

Stock Code: 2408



Nanya Technology Corporation

2023 ANNUAL SHAREHOLDERS' MEETING MEETING HANDBOOK

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

May 24, 2023

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Nanya Technology Corporation

2023 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

1. Call Meeting to Order
2. Chairman's Address
3. Reporting Items
4. Ratification Items
5. Discussion Items
6. Extraordinary Motions
7. Meeting Adjourned

Nanya Technology Corporation

2023 ANNUAL SHAREHOLDERS' MEETING AGENDA

Time: 10:00 a.m., Wednesday, May 24, 2023

Venue: No.336, Sec. 1, Nankan Rd., Luzhu Dist., Taoyuan City,
Taiwan (R.O.C.)

Type of Meeting: Physical Meeting

1. Reporting Items

- (1) Business Report for 2022
- (2) Audit Committee's Review Report for 2022
- (3) Report of Distribution of Employees' Compensation for 2022
- (4) Report of Distribution of Cash Dividends for 2022

2. Ratification Items

- (1) To Ratify the Business Report and Financial Statements for 2022
- (2) To Ratify the Proposal for Distribution of 2022 Profits

3. Discussion Items

- (1) To approve appropriateness of releasing the Directors from non-competition restrictions.

Reporting Items

1. Regarding the Company's business operation condition of FY2022, please refer to Business Report for further details (on Page 4 through Page 10 of the Handbook.)
2. The Company's Audit Committee had reviewed the 2022 Business Report and Financial Statements and issued their Review Report in accordance with the applicable laws. Please refer to Audit Committee's Review Report (on Page 11 of the Handbook.)
3. Report of Distribution of Employees' Compensation for 2022

Explanation:

The amount of the 2022 pre-tax profit prior to deducting employees' compensation was NT\$17,778,905,454. The Company has no accumulated losses. In accordance with Article 19 of the Articles of Incorporation of the Company, the Board of Directors approved to set aside 5.7% as employees' compensation on February 22, 2023. The payment of employees' compensation will be in cash, i.e. a total amount of NT\$1,010,000,000.

4. Report of Distribution of Cash Dividends for 2022

Explanation:

In accordance with Article 20 of the Articles of Incorporation of the Company, the Board of Directors approved to distribute cash dividends for a total of NT\$6,600,000,000 on February 22, 2023, which was NT\$2.13037721 per share approximately. The record date for distribution of cash dividends will be approved by the Board of Directors. The total outstanding shares may increase as the Company's employees may elect to exercise their stock option rights. The final cash dividend per share may need to be adjusted accordingly. The Chairman was authorized by the Board of Directors to handle the relevant matter.

Nanya Technology Corporation

Business Report for 2022

I. 2022 Business Report

(I) Operations:

Nanya Technology Corp's ("Nanya") consolidated revenue was NT\$56.95 billion in 2022, down by approximately 33.5% compared with the NT\$85.6 billion in 2021; net profit was NT\$14.62 billion with a net margin of 25.7%, down by 36% compared with the NT\$22.85 billion in the previous year. Earnings per share was NT\$4.72.

In 2022, a number of global uncertainties have impacted the world economics, including geopolitical conflict between Russia and Ukraine, energy crisis and inflation, and interest rates hikes. Monetary tightening policy have been adopted by many countries to fight inflation. In addition, China's zero-COVID policy and the US-China trade war impacted the industry's overall supply chain and China's domestic demand, resulting in a decline in consumer confidence and lower capital expenditures among various industries.

The DRAM demand for consumer electronics, such as mobile phones, notebooks, tablet PCs, and TVs, has been poor since the second quarter. DRAM supply and demand was imbalanced and both prices and shipment has declined quarterly. In 2022, overall yearly shipment and average selling price were both declined from 2021, and as a result, yearly revenue and profits decreased.

(II) Business focus:

1. Product Promotion

In 2022, Nanya has focused on diversifying DRAM application, including consumer products such as, TVs,

network communications, SSD, and automotives, which accounted for approximately 59% of shipment. Sales to server product line, including BMC, and NIC, which accounted for approximately 6% of shipment. Application for low-power products, such as e-books and voice assistant, and general handheld devices which accounted for approximately 10% of shipment. Long-term contracts in each application have been pursued.

2. Technology Development:

- (1) Preparation for new products from our first generation 10-nm process (1A) has been the focus of the year. We have completed customer verification of the lead product, an 8Gb DDR4, and began small-volume production in the fourth quarter, which in turn reduced the production of 30-nm products. Next generation DDR5 products was piloted in preproduction phase.
- (2) An 8Gb DDR4, using the second-generation 10-nm process technology (1B), also was piloted in the preproduction phase.

3. ESG and Sustainability

- (1) We have purchased 10.4 GWh of green electricity from an onshore wind farm in 2021-2022, and signed a 10-years renewable energy supply contract with a solar power company in 2022. Starting in 2023, we will use 25 GWh of renewable energy per year to meet regulatory requirements in advance. We expect renewable energy to reach 25-30% of our total energy consumption before 2030.
- (2) We have obtained certification from the SBTi at the end of 2022 and joined the SEMI Climate Consortium with a common goal of achieving net zero emissions before 2050.

- (3) Nanya was once again selected as a constituent stock of the DJSI World Index and DJSI Emerging Markets Index at the end of 2022, ranking first among all memory manufacturing companies worldwide.
- (4) Nanya was recognized for its efforts in sustainable development in 2022 with the CDP Water Security A List, CDP Climate Change Leadership level, National Enterprise Environmental Protection Award, and TCSA Top Ten Sustainable Companies Award.

4. Strengthening Operational Resilience

In response to a sluggish economic situation, we have taken pro-active measures to adjust our inventory, lower costs, and preserve financial resources.

(1) Inventory Management

- ① We established risk indicators on all our product inventory to actively manage risk. Proactively suspending production of certain products, and adjusting priority according to products lifecycle to reduce risk of excessive inventory .
- ② Starting in the third quarter, we have started to make rolling decisions in response to the weak market situation, analyzing our product portfolio and lowering production output.

(2) Lowering Costs/Expenses

We have improved the efficiency of human resources, reduced operating expenses, and implemented a variety of conservation plans to reduce operating costs.

(3) Reducing Capital Expenditures

We adjusted the pace of investments based on the market situation, and capital expenditures in 2022 was

approximately NT\$20.7 billion, 27% lower than the NT\$28.4 billion originally planned at the beginning of the year. This was mainly as a result of controlling capital expenditures on production equipment.

II. Industry Outlook

The Russo-Ukrainian War raged on Q1, 2023. The inflation has not shown signs of improvement in Europe and America. The China's domestic demand has yet to recover despite COVID restrictions have been lifted, which was compounded by the US's expanding technology sanctions. The DRAM customers were still digesting their inventory on hand, and the DRAM market may remain sluggish in first half of 2023.

Several market research companies have reported that the inventory levels at DRAM suppliers continued to increase in the first quarter, 2023 and some suppliers have thus announced that they would reduce wafer starts to control output and inventory, contain investments, and delay process technology migration in response to weaker demand growth.

Certain negative factors are expected to gradually improve starting in the second quarter. Combined with adjustments to capital expenditures made by DRAM suppliers, there may be an opportunity that inventories will return to normal in the second half of this year, and demand in the DRAM market may return to normal.

DRAM is a key component in a wide range of electronic products. Servers, data centers, personal computers, smartphones, and a numbers of consumer electronics, and is critical for all electronics to become smart.

In terms of servers, DRAM demand from cloud service providers (CSP) mainly for enterprise applications was relatively healthy. However, CSP for consumers' applications has been sluggish due to the poor economy in the near term. As other

component shortages were expected to be resolved in the second half of the year, DRAM demand would improve as server and personal computer manufacturers adopt new CPU platforms and DDR5 products.

In terms of mobile phones, shipments of American and Korean manufacturers remained relatively stable, but shipment from Chinese manufacturers heavily declined, and inventory remained high in the short-term. The situation is expected to gradually improve starting in the second quarter, and overall mobile phone shipments have a chance to return to normal in the second half of the year. PC shipments are expected to continue to decline, but average DRAM content in each PC will increase.

Sales of general consumer electronics products, such as TV and set-top box, were still weak in the first quarter, but is expected to return to normal in the second half of the year. Networking, industrial, and automotive applications are relatively healthy.

In Summary, overall demand growth in DRAM in 2023 may be lower than the long-term average. However, DRAM is a key component of smart electronic products. As many smarter electronic products are introduced in the future, 5G, AI, smart city, smart factory, smart automobiles, smart home, smart wearable devices, and AR/VR/MR will drive the development of diverse DRAM applications, and market demand is expected to gradually improve each quarter this year. Long-term bit demand is expected to maintain 10-20% growth each year.

III. 2023 Business Plan

Apart from continued promotion of current product lines, we will add our self-developed 1A process technology and DDR5 product in 2023. We plan to complete pilot run of our second generation 1B process technology and the pilot run of a functional testing chip using our third generation 1C process technology this year. In order to enhance our long-term competitiveness, we will

begin mass production of 1B and pilot run of products using 1C in our current fab starting in 2024. Construction of the new fab will be carried out according to schedule, and will install process equipment based on market demand starting in 2026.

(I) Business Promotion

1. We will continue to develop customers and sales channels, stabilize 20-nm and 30-nm product sales, and increase sales in digital TV, networking, digital camera, KGD, and SSD applications.
2. In response to market trends and demand from customers to transition to next generation products, we will expand DDR4 sales and accelerate the digestion of DDR3 inventory. We will also increase applications in low power products, especially in automotive applications, voice assistants, handheld devices, and high-end TVs.
3. With regard to sales of server products, besides developing large cloud service providers, we will also develop medium and small regional data center customers around the world, as well as customers in the field of BMC.
4. The new product of 1A process technology is the highlight this year, and will be marketed in the consumer set-top box and personal computer markets. We will also complete the certification of next generation DDR5 product and prepare for mass production.

(II) Technology Development

1. Pilot run of the lead product using 1B process technology has already begun, and mass production is expected to begin at the end of this year. We are currently developing 5 new products and will subsequently begin pilot production.
2. A functional testing chip using 1C process technology is currently in the pilot run stage, and the lead product design is being carried out at the same time.

(III) Capital Expenditures, New Process Technology Introduction, and New Fab Expansion

The upper limit on capital expenditures in 2023 from new fab construction and mass production machinery and equipment for 1A/1B process technology is expected to be NT\$18.5 billion, in which approximately half is for manufacturing equipment.

IV. Conclusion

Looking forward, we see the DRAM market to be full of challenges in the short-term, but expect for an opportunity for balancing between supply and demand, in the second half of the year. Nanya commits on "technology innovation" as the Company's core value and main growth momentum, and will invest even more resources to accelerate the development of 10-nm process technologies and new generation DDR5 products to enhance our competitiveness. We will dedicate our efforts to create more value for shareholders, and will fulfill our corporate social responsibility to achieve sustainable development.

Chairman: Chia Chau, Wu

President: Pei-Ing Lee

Accountant Officer: Hung Chi Kuo

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements (including consolidated and Stand-alone statements), and Proposal for Profits Distribution. The CPA firm of KPMG has audited the Financial Statements and issued an audit report relating to Financial Statements. The Business Report, Financial Statements, and Proposal for Profits Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Nanya Technology Corporation. According to the Securities and Exchange Act and the Company Law, we hereby submit this report.

Nanya Technology Corporation

Chairman of the Audit Committee:

February 22, 2023

Ratification Items

Item 1

To Ratify the Business Report and Financial Statements for 2022
Proposed by the Board of Directors

Explanation:

1. The preparation of the Company's 2022 Consolidated and Stand-alone Financial Statements were completed and the same were reviewed by the Audit Committee, approved by the Board of Directors on February 22, 2023 and audited by independent auditors, Mr. Hui-Chih Ko and Ms. Hsin-Yi Kuo, of KPMG. The aforesaid Financial Statements together with the Business Report were reviewed by the Audit Committee, in which the Audit Committee's Review Report is presented.
2. For the aforementioned Business Report, please refer to Page 4 through Page 10 of the Handbook. As for the Financial Statements, please refer to Page 15 through Page 22 of the Handbook. Please approve the Business Report and the Financial Statements.

Resolution:

Ratification Items

Item 2

To Ratify the Proposal for Distribution of 2022 Profits

Proposed by the Board of Directors

Explanation:

The Proposal for Distribution of 2022 Profits of the Company was reviewed by the Audit Committee and approved by the Board of Directors on February 22, 2023.

(Please refer to Page 23 of the Handbook for the Statement of Profits Distribution.)

Resolution:

Discussion Items

Item 1

To approve appropriateness of releasing the Directors from non-competition restrictions.

Proposed by the Board of Directors

Explanation:

1. According to Article 209 of the Company Act, any Director conducting business for himself/herself or on another's behalf, and the scope of which coincides with the Company's business scope, shall explain at the Shareholders' Meeting the essential contents of such conduct and obtain approval from shareholders in the Meeting.
2. The Independent Director of the Company, Ching-Chyi Lai, Tsai-Feng Hou and the Director of the Company, Joseph Wu, as the same or similar duty in other companies within the scope of the Company's business are as follow. Based on the premise interest of the Company without impairment, it is proposed to release the Directors from non-competition restrictions for approval following Article 209 of the Company Act.

Name	The same or similar duty in other companies within the scope of the Company's business
Ching-Chyi Lai	Independent Director of Excellence Optoelectronics Inc.
Tsai-Feng Hou	Director of Silicon Integrated Systems Corp.
Joseph Wu	Director of Formosa Advanced Technologies Co., LTD

Resolution:

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Nanya Technology Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021		December 31, 2022		December 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
1100 Cash and cash equivalents (Note 6(a))	\$ 73,593,262	36	80,699,971	42	2170	Accounts payable	\$ 5,395,353	3
1150 Notes receivable, net (Notes 6(e) and (q))	516	-	-	-	2180	Accounts payable to related parties (Note 7)	208,957	-
1170 Accounts receivable, net (Notes 6(c) and (q))	4,359,244	2	11,568,536	6	2200	Other payables	5,294,136	2
1200 Other receivables (Note 6(d))	2,331,729	1	989,699	1	2220	Other payables to related parties (Note 7)	1,431,951	1
1310 Inventories (Note 6(e))	23,384,447	12	11,611,235	6	2230	Current tax liabilities	3,477,759	2
1410 Prepayments (Note 6(f))	967,609	1	835,419	1	2280	Current lease liabilities (Notes (k) and 7)	360,895	-
1470 Other current assets (Note 6(f))	875,510	-	754,838	-	2399	Other current liabilities	9,772	-
Total current assets	105,512,317	52	106,459,698	56		Total current liabilities	16,178,823	8
Non-current assets:						Non-current liabilities:		
1517 Non-current financial assets at fair value through other comprehensive income	16,566	-	11,071	-	2570	Deferred tax liabilities (Note 6(m))	4,034	-
1535 Non-current financial assets at amortized cost, net (Notes 6(b) and 8)	728,864	-	-	-	2580	Non-current lease liabilities (Notes 6(k) and 7)	4,200,447	2
1550 Investments accounted for using equity method (Note (g))	5,385,900	3	5,339,031	3	2640	Net defined benefit liability, non-current (Note 6(l))	530,688	-
1600 Property, plant and equipment (Notes 6(h), (w) and 7)	84,897,394	42	76,206,692	39	2670	Other non-current liabilities	363,708	-
1755 Right-of-use assets (Notes 6(i), (w) and 7)	4,523,110	2	1,707,092	2		Total non-current liabilities	5,098,877	2
1780 Intangible assets	766,626	1	1,013,517	-		Total liabilities	21,277,700	10
1840 Deferred tax assets (Note 6(m))	333,267	-	296,088	-		Equity (Note 6(n)):		
194D Long-term financial lease payments receivable (Note 6(i))	-	-	254,305	-	3110	Ordinary shares	30,980,079	16
1990 Other non-current assets (Note 8)	71,706	-	133,369	-	3140	Advance receipts for share capital	736	-
Total non-current assets	96,723,433	48	84,961,165	44	3200	Capital surplus	32,824,366	16
					3310	Legal reserve	17,156,884	9
					3320	Special reserve	4,116,942	2
					3350	Unappropriated retained earnings	95,266,810	47
					3400	Other equity interest	612,233	-
						Total equity	180,958,050	90
Total assets	\$ 202,235,750	100	\$ 191,420,863	100		Total liabilities and equity	\$ 202,235,750	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Nanya Technology Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 6(q))	56,952,275	100	85,604,158	100
5000	Operating costs (Notes 6(e), (h), (i), (k), (l), (o), (r) and 7)	<u>(35,610,181)</u>	<u>(62)</u>	<u>(48,560,210)</u>	<u>(57)</u>
	Gross profit from operations	<u>21,342,094</u>	<u>38</u>	<u>37,043,948</u>	<u>43</u>
	Operating expenses (Notes (h), (i), (k), (l), (o), (r) and 7):				
6100	Selling expenses	(754,103)	(1)	(827,171)	(1)
6200	Administrative expenses	(1,744,023)	(3)	(1,530,674)	(2)
6300	Research and development expenses	<u>(7,841,499)</u>	<u>(14)</u>	<u>(7,499,780)</u>	<u>(8)</u>
	Total operating expenses	<u>(10,339,625)</u>	<u>(18)</u>	<u>(9,857,625)</u>	<u>(11)</u>
	Net operating income	<u>11,002,469</u>	<u>20</u>	<u>27,186,323</u>	<u>32</u>
	Non-operating income and expenses (Notes 6(f), (g), (h), (j), (k), (s) and 7):				
7100	Interest income	1,394,766	2	273,852	-
7010	Other income	514,382	1	-	-
7020	Other gains and losses, net	3,441,255	6	(190,055)	-
7050	Finance costs	(49,125)	-	(23,667)	-
7060	Share of profit of associates accounted for using equity method, net (Notes 6(g), (h), (j), (k), (s) and 7)	<u>573,593</u>	<u>1</u>	<u>520,977</u>	<u>-</u>
	Total non-operating income and expenses	<u>5,874,871</u>	<u>10</u>	<u>581,107</u>	<u>-</u>
7900	Profit before tax	16,877,340	30	27,767,430	32
7950	Income tax expenses (Note (m))	<u>(2,258,309)</u>	<u>(4)</u>	<u>(4,918,415)</u>	<u>(6)</u>
	Profit	<u>14,619,031</u>	<u>26</u>	<u>22,849,015</u>	<u>26</u>
8300	Other comprehensive income (Notes 6(l), (m) and (n)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurements of the net defined benefit	97,079	-	(92,311)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(505)	-	(929)	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(172,968)	-	(16,991)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>19,315</u>	<u>-</u>	<u>(18,648)</u>	<u>-</u>
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>(95,709)</u>	<u>-</u>	<u>(91,583)</u>	<u>-</u>
8360	Components of other comprehensive income that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	4,899,241	8	(1,092,193)	(1)
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that may be reclassified to profit or loss	<u>4,899,241</u>	<u>8</u>	<u>(1,092,193)</u>	<u>(1)</u>
8300	Other comprehensive income, net	<u>4,803,532</u>	<u>8</u>	<u>(1,183,776)</u>	<u>(1)</u>
8500	Comprehensive income	<u>\$ 19,422,563</u>	<u>34</u>	<u>\$ 21,665,239</u>	<u>25</u>
	Earnings per share (Note (p))				
9750	Basic earnings per share	<u>\$ 4.72</u>		<u>7.40</u>	
9850	Diluted earnings per share	<u>\$ 4.68</u>		<u>7.35</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Nanya Technology Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Balance at January 1, 2021	\$ 30,935,939	36,264	32,451,689	14,110,871	1,041,100	79,394,603	(2,893,732)	(117,775)	(1,146,932)	153,812,027
Net profit for the year months ended December 31, 2021	-	-	-	-	-	22,849,015	-	-	-	22,849,015
Other comprehensive income for the year months ended December 31, 2021	-	-	-	-	-	(78,341)	(1,092,193)	(13,242)	-	(1,183,776)
Total comprehensive income for the year months ended December 31, 2021	-	-	-	-	-	22,770,674	(1,092,193)	(13,242)	-	21,665,239
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	-	768,945	-	(768,945)	-	-	-	-
Special reserve appropriated	-	-	-	-	1,970,407	(1,970,407)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(4,000,000)	-	-	-	(4,000,000)
Other changes in capital surplus:										
Changes in equity of associates accounted for using equity method	-	-	15	-	-	-	-	-	-	15
Past due unclaimed dividends	-	-	123	-	-	-	-	-	-	123
Exercise of employee share options	39,280	(31,756)	72,500	-	-	-	-	-	-	80,024
Treasury shares transferred to employees	-	-	310,811	-	-	-	-	-	1,109,829	1,420,640
Retirement of treasury shares	(6,470)	-	(30,633)	-	-	-	-	-	37,103	-
Balance at December 31, 2021	\$ 30,968,749	4,508	32,804,505	14,879,816	3,011,507	95,425,925	(3,985,925)	(131,017)	-	172,978,068
Net profit for the year months ended December 31, 2022	-	-	-	-	-	14,619,031	-	-	-	14,619,031
Other comprehensive income for the year months ended December 31, 2022	-	-	-	-	-	(2,277,068)	-	-	-	(2,277,068)
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	-	2,277,068	-	(2,277,068)	-	-	-	-
Special reserve appropriated	-	-	-	-	1,105,435	(1,105,435)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(11,470,000)	-	-	-	(11,470,000)
Other changes in capital surplus:										
Changes in equity of associates accounted for using equity method	-	-	22	-	-	-	-	-	-	22
Past due unclaimed dividends	-	-	62	-	-	-	-	-	-	62
Exercise of employee share options	11,330	(3,772)	19,777	-	-	-	-	-	-	27,335
Balance at December 31, 2022	\$ 30,980,079	736	32,824,366	17,156,884	4,116,942	95,266,810	913,316	(301,083)	-	180,958,050

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Nanya Technology Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax	\$ <u>16,877,340</u>	<u>27,767,430</u>
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	14,988,409	15,033,765
Amortization expense	258,128	260,025
Interest expense	49,125	23,667
Interest income	(1,394,766)	(273,852)
Share-based payments	-	313,110
Share of profit of associates accounted for using equity method	(573,593)	(520,977)
Gain or loss on disposal of property, plant and equipment	(74,987)	8,876
Impairment loss on non-financial assets	23,263	31,640
Unrealized foreign exchange gain	<u>575,980</u>	<u>(21,785)</u>
Total adjustments to reconcile profit	<u>13,851,559</u>	<u>14,854,469</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	7,163,726	(3,729,591)
Other receivables	(857,582)	527,787
Inventories	(11,773,212)	2,515,747
Prepayments	(132,190)	(275,938)
Other current assets	(120,672)	205,110
Accounts payable (including related parties)	(75,435)	679,016
Other payables (including related parties)	(1,105,000)	2,670,206
Other current liabilities	(9,115)	(56,872)
Net defined benefit liability	(13,471)	(17,356)
Other non-current liabilities	<u>2,343</u>	<u>(3,074)</u>
Total net changes in operating assets and liabilities	<u>(6,920,608)</u>	<u>2,515,035</u>
Cash inflow generated from operations	23,808,291	45,136,934
Interest received	901,973	217,675
Interest paid	(45,372)	(23,806)
Income taxes paid	<u>(3,583,154)</u>	<u>(1,223,342)</u>
Net cash flows from operating activities	<u>21,081,738</u>	<u>44,107,461</u>
Cash flows used in investing activities:		
Acquisition of financial assets at amortized cost	(723,473)	-
Acquisition of financial assets at fair value through other comprehensive income	(6,000)	(12,000)
Acquisition of property, plant and equipment	(20,711,174)	(11,260,234)
Proceeds from disposal of property, plant and equipment	122,847	-
Increase (decrease) in refundable deposits	50,528	(18,799)
Acquisition of intangible assets	(218,437)	(218,437)
Decrease in lease and installment receivables	264,330	264,330
Increase in other non-current assets	(802)	(10,334)
Dividends received	<u>353,778</u>	<u>325,475</u>
Net cash flows used in investing activities	<u>(20,868,403)</u>	<u>(10,929,999)</u>
Cash flows used in financing activities:		
Decrease in guarantee deposits received	(47,318)	(59,248)
Payment of lease liabilities	(281,419)	(188,376)
Cash dividends paid	(11,470,000)	(4,000,000)
Exercise of employee share options	27,335	80,024
Treasury shares transferred to employees	-	<u>1,107,530</u>
Net cash flows used in financing activities	<u>(11,771,402)</u>	<u>(3,060,070)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>4,451,358</u>	<u>(1,143,327)</u>
Net increase in cash and cash equivalents	(7,106,709)	28,974,065
Cash and cash equivalents at beginning of period	<u>80,699,971</u>	<u>51,725,906</u>
Cash and cash equivalents at end of period	<u>\$ <u>73,593,262</u></u>	<u>\$ <u>80,699,971</u></u>

(English Translation of Financial Statements and Report Originally Issued in Chinese)
NANYA TECHNOLOGY CORPORATION
Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(q) and 7)	\$ 56,254,747	100	85,481,242	100
5000 Operating costs (Notes 6(e), (h), (i), (k), (l), (o), (r) and 7)	<u>(35,320,101)</u>	(63)	<u>(48,598,616)</u>	(57)
Gross profit from operations	20,934,646	37	36,882,626	43
5910 Add: Unrealized profit from sales	1,721	-	(136,120)	-
5920 Realized profit on from sales	<u>136,120</u>	-	<u>11,775</u>	-
Gross profit from operations	<u>21,072,487</u>	37	<u>36,758,281</u>	43
Operating expenses (Notes 6(h), (i), (k), (l), (o), (r) and 7):				
6100 Selling expenses	(577,289)	(1)	(663,724)	(1)
6200 Administrative expenses	(1,725,785)	(3)	(1,515,505)	(2)
6300 Research and development expenses	<u>(7,863,088)</u>	(14)	<u>(7,520,614)</u>	(9)
Total operating expenses	<u>(10,166,162)</u>	(18)	<u>(9,699,843)</u>	(12)
Net operating income	<u>10,906,325</u>	19	<u>27,058,438</u>	31
Non-operating income and expenses (Notes 6(g), (h), (j), (k), (s) and 7):				
7100 Total interest income	439,885	1	121,907	-
7010 Other income	514,382	1	-	-
7020 Other gains and losses, net	3,220,684	6	(309,129)	-
7050 Finance costs	(49,125)	-	(23,667)	-
7070 Share of profit of associates accounted for using equity method, net	<u>1,736,754</u>	3	<u>826,065</u>	1
Total non-operating income and expenses	<u>5,862,580</u>	11	<u>615,176</u>	1
7900 Profit before tax	16,768,905	30	27,673,614	32
7950 Less: Income tax expenses (Note 6(m))	<u>(2,149,874)</u>	(4)	<u>(4,824,599)</u>	(6)
Profit	<u>14,619,031</u>	26	<u>22,849,015</u>	26
8300 Other comprehensive income (Notes 6(l), (m) and (n)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Remeasurements of the net defined benefit	97,079	-	(92,311)	-
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(505)	-	(929)	-
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	(172,968)	-	(16,991)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>19,315</u>	-	<u>(18,648)</u>	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(95,709)</u>	-	<u>(91,583)</u>	-
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	4,899,241	9	(1,092,193)	(1)
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	<u>4,899,241</u>	9	<u>(1,092,193)</u>	(1)
8300 Other comprehensive income(loss), net	<u>4,803,532</u>	9	<u>(1,183,776)</u>	(1)
8500 Comprehensive income	<u>\$ 19,422,563</u>	<u>35</u>	<u>21,665,239</u>	<u>25</u>
Earnings per share (dollar) (Note 6(p))				
9750 Basic earnings per share	\$ <u>4.72</u>		<u>7.40</u>	
9850 Diluted earnings per share	\$ <u>4.68</u>		<u>7.35</u>	

(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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Balance at January 1, 2021	30,935,939	36,264	32,451,689	14,110,871	1,041,100	79,394,603	(2,893,732)	(117,772)	(1,146,932)	153,812,027
Net profit for the year ended December 31, 2021	-	-	-	-	-	22,849,015	-	-	-	22,849,015
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	(78,341)	(1,092,193)	(13,242)	-	(1,183,776)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	22,770,674	(1,092,193)	(13,242)	-	21,665,239
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	-	768,945	-	(768,945)	-	-	-	-
Special reserve appropriated	-	-	-	-	1,970,407	(1,970,407)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(4,000,000)	-	-	-	(4,000,000)
Other changes in capital surplus:										
Changes in equity of associates accounted for using equity method	-	-	15	-	-	-	-	-	-	15
Past due unclaimed dividends	-	-	123	-	-	-	-	-	-	123
Exercise of employee share option	39,280	(31,756)	72,500	-	-	-	-	-	-	80,024
Treasury shares transferred to employees	-	-	310,811	-	-	-	-	-	1,109,829	1,420,640
Retirement of treasury shares	(6,470)	-	(30,633)	-	-	-	-	-	37,103	-
Balance at December 31, 2021	30,968,749	4,508	32,804,505	14,879,816	3,011,507	95,425,925	(3,985,925)	(131,017)	(4,116,942)	172,978,068
Net profit for the year ended December 31, 2022	-	-	-	-	-	14,619,031	-	-	-	14,619,031
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	74,357	4,899,241	(170,066)	-	4,803,532
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	14,693,388	4,899,241	(170,066)	-	19,422,563
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	-	2,277,068	-	(2,277,068)	-	-	-	-
Special reserve appropriated	-	-	-	-	1,105,435	(1,105,435)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(11,470,000)	-	-	-	(11,470,000)
Other changes in capital surplus:										
Changes in equity of associates accounted for using equity method	-	-	22	-	-	-	-	-	-	22
Past due unclaimed dividends	-	-	62	-	-	-	-	-	-	62
Exercise of employee share option	11,330	(3,772)	19,777	-	-	-	-	-	-	27,335
Balance at December 31, 2022	30,980,079	736	32,824,366	17,156,884	4,116,942	95,266,810	913,316	(301,083)	612,233	180,958,050

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

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax	\$ 16,768,905	27,673,614
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	14,977,467	15,023,415
Amortization expense	258,128	260,025
Interest expense	49,125	23,667
Interest income	(439,885)	(121,907)
Share-based payments	-	313,110
Share of profit of subsidiaries and associates accounted for using equity method	(1,736,754)	(826,065)
Gain on disposal of property, plant and equipment	(74,999)	8,814
Impairment loss on non-financial assets	23,263	31,640
Unrealized (losses) gains on sales	(1,721)	136,120
Realized profit from sales	(136,120)	(11,775)
Foreign exchange gain or loss	575,980	(21,785)
Total adjustments to reconcile profit	<u>13,494,484</u>	<u>14,815,259</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	8,037,277	(4,009,001)
Other receivables	(856,700)	522,787
Inventories	(11,887,813)	2,616,448
Prepayments	(131,755)	(275,755)
Other non-current assets	(120,672)	205,110
Accounts payable (including related parties)	(75,003)	678,583
Other payable (including related parties)	(1,113,776)	2,659,092
Other current liabilities	6,581	(74,682)
Net defined benefit liability	(13,471)	(17,356)
Other non-current liabilities	2,265	(1,444)
Total changes in operating assets and liabilities	<u>(6,153,067)</u>	<u>2,303,782</u>
Cash inflow generated from operations	24,110,322	44,792,655
Interest received	316,991	62,533
Interest paid	(45,372)	(23,806)
Income taxes paid	(3,481,590)	(1,191,410)
Net cash flows from operating activities	<u>20,900,351</u>	<u>43,639,972</u>
Cash flows used in investing activities:		
Acquisition of financial assets at amortized cost	(722,764)	-
Acquisition of financial assets at fair value through other comprehensive income	(6,000)	(12,000)
Proceeds from capital reduction of investments accounted for using equity method	-	(11,141,200)
Acquisition of property, plant and equipment	(20,705,523)	(11,253,373)
Proceeds from disposal of property, plant and equipment	122,847	-
Increase (decrease) in refundable deposits	50,555	(17,864)
Acquisition of intangible assets	(218,437)	(218,437)
Decrease in lease and installment receivables	264,330	264,330
Increase in other non-current assets	(802)	(10,516)
Dividends received	353,778	552,502
Net cash flows used in investing activities	<u>(20,862,016)</u>	<u>(21,836,558)</u>
Cash flows used in financing activities:		
Decrease in guarantee deposits received	(47,322)	(59,505)
Payment of lease liabilities	(281,419)	(188,376)
Cash dividends paid	(11,470,000)	(4,000,000)
Exercise of employee share options	27,335	80,024
Treasury shares transferred to employees	-	1,107,530
Net cash flows used in financing activities	<u>(11,771,406)</u>	<u>(3,060,327)</u>
Effect of exchange rate changes on cash and cash equivalents	(443,106)	(48,602)
Net increase in cash and cash equivalents	(12,176,177)	18,694,485
Cash and cash equivalents at beginning of period	35,267,599	16,573,114
Cash and cash equivalents at end of period	<u>\$ 23,091,422</u>	<u>35,267,599</u>

Nanya Technology Corporation

Statement of Profits Distribution

For the year of 2022

Unit: NTD

	Items	Amount
Available for Distribution:		
	1. Unappropriated retained earnings of previous years	80,573,422,606
	2. Net profit after tax of current year	14,619,031,187
	3. Reversal of special reserve	4,116,942,483
	4. Other comprehensive income reclassified to unappropriated retained earnings of current year	74,356,796
	Total	99,383,753,072
Distribution Items:		
	1. Appropriation of legal reserve	1,469,338,798
	2. Distribution of cash dividends	6,600,000,000
	3. Unappropriated retained earnings carried forward to next year	91,314,414,274
	Total	99,383,753,072
Explanation	<p>1. In accordance with Article 20 of the Articles of Incorporation of the Company, the distribution of cash dividends is authorized to the Board of the Directors to resolve and report to the shareholders' meeting.</p> <p>2. The Company distributes cash dividends for a total of NT\$6,600,000,000. The cash dividends per share is NT\$2.13037721 based on total outstanding shares of 3,098,042,894 shares on January 31, 2023. The total outstanding shares may increase as the Company's employees may elect to exercise their stock option rights. The final cash dividends per share may need to be adjusted accordingly. The Chairman was authorized by the Board of Directors to handle the relevant matter.</p> <p>3. The Company distributes dividends for a total of NT\$6,600,000,000, all of which are from net profit after tax of 2022.</p> <p>4. While the distribution of cash dividends to each individual shareholder is less than 1 dollar, the distribution will be rounded to the nearest dollar.</p> <p>5. Reversal of special reserve is appropriated from the net amount of the deduction of other equity interest which is exchange differences loss on translation of foreign financial statements and unrealized gain or loss on financial assets measured at fair value through other comprehensive income.</p> <p>6. Other comprehensive income reclassified to unappropriated retained earnings of current year are the adjustment of the actuarial pension valuation.</p> <p>7. Legal reserve is appropriated from 10% of the amount which is added up net profit after tax of current year and other comprehensive income reclassified to unappropriated retained earnings of current year.</p>	

Independent Auditors' Report

To the Board of Directors of Nanya Technology Corporation:

Opinion

We have audited the consolidated financial statements of Nanya Technology Corporation ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories

Please refer to Notes 4(h), 5, as well as 6(e) for details on accounting policy, judgments and major sources of estimation uncertainty, as well as disclosure on information about inventory valuation, respectively.

The Group recognizes a loss from the devaluation of inventories on a quarterly basis based on the lower of cost or net realizable value method. The international market price of DRAM has significantly affected the net realizable value of inventories. Therefore, the evaluation of inventory has been identified as a key audit matter in the consolidated financial statements.

The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value.

Other Matter

The company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Chih Ko and Hsin-Yi Kuo.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2023

Notes to Readers

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

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

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 sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant 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, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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 Account of 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.

Valuation of inventories

Please refer to Notes 4(g), 5, as well as 6(e) for details on accounting policy, judgments, and major sources of estimation uncertainty, as well as disclosure on information about inventory valuation, respectively.

The Company recognizes a loss from the devaluation of inventories on a quarterly basis based on the lower of cost or net realizable value method. The international market price of DRAM has significantly affected the net realizable value of inventories. Therefore, the evaluation of inventory has been identified as a key audit matter in the financial statements.

The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value.

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 Hui-Chih Ko and Hsin-Yi Kuo.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2023

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.

Information regarding the Proposed Employees' Compensation and Compensation to Directors Adopted by the Board of Directors of the Company:

1. Amounts of employees' cash compensation, stock compensation, and cash compensation to Directors and Supervisors:	
Employees' cash compensation	NT\$ 1,010,000,000
Employees' stock compensation	NT\$ 0
Cash Compensation to Directors	NT\$ 0
2. Share amount of the employees' stock compensation and the percentage of the share amount to that of all stock dividend:	
Share amount of employees' stock compensation	0 share
Percentage of the share amount to that of all stock dividends	0%

The above-listed amount of employees' cash compensation is consistent with the proposed amount adopted by the Board of Directors of the Company.

Effect upon Business Performance and Earnings Per Share of the Company by the Stock Dividend Distribution Proposed at the 2023 Annual Shareholders' Meeting:

Not applicable since the Company does not propose the stock dividend distribution at the 2023 Annual Shareholders' Meeting and does not required to prepare financial forecast information.

ARTICLES OF INCORPORATION OF NANYA TECHNOLOGY CORPORATION

Amended by the Annual Shareholders' Meeting on May 26, 2022

CHAPTER I GENERAL PRINCIPLES

Article 1

The Company is incorporated in accordance with the Company Law, by the name of Nanya Technology Corporation.

Article 2

The Company is engaged in the following businesses:

- (1) CC01080 Electronic Parts and Components Manufacturing;
- (2) F401010 International Trade;
- (3) I199990 Other Consultancy; and
- (4) ZZ99999 Businesses not prohibited and restricted by regulations except permitted businesses.

Article 3

The Company's principal office is located in New Taipei City, and, if necessary, may set up local or foreign offices or branches in accordance with the resolution of the Board of Directors.

Article 4

Any public notice of the Company shall be made in accordance with Article 28 of the Company Law.

Article 5

The Company may provide guaranty in favor of its business related entities.

The total amount of the investments in other companies shall exceed forty percent of the Company's paid-in capital.

CHAPTER II SHARES

Article 6

The total capital of the Company is NT\$300,000,000,000, divided into 30,000,000,000 shares, at NT\$10 per share. The unissued shares of the capital are issued in installments. NT\$4,000,000,000, divided into 400,000,000 shares at NT\$10 per share out of the total capital as mentioned above shall be reserved for the issuance of certificates of subscription rights.

Article 7

The company may be exempted from printing any share certificate for the issued shares and the company shall appoint a centralized securities custody institution to make recordation of the issue of such shares.

Article 8

Registration for share transfer shall be suspended within sixty days prior to each ordinary shareholders' meeting, thirty days prior to each extraordinary shareholders' meeting, or five days prior to any record date for distribution of dividends or other interests as determined by the Company.

CHAPTER III SHAREHOLDERS MEETING

Article 9

Shareholders' meetings of the Company may be classified into ordinary regular meetings and extraordinary meetings. Ordinary meetings shall be held within 6 months after the end of each fiscal year and shall be convened by the Board of Directors.

Extraordinary meetings will be held according to the law when necessary.

A written notice to convene the Regular Shareholders Meeting shall be given to each Shareholder at least 30 days in advance

including the agenda. For Special Shareholders Meeting, a written notice including the agenda shall be given to each shareholder 15 days in advance. Causes and subjects of convening a Shareholders Meeting shall be explicitly described in the notice and public announcement. Notice may be made in electronic form upon the consent of the counter party.

Article 10

In case a shareholder is unable to attend a shareholders' meeting, he/she may sign and chop a proxy in the form printed and provided by the Company, stating the scope of authorization, to appoint a proxy to attend the meeting on his/her behalf. After the proxy is being served to the Company, if the shareholder would like to attend the Shareholders Meeting in person or exercise the voting power in writing or by way of electronic transmission, such shareholder shall notify the Company in writing no later than two(2) day prior to the meeting date of the Shareholders Meeting. If the shareholder fails to revoke his/her proxy by the aforesaid deadline, the voting right exercised by the proxy shall prevail.

Article 11

Each shareholder shall have one vote right for each share he/she holds, except for limited shares or circumstances without voting rights as itemized in paragraph 2, Article 179 of the R.O.C. Company Law.

Article 12

Unless otherwise required by the Company Law, any resolution of shareholders' meeting shall be adopted by the Shareholders of a majority of the votes presented at a shareholders' meeting attended by the shareholders who aggregately hold a majority of all issued and outstanding shares of the Company.

Resolutions adopted at the Shareholders Meeting shall be recorded in the minutes of the proceedings. The minutes of proceedings

shall also include the time and place of the meeting, name of the chairman, the manner in which resolutions had been adopted, as well as other essentials of the proceedings, and shall be signed or sealed by the chairman of the meeting. Preparation and distribution of the minutes may be made in electronic method. The Company may issue a public announcement on the Market Observation Post System to distribute the aforesaid meeting minutes to shareholders.

CHAPTER IV DIRECTORS

Article 13

The Company shall have 9 to 12 directors, each with a term of three years. The candidates nomination system is adopted by the elections of the directors. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. A director can be re-elected.

The directors mentioned in the previous paragraph shall be at least three (3) independent directors. The method of nomination, election of independent directors and other related matters shall be conducted in accordance with the Company Law and the regulations of the competent authority for securities matters.

In accordance with the Article 14-4 of the “Securities and Exchange Act”, the Company shall establish an Audit Committee. The Audit Committee shall consist of all of the independent directors. The exercise of competence and related matters of the Audit Committee and its members shall be in accordance with “Securities and Exchange Act” and other related regulations.

Article 14

The Board of Directors is constituted by directors. A Chairman of the Company is elected by a majority of the directors at a board meeting at which more than two-thirds of all of the directors are present, and may elect a Vice Chairman. The Chairman shall be

the representative of the Company.

Article 15

In case the Chairman is on leave or is not able to exercise its power and authority for any cause, such situation shall be handled in accordance with Article 208 of the Company Law.

The meeting notice of the Board of Director may be given by means of written notice, email, or fax. Each director shall attend the meeting of the board of directors in person. If directors can not attend in person except those residing in a foreign country and regulated by Company Law, he/she shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting and appoints another director to attend a meeting of the board of directors in his/her behalf, but a director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

With the exception of items that regulated by law or relevant article or regulation, such as the major advantages of the Company or Related-party Transactions, should still be resolved by The Board of Directors, The Board of Directors can authorize the Chairman to preside the following scope during the off-session,

- (1) Ratify the important agreements.
- (2) Ratify the secured or pledged loan by real estate and other types of loan.
- (3) Ratify the purchase and disposal on assets and real estates of the Company.
- (4) Appoint the Directors of the Board and Supervisors of the invested companies.

(5) Ratify the record date of capital increase or decrease and cash or stock dividend.

Article 16

The Board of Directors is authorized to determine the compensation for the Directors, according to their extent and value of the contribution provided for the Company and the common compensation standards of the same industry.

The Company shall buy D&O insurance for the directors during the term.

CHAPTER V MANAGERS

Article 17

The Company shall have certain managers. The appointment, discharge and remuneration of such managers shall be made in accordance with Article 29 of Company Law.

CHAPTER VI ACCOUNTING

Article 18

After the end of each fiscal year, the Board of Directors shall prepare the following statements and reports and submit them to the ordinary shareholders' meeting for ratification:

- (1) Business report;
- (2) Financial report; and
- (3) Proposals for allocation of profits or compensating losses.

Article 19

The Company shall appropriate 1% to 12% for employees' compensation from its profit, if any, before tax. However, the Company's accumulated losses shall have been covered.

The Company may have the profit distributable as employees' compensation distributed in the form of shares or in cash, and the

qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive compensation shall be determined by the Board of Directors.

The resolution of employees' compensation shall be made in accordance with Article 235-1 of the Company Law of ROC.

Article 20

Whenever there are profits of the Company, it shall be used to pay all outstanding taxes, recover the Company's accumulated losses, and set aside 10% thereof in a legal reserve. Thereafter, the remaining profit, if any, after set aside a special reserve or reserves for certain undistributed earnings for business purposes, shall collectively with any undistributed surplus earnings from previous fiscal years, be included in a surplus earning distribution plan submitted by the Board of Directors and be authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by over two-thirds of the Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting.

The Company belongs to a high-technology and capital intensive industry and its operations are still experiencing significant growth. To accommodate the long-term financial projection of the Company, the Company adopts the policy that dividends shall be distributed appropriately in accordance with the Company's budget of capital expenditures. In principle, the stock dividends distributed by the Company shall not exceed 50% of the total distributable dividends of that year.

CHAPTER VII MISCELLANEOUS

Article 21

Any matter not provided in these Articles of Incorporation shall be handled in accordance with the Company Law and other relevant regulations.

Article 22

These Articles of Incorporation were enacted on February 17, 1995.

The first amendment was made on July 4, 1995.

The second amendment was made on October 20, 1995.

The third amendment was made on May 31, 1997.

The fourth amendment was made on May 29, 1998.

The fifth amendment was made on April 28, 2000.

The sixth amendment was made on March 30, 2001.

The seventh amendment was made on March 30, 2001.

The eighth amendment was made on August 31, 2001.

The ninth amendment was made on May 17, 2002.

The tenth amendment was made on May 14, 2003.

The eleventh amendment was made on May 14, 2003.

The twelfth amendment was made on May 14, 2004.

The thirteenth amendment was made on May 14, 2004.

The fourteenth amendment was made on May 18, 2005.

The fifth amendment was made on May 19, 2006.

The sixteenth amendment was made on May 25, 2007.

The seventeenth amendment was made on June 25, 2008.

The eighteenth amendment was made on June 24, 2010.

The 19th amendment was made on November 17, 2011.

The 20th amendment was made on June 12, 2012.

The 21th amendment was made on December 14, 2012.

The 22th amendment was made on June 10, 2015. The

Company shall establish an Audit Committee at the expiration of the term of office of the Company's incumbent

Supervisors elected on June 21, 2013.

The 23th amendment was made on June 22, 2016.

The 24th amendment was made on May 26, 2017.

The 25th amendment was made on August 4, 2021.

The 26th amendment was made on May 26, 2022.

Nanya Technology Corporation

Convention Rules and Procedures for Shareholders' Meeting

Amended by the Shareholders' Meetings on August 4, 2021

- Article 1: For the purposes of establishing a good governance system for a shareholders' meeting (the "Meeting"), strengthening the supervision function and enhancing management mechanism, the Company hereby promulgates the "Procedures and Rules of Shareholders Meeting" (the "Procedures") in accordance with the "Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies".
- Article 2: Unless otherwise provided in laws, regulations or the Articles of Incorporation ("AOI") of the Company, a Meeting of the Company shall be conducted in compliance with the Procedures.
- Article 3: Unless otherwise prescribed by the laws or regulations, a Meeting of the Company shall be convened by the Board of the Directors of the Company.
- A notice to convene a regular Meeting shall be given to each shareholder no later than thirty (30) days prior to the scheduled Meeting date; while a public notice may be given to the registered stock shareholders whose shareholding is less than one thousand shares no later than thirty (30) days prior to the scheduled meeting date by a public announcement on the Market Observation Post System of the Taiwan Stock Exchange Corp. ("TSE"). A notice to convene a special Meeting shall be sent to each shareholders no later than fifteen (15) days prior to the scheduled Meeting date; while a public notice

may be given to the registered stock shareholders whose shareholding is less than one thousand shares no later than fifteen (15) days prior to the scheduled meeting date by a public announcement on the Market Observation Post System of the TSE.

To convene a Meeting, a Meeting agenda shall be prepared. The softcopy of meeting notice, proxy form, subject matters and explanations for topics related to ratification items, discussion item, and election or discharge of Directors(s), shall be prepared and uploaded to the Market Observation Post System of TSE at least thirty (30) days prior to the scheduled regular Meeting date or at least fifteen (15) days prior to the scheduled special Meeting date. Also, the softcopy of Meeting Agenda and supplemental materials shall be prepared and uploaded to the Market Observation Post System of TSE at least twenty-one (21) days prior to the scheduled regular Meeting date or at least fifteen (15) days prior to the scheduled special Meeting date. The hardcopy of Meeting Agenda and supplemental materials shall be available for shareholders to obtain and review at any time fifteen (15) days prior to the scheduled Meeting date and be displayed at the Company and professional stock agency engaged by the Company, and be distributed in the venue of a Meeting.

Causes and subjects of a Meeting to be convened shall be explicitly described in the notice and public announcement. The notice may be made in electronic form upon the consent of the counter party.

Matters regarding re-election or discharge of directors, amendments to the AOI, capital reduction, application to be delisted from public offering, releasing of

non-competition restriction of Directors, capital increase by retained earnings, capital increase by capital reserve, and dissolution, merger, splitting of the Company, or any matters stipulated in Paragraph 1 of Article 185 of the R.O.C. Company Law, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized by causes and subjects in the notice of convening a Meeting, rather than being brought up by extraordinary motions. The meeting agenda has specified general re-elections of the Directors and the terms of the Directors' office, the terms of office of the Directors shall not be altered by raising an extraordinary motion or any other method upon the completion of the general elections at the Shareholders' Meeting.

Shareholder(s) who has (have) held more than one percent (1%) of the total amount of the issued and outstanding shares of the Company may submit a motion for a regular Meeting to the Company. However, each of such shareholders can only submit one (1) motion. Otherwise, all of his/her motions shall not be included in the agenda. In the event that any motion submitted by a shareholder falls under one of the situations set forth in Paragraph 4 of Article 172-1 of the R.O.C. Company Law, the Board of Directors of the Company may not list such motion in the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill social responsibilities, and the providing procedure shall be in accordance with Article 172-1 of the Company Act.

The Company shall, before the date on which transfer of

shares is suspended for the regular Meeting, make a public announcement regarding the period and places for shareholders to submit motions in writing or electronic form. This period shall not be less than ten (10) days.

A shareholder's motion shall be limited to three hundred (300) words. A motion with a text length that exceeds three hundred (300) words shall not be included in the agenda. The shareholder who submits a motion shall attend the regular Meeting in person or by his/her proxy to participate in the discussion of the motion made by him/her.

The Company shall, before the notification date of the regular Meeting, notify the proposing shareholders whether the motions such shareholders submitted are able to be included in the agenda and list the motions which have complied with this Article in the meeting notice.

The Board of Directors shall explain the reasons for those rejected motions in the regular Meeting.

Article 4: A shareholder may appoint a proxy on his/her behalf to attend the Meeting by executing a power of attorney printed by the Company stating therein the scope of the authority authorized to the proxy.

Each shareholder may only execute one (1) power of attorney and appoint one (1) proxy only, and shall serve the written proxy to the Company no later than five (5) days prior to the meeting date of the Meeting. In case two (2) or more written proxies are received by the Company from one shareholder, the first one received by this Company shall prevail, unless an explicit statement to supersede the previous written proxy is made in the proxy which comes later.

After the written proxy is being served to the Company, if the shareholder would like to attend the Meeting in person or exercise the voting power in writing or by way of electronic transmission, the shareholder shall notify the Company in writing no later than two (2) day prior to the meeting date of a Meeting to revoke his/her proxy. If the shareholder fails to revoke his/her proxy on time, the voting right exercised by the proxy shall prevail.

Article 5: The place for convening the Meeting shall be the location of the Company, or any other appropriate place that is convenient for the shareholders to attend, and suitable for holding the Meeting. The time to start the Meeting shall not be earlier than 9 a.m. or later than 3 p.m.

Article 6: The meeting notice shall clearly state the registration time, the venue and other matters needing attention for shareholders. Shareholders' registration time which mentioned in preceding paragraph shall start 30 minutes ahead of the meeting, and the venue shall be with visible sign. The Company should designate the sufficient and suitable personnel to assist the registration.

The Company shall deliver the Meeting agenda, annual report, attendance certificate, speaker's slips, ballots and other Meeting related documents to shareholders who attend a Meeting. Election ballots shall be delivered as well in case that Director(s) will be elected in that Meeting.

A shareholder or his/her proxy ("Shareholder") shall attend a Meeting upon the attendance certificate, attendance card, or other certificates of attendance. The Company shall not impose arbitrary requirements on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. If the one

who attends the Meeting is a solicitor of solicited proxies, the solicitor shall bring personal identification for verification. A shareholder present shall submit the attendance card to substitute signing in.

Government or a legal entity, as a shareholder, may designate one (1) or more representatives to attend the Meeting. A legal entity that is appointed as a proxy to attend the Meeting can only assign one (1) representative to attend the Meeting.

Article 7: If the Meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be the chairman presiding over the Meeting. In case that the Chairman of the Board of Directors is on leave, or cannot execute his or her authority of office for any reason, the Vice Chairman of the Board of Directors shall preside over the Meeting. If there is no Vice Chairman of the Board of Directors, or the Vice Chairman of the Board of Directors is also on leave, or cannot execute his or her authority of office for any reason, the Chairman of the Board of Directors shall designate one of the Managing Directors to act on behalf of him/her; if there is no Managing Director, the Chairman of the Board of Directors shall designate one of the Directors to preside over the Meeting. If the Chairman of the Board of Directors does not designate any proxy to preside over the Meeting on his/her behalf, the Managing Directors or Directors of the Board shall elect one from among themselves to preside over the Meeting.

The Chairman who assumes the acting chair of the meeting by Managing Directors or Directors in preceding paragraph shall hold an office at least 6 months above and fully understand the situation of finance and business

of the Company. The same applies in case of the Chairman as representative of legal person shareholder. If the Meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be the chairman presiding over the meeting, and majority of the Board of Directors ought to attend the Meeting, and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the Shareholders Meeting minutes.

If the Meeting is convened by any other person entitled to convene the Meeting, not by the Board of Directors, such person shall preside over the Meeting. If there are two (2) or more persons entitled to convene the Meeting, they shall elect one from among themselves to preside over the Meeting.

The Company may designate its lawyers, certified public accounts or relevant persons to attend the Meeting.

Article 8: The whole proceedings of the meeting which shall include the process of shareholders' registration, voting and recording of ballots shall be videotaped and taperecorded uninterruptedly. Those tapes set forth in preceding paragraph shall be preserved for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the R.O.C. Company Law, such tapes shall be kept until the conclusion of such litigation.

Article 9: The calculation of the attendance of the Meeting shall be based on the shares represented. The number of shares represented by shareholders present in the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders present plus the voting rights exercised in writing or by electronic method.

The chairman shall call the Meeting to order at the time scheduled for the Meeting, and meanwhile shall announce the related information about the total number of shares held by shareholders having no voting right and the total number of shares represented by the shareholders present at the meeting.

If the number of shares represented by the shareholders present at the Meeting has not yet reached more than fifty percent (50%) of the total amount of the issued and outstanding shares of the Company, the chairman may postpone the time of the Meeting. The postponements shall be limited to two (2) times at most and the Meeting may not be postponed longer than one (1) hour totally. The chairman shall abort the convention of the Meeting if the shares of the shareholders present at the Meeting are less than one third (1/3) of the total issued and outstanding shares after the Meeting being postponed by two (2) times.

If after two postponements the number of shares represented by the shareholders present at the Meeting still can not constitute the quorum for the Meeting, but the shares of the shareholders present at the Meeting represents one-third (1/3) of the total issued and outstanding shares or more, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the R.O.C. Company Law, and sent to all shareholders to convene the Meeting again within one (1) month.

Before the adjournment of the Meeting if the number of shares represented by the shareholders present at the Meeting reaches more than fifty percent (50%) of the total amount of the issued and outstanding shares, the chairman may submit the adopted tentative resolution(s)

to the Meeting for approval in accordance with Article 174 of the R.O.C. Company Law.

Article 10: If the Meeting is convened by the Board of Directors, the agenda of the Meeting shall be set by the Board of Directors. The relevant proposals (including extraordinary motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The Meeting shall proceed in accordance with the agenda, unless otherwise resolved by the Meeting.

The preceding paragraph shall apply mutatis mutandis to cases where the Meeting is convened by a person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved by the Meeting, the chairman shall not adjourn the Meeting before all of discussion items (including extraordinary motions) in the agenda of the Meeting have been resolved. In case that the chairman violates the Procedures and announces the adjournment of the Meeting, other members of the Board of Directors shall promptly assist the shareholders present at the Meeting, pursuant to the laws and regulations, to elect one person among themselves by a majority of at least fifty percent (50%) or more votes represented by the shareholders present at the Meeting to act as the chairman to preside over the Meeting and continue the Meeting.

The chairman shall provide opportunities to the shareholders for their sufficient explanation and discussion on the discussion items in the agenda of the Meeting, the amendment to the discussion items and extraordinary motions made by shareholders. The Chairman may announce to end the discussion of the

foresaid matters and submit them to be resolved when the chairman deems appropriate and shall also arrange ample time for a vote.

Article 11: A shareholder who intends to speak in the Meeting shall first fill out a speech note, specifying therein the summary of the speech, the shareholder's number (or the number of his/her attendance certificate) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

A shareholder who only submits his/her speech note for a speech but does not actually speak in the Meeting shall be considered as not having given such a speech. If the contents of the speech of the shareholder are different from the contents of the speech note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman, each shareholder shall not speak more than two times for each discussion item. Each speech shall not take more than 5 minutes. In case the speech of any shareholder violates the foresaid provisions or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

When a shareholder is giving a speech, the other shareholders shall not interrupt the speech of the shareholder unless they have obtained the consent from the chairman and the said shareholder. For any such violations, the chairman shall stop the interruption immediately.

If a legal entity shareholder who designates two (2) or more representatives to represent it at the Meeting, only one of the representatives so designated can speak for each discussion item.

After the speech of a shareholder, the chairman may respond by himself/herself or appoint an appropriate person to respond.

Article 12: A resolution of a Meeting shall be calculated by the numbers of shares.

Shares held by a shareholder without voting right shall not be counted in the numbers of the total issued and outstanding shares while adopting a resolution at a Meeting.

A shareholder, who has a conflict of interest with the Company in the matter discussed at a Meeting and such conflict may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of other shareholders.

A director of the Company has created a pledge on the company's shares more than half of the company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised and the excessive portion of shares shall not be counted in the number of votes of shareholders present at the meeting.

Shares for which voting right cannot be exercised as mentioned in those two preceding paragraphs shall not be counted in the number of votes of shareholders present at the Meeting.

In the event the same proxy acts for two (2) or more shareholders, except for a securities trust enterprise or stock agency approved by the competent authority, his/her delegated voting right cannot exceed three percent (3%) of the total voting rights of the issued and outstanding shares of the Company. Otherwise the

excessive voting rights shall not be counted.

Article 13: Shareholders of the Company shall be entitled to one vote for each share they hold, except for the limited shares or the shares without voting rights as set forth under Paragraph 2 of Article 179 of the R.O.C. Company Law.

Shareholders of the Company shall exercise their voting rights by electronic method and may exercise their voting rights in writing. The way how to exercise voting rights in writing or by electronic method shall be described in the Meeting notice. Shareholders who exercise their voting rights in writing or by electronic method shall be deemed as attending the Meeting in person provided however that their voting rights to the extraordinary motions and amendments to the discussion items at the Meeting shall be deemed to be abandoned.

The shareholder who intends to exercise his/her voting rights in writing or by electronic method as stated in the preceding paragraph shall serve the Company his/her voting rights exercising result in writing (the "Voting Exercising") no later than two (2) days prior to the Meeting. If two or more Voting Exercising is received by the Company from one shareholder, the first one received by the Company shall prevail, unless the later one is sent to revoke the previous one.

The shareholder who has exercised his/her voting rights in writing or by electronic method and thereafter wants to attend the Meeting in person shall revoke his/her Voting Exercising via the same method he/she took previously to serve his/her Voting Exercising to the Company by at least two(2) day before the Meeting. In case the shareholder fails to revoke his/her Voting Exercising on

time, the Voting Exercising shall prevail. If a shareholder has exercised his/her voting right in writing or by electronic method but also appoints a proxy by power of attorney to attend the Meeting, the voting rights exercised by the proxy shall prevail.

Unless a majority of more than fifty percent (50%) is required by the R.O.C. Company Law or the AOI of the Company, a resolution of the Meeting shall be adopted by at least a fifty percent (50%) majority of votes represented by the shareholders present at the Meeting. In the proceedings of voting, the chairman or the person designated by the chairman shall announce the total voting shares of the shareholders present at the Meeting by each discussion item, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

If there is an amendment or alternative for a discussion item, the chairman may combine the amendment or alternative into the original discussion item, and determine the sequence of voting for such discussion item. If any one of the above has been resolved, the others shall be deemed vetoed and no further voting is necessary.

In addition to the proposals on the meeting agenda, when a shareholder wishes to propose an extraordinary motion, the shareholder's voting rights shall represent at least 1% or more of the Company's total issued shares.

The person(s) to supervise and the person(s) to record the ballots during a vote by casting ballots shall be designated by the chairman. However the persons

supervising the recording of the ballots shall be shareholders of the Company. The whole process of resolutions, election of Directors and the ballots recording shall be conducted in publicly venue of the meeting. The result of voting which shall include the total number of the voting rights shall be announced at the Meeting, and recorded in the meeting minutes.

Article 14: Election of Directors shall be conducted according to the relevant election rules of the Company. Election results which shall include the names of those elected and not elected as directors and the numbers of votes with which they were elected and not elected shall be announced extemporarily at the Meeting.

The ballots for the elections set forth in the preceding paragraph shall be sealed and signed by the persons supervising the recording of the ballots and properly kept for at least one (1) year. However, if a shareholder files a lawsuit pursuant to Article 189 of the R.O.C. Company Law, such ballots shall be kept until the conclusion of such litigation.

Article 15: Resolutions adopted at the Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairman of the Meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the Meeting. Preparation and distribution of the meeting minutes may be made by electronic form and method.

This Company may issue a public announcement on the Market Observation Post System to distribute the aforesaid meeting minutes to shareholders.

Information including the time (year, month and date) and place of the Meeting, name of the chairman, the

manner in which resolutions had been adopted, as well as the summary of the essentials of the proceedings and result of the Meeting (including the weight of the votes), and the number of weighted votes each candidate received in case of a Directors' elections shall be clearly stated in the meeting minutes. The Company shall keep the meeting minutes persistently during the existence of the Company.

Article 16: The Company shall prepare a statistical statement in accordance with the prescribed format and explicitly disclose the number of the shares solicited by the solicitors and the number of the shares of the proxies in the venue of a Meeting on the date of the Meeting. The Company shall make public announcements regarding the content of the Meeting resolutions on the Market Observation Post System within the required time limit if such resolutions are qualified as the material events as set forth in the laws and regulations or regulated by the Taiwan Stock Exchange Corporation.

Article 17: Persons handling the business of the Meeting shall wear an identification card or a badge.

The chairman may engage disciplinary officers or security personnel to assist to keep the order of the Meeting. Such disciplinary officers or security personnel shall wear a badge or identification card marked "Disciplinary Officers".

The chairman may stop the speech of a shareholder if such shareholder makes the speech by a megaphone not provided by the Company at the Meeting.

The chairman may request disciplinary officers or security personnel to have the shareholder leave the Meeting if such shareholder violates the Procedures and

disobeys the correction order of the chairman, or interrupts the proceedings of the Meeting after being requested to stop by the chairman.

Article 18: During the Meeting, the chairman may set time for intermission at his/her discretion. In the event of any force majeure, the chairman may adjourn the Meeting temporarily and announce reopening time subject to the actual situation.

If a Meeting cannot be finished with the agenda (including extraordinary motions) while the arranged venue of the Meeting can no longer be used, a resolution to find another place to continue the Meeting may be adopted.

A resolution may be adopted to postpone or continue the Meeting within five (5) days according to Article 182 of the R.O.C. Company Law.

Article 19: The Procedures shall become effective from the date it is approved by the Meeting. The same applies in case of revision.

Nanya Technology Corporation

Current Shareholdings of Directors

Title	Name	No.	Shareholding (share)
Chairman	Chia Chau, Wu Representative of NPC	1	907,303,775
Director	Wen Yuan, Wong	17206	4,000
Director	Susan Wang	-	0
Director	Pei-Ing Lee	1266	1,455,098
Director	Ming Jen, Tzou	-	0
Director	Lin-Chin Su	285	650,601
Director	Joseph Wu Representative of NPC	1	907,303,775
Director	Rex Chuang Representative of NPC	1	907,303,775
Independent Director	Ching-Chyi Lai	-	0
Independent Director	Shu-Po Hsu	-	0
Independent Director	Tsai-Feng Hou	-	0
Independent Director	Tain-Jy Chen	-	0

Note: According to Article 26 of Securities and Exchange Act, the minimum shareholdings of the Company's Directors are 74,353,030 shares. As of March 26, 2023, the actual shareholdings of the Company's Directors are 909,413,474 shares.