024, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Also, the Company's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient current funds, such as cash and cash equivalents, securities with high liquidity and sufficient credit line from banks, to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Consolidated Company's reputation.

The Company has unused bank facilities for $42,900,000 and $39,360,000 as of December 31, 2025 and 2024.

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company's exposure to currency risk is on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the New Taiwan Dollars (NTD). The currencies used in these transactions are denominated in NTD, USD, JPY, EUR and HKD.

2) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

(y) Capital management

The Company's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of the Company's equity.

The Company may adjust the payment of dividend to shareholders, return cash to shareholders through capital reduction, issue new shares or sell held for sale assets in order to pay off its liabilities. Likewise, the Company monitors its debt-to-capital ratio which serves as the basis to control capital, the same practice as the other companies in the industry. The Company's debt-to-capital ratio on reporting date was as follows:

	December 31, 2025	**December 31, 2024**
Total Liabilities	$ 37,823,554	41,599,805
Deduct: cash and cash equivalents	(6,657,812)	(1,836,324)
Net liabilities	**$ 31,165,742**	**39,763,481**
Total equity	**$ 170,399,852**	**165,053,275**
Debt-to-capital ratio	**18.29 %**	**24.09 %**

The Company has not changed its capital management strategy as of December 31, 2025.

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

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

The Company's investing and financing activities on non-cash transactions for the years ended 2025 and 2024 were as follows:

(i) Acquisition of right-of-use assets due to lease acquisition and changes by lease indices. please refer to Note6(h)

(ii)

	For the years ended December 31, 2025	For the years ended December 31, 2024
Acquisition of property, plant and equipment	$ 14,108,282	18,006,741
Add: Payables on equipment at beginning of period	3,680,531	1,807,098
Less: Payables on equipment at end of period	(4,357,895)	(3,680,531)
Cash Paid	$ 13,430,918	16,133,308

(iii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flow	Non-Cash changes: Changes in an index of lease payments	Non-Cash changes: Increased	Non-Cash changes: Decreased	Non-Cash changes: Others (Note)	December 31, 2025
Short-term borrowings	$ 14,536,000	(9,476,500)	-	-	-	-	5,059,500
Short-term notespayble	6,734,090	(6,750,000)	-	-	-	15,910	-
Lease liabilities	4,454,348	(439,308)	299,119	46,895	(739)	(4,115)	4,356,200
Bonds payable	3,994,900	-	-	-	-	1,200	3,996,100
Long-term borrowings	-	10,200,000	-	-	-	-	10,200,000
Guarantee deposits	25,704	9,293	-	-	-	(19)	34,978
	$ 29,745,042	(6,456,515)	299,119	46,895	(739)	12,976	23,646,778

	January 1, 2024	Cash flow	Non-Cash changes: Change in an index of lease payment	Non-Cash changes: Increased	Non-Cash changes: Decreased	Non-Cash changes: Others (Note)	December 31, 2024
Short-term borrowings	$ 11,181,000	3,355,000	-	-	-	-	14,536,000
Short-term notespayable	-	6,750,000	-	-	-	(15,910)	6,734,090
Lease liabilities	4,497,208	(414,187)	275,006	111,009	(9,108)	(5,580)	4,454,348
Bonds payable	-	4,000,000	-	-	-	(5,100)	3,994,900
Guarantee deposits	14,567	11,063	-	-	-	74	25,704
	$ 15,692,775	13,701,876	275,006	111,009	(9,108)	(26,516)	29,745,042

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

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(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 financial statements.

Name of related party	Relationship with the Company
Nanya Technology Corp. U.S.A.	The Company’s subsidiary
Nanya Technology Corp. Delaware	The Company’s subsidiary
Nanya Technology Corp. H.K.	The Company’s subsidiary
Nanya Technology Corp. Japan	The Company’s subsidiary
Nanya Technology International, Ltd.	The Company’s subsidiary
MemoLead Technology Corp.	The Company’s subsidiary
Nanya Technology Corp. Europe GmbH	The Company’s subsidiary
Nanya Technology Corp. Shenzhen	The Company’s subsidiary
Formosa Advanced Technologies Co., Ltd.	The Company’s associates
PieceMaker Technology, Inc.	The Company’s associates
Formosa Petrochemical Corporation	The Company’s other related parties
Nan Ya Photonics Incorporation	The Company’s other related parties
Formosa Sumco Technology Corporation	The Company’s other related parties
Formosa Technologies Corporation	The Company’s other related parties
Formosa Biomedical Technology Corp.	The Company’s other related parties
Formosa Plastics Corporation	The Company’s other related parties
Nanya Printed Circuit Board Corporation	The Company’s other related parties
Formosa Waters Technology Co., Ltd.	The Company’s other related parties
Min Chi University of Technology	The Company’s other related parties
Formosa Smart Energy Tech Corp.	TheCompanys other related parties
Nan Ya Plastics Corporation	The entity with significant influence over the Company

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(b) Significant related-party transactions

(i) Sales to related parties

Relationship	Sales For the years ended December 31, 2025	Sales For the years ended December 31, 2024	Accounts receivable to related parties December 31, 2025	Accounts receivable to related parties December 31, 2024
Subsidiaries				
Nanya Technology Corp. USA	$ 14,682,255	5,344,436	7,340,648	1,147,110
Nanya Technology Corp. Europe GmbH	3,778,056	1,497,841	852,568	246,977
Nanya Technology Corp. Japan	4,552,902	3,606,264	952,541	170,848
Other Subsidiaries	152,054	178,427	27,546	30,725
PieceMaker Technology, Inc.	71,707	-	12,820	-
Total	**$ 23,236,974**	**10,626,968**	**9,186,123**	**1,595,660**

The credit terms of N/30 and O/A 30 to 180 days offered to the related party mentioned above are not significantly different those of the general customers. Since the Company did not experience any credit loss, no account receivable from related parties is required as collateral.

(ii) Purchase from related parties

Relationship	Purchases For the years ended December 31, 2025	Purchases For the years ended December 31, 2024	Accounts payable to related parties December 31, 2025	Accounts payable to related parties December 31, 2024
Entities with significant influence over the Company	$ 131,409	157,449	10,330	14,465
Associates-Formosa Advanced Technologies Co., Ltd.	413	726	434	-
Other related parties:				
Formosa Sumco Technology Corporation	479,221	800,229	84,078	145,930
Other related parties	250,578	237,240	18,009	10,648
Total	**$ 861,621**	**1,195,644**	**112,851**	**171,043**

The purchase price and payment terms for the purchase from related parties above are not significantly different from those with third party vendors, and the average payment period for notes and accounts payable pertaining to such purchase transactions ranged from one to two months, which was similar to that of other normal vendors.

NANYA TECHNOLOGY CORPORATION

Notes to the Financial Statements

(iii) Consigned out for processing

Relationship	Amount For the years ended December 31, 2025	Amount For the years ended December 31, 2024	Other payables to related parties December 31, 2025	Other payables to related parties December 31, 2024
Associates-Formosa Advanced Technologies Co., Ltd.	$ 7,042,085	6,759,003	1,262,342	1,001,163

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

(iv) Service received

Relationship	Other gains For the years ended December 31, 2025	Other gains 2024	Cost of Inventories For the years ended December 31, 2025	Cost of Inventories 2024	Administrative expenses For the years ended December 31, 2025	Administrative expenses 2024	Other payables to related parties December 31, 2025	Other payables to related parties December 31, 2024
Subsidiaries								
Nanya Technology Corp. USA	$ 311	325	-	-	-	-	-	-
Nanya Technology Corp. Europe GmbH	189	196	-	-	-	-	-	-
Nanya Technology Corp. Shen zhen	-	-	-	-	52,609	46,698	2,475	5,054
Nanya Technology Corp. Delaware	156	162	-	-	427,055	425,924	60,471	48,420
Nanya Technology Corp. Japan	-	-	-	-	2,509	1,719	-	-
MemoLead Technology Corp.	652	-	-	-	-	-	-	-
Associates								
PieceMaker Technology, Inc.	-	-	94,320	-	-	-	94,320	-
	$ 1,308	683	94,320	-	482,173	474,341	157,266	53,474

(v) Property transactions

Acquisition of machinery and equipment

Relationship	Acquisition price For the years ended December 31, 2025	Acquisition price For the years ended December 31, 2024	Other payables to related parties December 31, 2025	Other payables to related parties December 31, 2024
Entities with significant influence over the Company	$ -	172,450	-	120,470
Other related parties:	-	-	-	-
Formosa Smart Energy Tech Corp.	106,831	-	53,416	-
Nan Ya Photonics Incorporation Corporation	-	360,310	182,437	287,526
Other related partie	-	92,000	18,400	92,000
	$ 106,831	624,760	254,253	499,996

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(vi) Lease contracts

Relationship	Acquisition price For the years ended December 31, 2025	2024
Entities with significant influence over the Company	$ 19,845	20,283

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 Company 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 years ended December 31, 2025 and 2024, the Company recognized the amounts of $88,090 and $88,402, respectively, as interest expenses. Furthermore, on December 31, 2025 and 2024, the balances of lease liabilities amounted to $4,125,212 and $4,212,965, respectively.

The Company entered into a 3-year lease agreement of $50,198 thousand with Min Chih University Technology in December 2021, resulting in the Company to recognize the amount of $118 thousand for the year ended December 31, 2024.

(vii) Others

Relationship	Other income December 31, 2025	December 31, 2024
Associates-Formosa Advanced Technologies Co., Ltd.	$ 131	217

Relationship	December 31, 2025	December 31, 2024
Subsidiary		
MemoLead Technology Corp.	$ 167	-
Nanya Technology International, Ltd.	132	-
	$ 299	-

As of December 31, 2025 and 2024, the receivables due from above associates have already collected.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31, 2025	2024
Short-term employee benefits	$ 43,853	41,002
Share-based payment	9,930	-
	$ 53,783	41,002

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(8) Pledged assets:

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

Pledged assets	Object	December 31, 2025	December 31, 2024
Non-current financial assets at amortized cost	Office leasing and performance guarantee	$ 722,764	722,764
Property, plant and equipment	Bank loans	9,971,076	-
		$ **10,693,840**	**722,764**

(9) Commitments and contingencies:

(a) Significant commitments

	December 31, 2025	December 31, 2024
Guarantees for importation goods provided by bank	$ 635,000	1,035,000
Performance guarantees for green energy projects provided by banks	42,800	42,800
Performance guarantees provided by bank	-	142,433
Issuance of promissory note for the performance guarantees of research and development programs	-	500,000
Unused letters of credit	119,843	553,500
Acquisition of property, plant and equipment	14,950,435	13,827,420
Total	$ **15,748,078**	**16,101,153**

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

In 2000, 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.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to the Financial Statements

(12) Other:

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

	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Cost of goods sold	Operating expenses	Total	Cost of goods sold	Operating expenses	Total
Employee benefits						
Salaries	3,307,467	2,719,639	6,027,106	2,643,991	2,082,644	4,726,635
Labor and health insurance	232,820	133,666	366,486	227,939	127,401	355,340
Pension expenses	112,285	88,419	200,704	110,973	83,320	194,293
Remuneration of directors	-	8,735	8,735	-	8,560	8,560
Other personnel expenses	88,999	45,919	134,918	78,794	39,700	118,494
Depreciation expenses	13,400,134	624,006	14,024,140	15,299,787	583,695	15,883,482
Amortization expenses	242,752	4,700	247,452	251,248	900	252,148

The Company's number of employees and additional information on employee benefits for the years ended December 31, 2025 and 2024 are as follows：

	For the years ended December 31, 2025	2024
Number of employees	3,699	3,659
Number of directors who were not employees	8	8
The average employee benefit	$ 1,823	1,478
The average salaries and wages	$ 1,633	1,295
Changes of the average salaries and wages	26.10 %	7.65 %
Remuneration to supervisor	$ -	-

The Company’s salary and remuneration policies (including directors, managers, and employees) are as follows:

The Company established a remuneration committee to monitor its directors and executives, and to protect the rights of its shareholders and employees. Also, the Company formulates the policies, standards and structures of remuneration, to regularly examine the performance of directors and executives. Furthermore, the Company aims to attract and hold talented employees though providing competitive salaries.

NANYA TECHNOLOGY CORPORATION
Notes to 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 Company for the year ended December 31, 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Significant 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	-	29,477	2.46 %	29,477	

(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)	(14,682,255)	(22.19)%	O/A 60~90Days	-		7,340,648	42.88%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Japan	Subsidiary	(Sale)	(4,552,902)	(6.88)%	O/A 180Days	-		952,541	5.56%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Europe GmbH	Subsidiary	(Sale)	(3,778,056)	(5.71)%	O/A 60~90Days	-		852,568	4.98%	(Note)
Nanya Technology Corp	Nanya Technology Corp., HK	subsidiary	(Sale)	(152,054)	(0.23)%	O/A 60~90 Days	-		27,545	0.16%	(Note)
Nanya Technology Corp., Delaware	Nanya Technology Corp	The parent company	(Sale)	(427,055)	(100.00)%	O/A 60~90 Days	-		60,471	100.00%	(Note)
Nanya Technology Corp., U.S.A.	Nanya Technology Corp	The parent company	Purchase	14,682,255	100.00%	O/A 60~90Days	-		(7,340,648)	(100.00)%	(Note)
Nanya Technology Corp., Japan	Nanya Technology Corp	The parent company	Purchase	4,552,902	100.00%	O/A 180 Days	-		(952,541)	(100.00)%	(Note)
Nanya Technology Corp., Europe GmbH	Nanya Technology Corp	The parent company	Purchase	3,778,056	100.00%	O/A 60~90Days	-		(852,568)	(100.00)%	(Note)
Nanya Technology Corp., HK	Nanya Technology Corp	The parent company	Purchase	152,054	100.00%	O/A 60~90Days	-		(27,545)	(100.00)%	(Note)
Nanya Technology Corp	Nanya Technology Corp., Delaware	subsidiary	Purchase	427,055	3.52%	O/A 60~90Days	-		(60,471)	(0.93)%	(Note)
Nanya Technology Corp	Formosa Sumco Technology Corporation	Other related parties	Purchase	479,221	3.95%	O/A 60Days	-		(84,078)	(1.30)%	-

(Continued)

NANYA TECHNOLOGY CORPORATION
Notes to Financial Statements

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	Formosa Biomedical Technology Corporation	Other related parties	Purchase	126,168	1.04%	Payment after arrival and inspection of good	-		(7,428)	(0.11)%	
Nanya Technology Corp	Nanya Plastic Corporation	The entities with significant influence over the Company	Purchase	131,409	1.08%	Payment after arrival and inspection of good	-		(10,330)	(0.16)%	-

Note: The transactions were written off in the 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	7,340,648	3.46	-		3,090,296	-	(Note)
The Company	Nanya Technology Corp., Japan	Subsidiary	952,541	8.11	-		516,244	-	(Note)
The Company	Nanya Technology Europe GmbH	Subsidiary	852,568	6.87	-		624,159	-	(Note)

Note: 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 year ended December 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 December 31, 2025			Net income of investee	Share of profits of investee	Note
				December 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 %	110,473	34,139	34,139	(Note1)
The Company	Nanya Technology Corp., Delaware	U.S.A	Design of semiconductor products	36,005	36,005	-	100.00 %	289,080	21,541	21,541	(Note1)
The Company	Nanya Technology Corp., HK	Hong Kong	Sales of semiconductor products	66,271	66,271	19.7	100.00 %	133,944	14,546	14,546	(Note1)
The Company	Nanya Technology Corp., Japan	Japan	Sales of semiconductor products	20,161	20,161	1	100.00 %	547,003	106,859	106,859	(Note1)
The Company	Nanya Technology International, Ltd.	British Virgin Island	General investment business	38,220,100	48,145,600	1.3	100.00 %	50,113,265	2,281,218	2,281,218	(Note 1) (Note 3)
The Company	PieceMakers Technology, Inc.	Hsinchu	Design of semiconductor products	611,880	-	20,396	35.14 %	679,864	208,409	74,507	(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 %	5,223,748	602,632	342,956	(Note 2)
The Company	MemoLead Technology Corp.	Hsinchu	Design of semiconducter products	360,480	-	36,048	72.10 %	357,854	(3,642)	(2,627)	(Note1)
Nanya Technology Corp., HK	Nanya Technology Europe GmbH	Germany	Sales of semiconductor products	30,056	30,056	-	100.00 %	110,501	5,701	5,701	(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.

NANYA TECHNOLOGY CORPORATION
Notes to Financial Statements

(c) Information on investment in mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 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	30,966 (USD985 thousand)	(2)	30,966 (USD985 thousand)	-	-	30,966 (USD985 thousand)	7,731	100.00%	7,731	38,285	-

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.

Note 3：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 December 31, 2025 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
30,966 (USD985 thousand)	30,966 (USD985 thousand)	102,239,911

Note 1：The exchange rate of New Taiwan dollars to US dollars on September 30, 2025 was USD1：TWD 31.438

Note 2：60% of net equity.

(iii) Significant transactions: None

(14) Segment information:

Please refer to the consolidated financial statements as of and for the year ended December 31, 2025.

Nanya Technology Corporation

STATEMENT OF CASH AND CASH EQUIVALENTS

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Cash on hand	Pretty cash	$ 1	
Cash in bank	Checking Account	3,930	
	Demand deposits	134,276	
	Foreign currency deposits	2,430,272	(Note1)
Cash Equivalents	Time deposits	4,089,333	(Note2)
Total		**$ 6,657,812**	

Note 1

Original currency (in thousand)		Exchange rate
USD	62,851	31.438
JPY	2,256,906	0.1997
EUR	100	36.6957
HKD	3	4.0147

Note 2

Original currency (in thousand)		Maturity date	Interest rate
USD	130,076	2026.1.2~2026.1.14	4.05%~4.1%

Nanya Technology Corporation

Statement of trade receivables

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Clients	Amount
Non-related parties:	
Client A	$ 1,116,186
Client B	1,250,380
Client C	1,080,336
Client D	1,375,744
Client E	330,255
Other (Less than 5% of the ending balance)	2,781,018
Total	**$ 7,933,919**

Nanya Technology Corporation

STATEMENT OF INVENTORIES

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Market-based Approach
	Cost	Net realizable value	
Raw materials	$ 367,921	367,921	Net realizable value
Work in process	15,761,403	35,858,314	Net realizable value
Finished goods	11,024,087	23,288,898	Net realizable value
Subtotal	27,153,411	**59,515,133**	
Less: allowance for inventory obsolescence and devaluation	(28,605)		
Inventories, net	**$ 27,124,806**		

Nanya Technology Corporation

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Additions		Disposals				Ending Balance			
Investee Company	Number of Shares	Amount	Number of Shares	Amount (Note1)	Number of Shares	Amount (Note 1)	Others (Note2)	Income from investments	Number of Shares	Percentage of ownership	Amount	Guarantee or pledge
Nanya Technology Corp, USA	2,400	$ 258,233	-	-	-	-	(192,868)	34,139	2,400	100.00 %	99,504	Nil
Nanya Technology Corp, Delaware	1	258,427	-	-	-	-	-	21,541	1	100.00 %	279,968	Nil
Nanya Technology Corp, HK	19,699	120,157	-	-	-	-	-	14,546	19,699	100.00 %	134,703	Nil
Nanya Technology Corp, Japan	1,000	574,039	-	-	-	-	(10,605)	106,859	1,000	100.00 %	670,293	Nil
Formosa Advanceed Technologies Co., Ltd.	141,511,000	4,644,768	-	-	-	205,191	441,215	342,956	141,511,000	32.00 %	5,223,748	Nil
Nanya Technology International, Ltd	1,600	55,120,489	-	-	300	9,925,500	-	2,281,218	1,300	100.00 %	47,476,207	Nil
MemoLead Technology Corp.	-	-	36,048,000	360,480	-	-	1	(2,627)	36,048,000	72.10 %	357,854	Nil
PieceMaker Technology, Inc.	-	-	20,396,000	611,880	-	-	(6,473)	74,507	20,396,000	35.14 %	679,914	Nil
Subtoatl		60,976,113		972,360		10,130,691	231,270	2,873,139			54,922,191	
Add: Exchange differences on translation of foreign financial statements												
Nanya Technology Corp, USA		21,942		-		-	(10,973)	-			10,969	
Nanya Technology Corp, Delaware		20,328		-		-	(11,216)	-			9,112	
Nanya Technology Corp, HK		(8,735)		-		-	7,976	-			(759)	
Nanya Technology Corp, Japan		(98,257)		-		-	(25,033)	-			(123,290)	
MemoLead Technology Corp.		4,566,764		-		-	(1,929,706)	-			2,637,058	
PieceMaker Technology, Inc.		-		-		-	(50)	-			(50)	
Subtoatl		4,502,042		-		-	(1,969,002)	-			2,533,040	
		$ 65,478,155		**972,360**		**10,130,691**	**(1,737,732)**	**2,873,139**			**57,455,231**	

Note1 : The amounts consisted of cash dividend.

Note2 : The amounts consisted of realized/ unrealized gain on sales amounting to $(205,218) thousand, share of other comprehensive income of associates accounted for using equity method amounting to $441,188 thousand, changes in Capital surplus amounting to $(4,701) thousand, and other adjustments amounting to $1thousand.

Please refer to Note 6(g) for Statement of changes in property, plant and equipment.

Nanya Technology Corporation

Statement of short-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Categories	Creditor	End of Term Amount	Contract Period	Interest Rate	Collateral
Credit Loans	First Commercial Bank	$ 2,000,000	2025.12.12~2026.1.12	1.85%	Nil
Credit Loans	HuaNan Commercial Bank	100,600	2025.12.12~2026.1.11	1.85%	Nil
Credit Loans	HuaNan Commercial Bank	537,900	2025.12.31~2026.1.30	1.85%	Nil
Credit Loans	Mega International Commercial Bank	1,000,000	2025.112.19~2026.1.16	1.83%	Nil
Credit Loans	Taichung Bank	1,000,000	2025.2.5~2026.2.5	1.78%	Nil
Credit Loans	Yuanta Commercial Bank	421,000	2025.12.9~2026.1.30	1.85%	Nil
Total		**$ 5,059,500**			

Nanya Technology Corporation

STATEMENT OF TRADE PAYABLES

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Accounts O/A payable	$ 413,492
Accounts raw material and supplies payable	5,919,565
Others (Less than 5% of the ending balance)	34,846
	$ 6,367,903

STATEMENT OF OTHER PAYABLES

Items	Amount
Salaries payable	$ 1,683,386
Royalty Payable	612,993
Utilities Payable	276,463
Consigned out for processing	1,035,869
Others (Less than 5% of the ending balance)	615,779
	$ 4,224,490

Nanya Technology Corporation

Statement of operating revenue

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Units	Quantity	Amount
Dynamic random-access memory	Thousand pieces	1,085,701	$ 66,062,391
Others			101,893
Net sales revenue			**$ 66,164,284**

Nanya Technology Corporation

STATEMENT OF OPERATING COSTS

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Beginning balance of year for raw materials	$ 479,350
Add: raw materials purchased	12,127,713
Ending balance of year for raw materials	(367,921)
Less: Reclassified to manufacturing and operating expenses	(4,181,221)
Others	(495,728)
Usage material	7,562,193
Direct labor	548,708
Manufacturing expenses	36,638,561
Manufacturing Costs	44,749,462
Beginning balance of year for work in progress	14,256,079
Add: Transferred from finished goods	21,629,490
Others	170,837
Less: Reclassified to operating expenses	(2,173,325)
Ending balance of year for work in progress	(15,761,403)
Cost of finished goods	62,871,140
Beginning balance of year for finished goods	20,905,855
Less: Reclassified to work in progress	(21,629,490)
Reclassified to operating expenses	(57,375)
Ending balance of year for finished goods	(11,024,087)
Inventory cost	51,066,043
Add: Other costs	99,449
Loss on work stoppage	581,627
Less: Reversal of write-down of inventories	(384,273)
Operating costs	**$ 51,362,846**

Nanya Technology Corporation

STATEMENT OF SELLING EXPENSES

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Salaries	$ 256,066
Air Freights on export sales	108,159
Commissions on export sales	81,534
Welfare costs	34,051
Others (Less than 5% of the ending balance)	186,046
Total	**$ 665,856**

Nanya Technology Corporation

STATEMENT OF ADMINISTRATIVE EXPENSES

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Salaries	$ 528,876
Depreciation expenses	290,038
Professional service fee	196,743
Miscellaneous expenses	223,134
Amortization expenses	143,810
Utilities	141,548
Others (Less than 5% of the ending balance)	322,232
	$ 1,846,381

Nanya Technology Corporation

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSE

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Testing material expenses	$ 2,969,834
Salaries	2,163,268
Research and development expenses	387,151
Computer usage expenses	502,239
Others (Less than 5% of the ending balance)	1,035,073
	$ 7,057,565