

**NAN YA PRINTED CIRCUIT BOARD
CORPORATION AND SUBSIDIARIES**

Consolidated Financial Statements

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

Address: 7F., No. 390, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City
Telephone: (02)27122211

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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Representation Letter	3
4. Independent Auditors' Report	4
5. Consolidated Balance Sheets	5
6. Consolidated Statements of Comprehensive Income	6
7. Consolidated Statements of Changes in Equity	7
8. Consolidated Statements of Cash Flows	8
9. Notes to the Consolidated Financial Statements	
(1) Company history	9
(2) Approval date and procedures of the consolidated financial statements	9
(3) New standards, amendments and interpretations adopted	9~11
(4) Summary of material accounting policies	11~24
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	24
(6) Explanation of significant accounts	24~50
(7) Related-party transactions	51~54
(8) Pledged assets	55
(9) Commitments and contingencies	55
(10) Losses Due to Major Disasters	55
(11) Subsequent Events	55
(12) Other	55
(13) Other disclosures	
(a) Information on significant transactions	56
(b) Information on investees	57
(c) Information on investment in mainland China	57
(14) Segment information	58~59

Representation Letter

The entities that are required to be included in the consolidated financial statements of Nan Ya Printed Circuit Board Corporation as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Nan Ya Printed Circuit Board Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Nan Ya Printed Circuit Board Corporation

Chairman: Ming-Jen Tzou

Date: February 24, 2026



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話	Tel	+ 886 2 8101 6666
傳真	Fax	+ 886 2 8101 6667
網址	Web	kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Nan Ya Printed Circuit Board Corporation:

Opinion

We have audited the consolidated financial statements of Nan Ya Printed Circuit Board Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement 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 material 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, 2025 and 2024, 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") and 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. Key audit matters for the Group's financial statements are stated as follows:

1. Accuracy of the timing of revenue recognition

Please refer to Note 4(n), "Revenue Recognition," and Note 6(m) for the accounting policies relating to revenue recognition and further details on revenue, respectively.

The Group is principally engaged in the manufacturing and sale of printed circuit boards. As the timing of revenue recognition is influenced by the transaction terms agreed upon with customers, there is a risk that revenue pertaining to periods shortly before and after the balance sheet date may not be recognized in the appropriate period. Hence, the accuracy of revenue cut-off is considered as one of our key audit matters.

The primary audit procedures performed to address this key audit matter included: obtaining an understanding of major revenue streams, contractual terms, and transaction conditions, in order to assess the appropriateness of revenue recognition timing; examining key customer sales contracts; testing the Group's internal controls over shipping activities and revenue recognition processes; and selecting shipments occurring shortly before and after the balance sheet date and tracing them to supporting documents and related records to evaluate whether sales revenue was recognized in the appropriate reporting period.

2. Valuation of inventories

The Group estimates the loss on decline of inventory market price on a monthly basis using the aging analysis of inventories and the lower of cost or net realizable value. Since the net realizable value of inventory relies on the impact of international raw material prices, the valuation of inventories is one of the key audit matters while conducting the audit for the financial statements of the Group. For accounting policies, estimation uncertainty, and related disclosures on the valuation of inventories, please refer to notes 4(h), 5(a), and 6(d), respectively, of 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 and the aging analysis of inventories.

Other Matter

Nan Ya Printed Circuit Board Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the 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.

We communicated 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 identified during our audit.

We also provided 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 determined 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 described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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 Kuo, Hsin-Yi and Jhang, Jhao-Wun.

KPMG

Taipei, Taiwan (Republic of China)
February 24, 2026

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' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 8,589,500	14	8,480,692	14	2130	Current contract liabilities (note 6(m))	\$ 2,218,144	4	2,218,144	4
1120	Current financial assets at fair value through other comprehensive income	116,844	-	106,358	-	2170	Accounts payable	1,534,331	3	1,295,788	2
1170	Notes and accounts receivable, net (notes 6(b) and (m))	9,497,084	16	6,941,633	11	2180	Accounts payable to related parties (note 7)	176,544	-	221,757	-
1180	Accounts receivable due from related parties (notes 6(b), (m) and 7)	55,211	-	54,613	-	2219	Other payables	2,267,695	4	2,154,852	4
1200	Other receivables (note 6(c))	153,465	-	120,280	-	2220	Other payables to related parties (note 7)	98,392	-	40,306	-
1210	Other receivables due from related parties (notes 6(c) and 7)	1,951	-	1,574	-	2230	Current tax liabilities	480,409	1	315,597	1
1310	Inventories (note 6(d))	5,067,682	9	4,100,848	7	2281	Current lease liabilities (notes 6(h) and (s))	-	-	4,693	-
1470	Prepayments and other current assets (note 6(a))	140,908	-	869,156	1	2282	Current lease liabilities, related parties (notes 6(h), (s) and 7)	248,048	-	258,467	-
	Total current assets	<u>23,622,645</u>	<u>39</u>	<u>20,675,154</u>	<u>33</u>	2300	Other current liabilities	165,190	-	154,671	-
							Total current liabilities	<u>7,188,753</u>	<u>12</u>	<u>6,664,275</u>	<u>11</u>
Non-current assets:						Non-current liabilities:					
1550	Investments accounted for using equity method (note 6(e))	500,196	1	459,726	1						
1600	Property, plant and equipment (note 6(f))	35,373,336	58	39,990,692	64	2527	Non-current contract liabilities (note 6(m))	3,297,058	6	5,515,202	9
1755	Right-of-use assets (notes 6(g) and 7)	1,240,265	2	1,488,927	2	2570	Deferred tax liabilities (note 6(j))	2,535,447	4	2,985,727	5
1840	Deferred tax assets (note 6(j))	461,063	-	313,941	-	2582	Non-current lease liabilities, related parties (notes 6(h), (s) and 7)	986,579	2	1,216,311	2
1900	Other non-current assets	9,893	-	9,971	-	2640	Net defined benefit liability, non-current (note 6(i))	871,106	1	926,779	1
	Total non-current assets	<u>37,584,753</u>	<u>61</u>	<u>42,263,257</u>	<u>67</u>	2645	Guarantee deposits received	205,561	-	179,737	-
							Total non-current liabilities	<u>7,895,751</u>	<u>13</u>	<u>10,823,756</u>	<u>17</u>
							Total liabilities	<u>15,084,504</u>	<u>25</u>	<u>17,488,031</u>	<u>28</u>
						Equity (note 6(k)):					
						3100	Ordinary shares	6,461,655	10	6,461,655	10
						3200	Capital surplus	18,125,648	30	18,125,632	29
						3310	Legal reserve	8,504,731	14	8,473,910	14
						3320	Special reserve	324,428	-	1,112,574	2
						3350	Unappropriated retained earnings	13,482,234	22	11,601,037	18
						3400	Other equity interest	(775,802)	(1)	(324,428)	(1)
							Total equity	<u>46,122,894</u>	<u>75</u>	<u>45,450,380</u>	<u>72</u>
Total assets		<u>\$ 61,207,398</u>	<u>100</u>	<u>62,938,411</u>	<u>100</u>	Total liabilities and equity		<u>\$ 61,207,398</u>	<u>100</u>	<u>62,938,411</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(m) and 7)	\$ 40,172,990	100	32,283,331	100
5000	Operating costs (notes 6(d), (f), (g), (h), (i), (n) and 7)	<u>36,525,938</u>	<u>91</u>	<u>31,925,633</u>	<u>99</u>
	Gross profit from operations	<u>3,647,052</u>	<u>9</u>	<u>357,698</u>	<u>1</u>
	Operating expenses (notes 6(f), (g), (h), (i), (n) and 7):				
6100	Selling expenses	373,463	1	320,769	1
6200	Administrative expenses	<u>1,291,174</u>	<u>3</u>	<u>1,303,585</u>	<u>4</u>
6000	Total operating expenses	<u>1,664,637</u>	<u>4</u>	<u>1,624,354</u>	<u>5</u>
6900	Net operating income (loss)	<u>1,982,415</u>	<u>5</u>	<u>(1,266,656)</u>	<u>(4)</u>
	Non-operating income and expenses (notes 6(e), (f), (h), (o) and 7):				
7100	Interest income	158,239	-	255,058	1
7010	Other income	381,647	1	615,006	2
7020	Other gains and losses	(181,320)	-	550,304	2
7050	Finance costs	(13,810)	-	(17,535)	-
7060	Share of profit of associates accounted for using equity method	<u>18,343</u>	<u>-</u>	<u>26,889</u>	<u>-</u>
	Total non-operating income and expenses	<u>363,099</u>	<u>1</u>	<u>1,429,722</u>	<u>5</u>
7900	Profit before tax	2,345,514	6	163,066	1
7950	Less: Tax expense (benefit) (note 6(j))	<u>398,739</u>	<u>1</u>	<u>(40,661)</u>	<u>-</u>
8200	Profit	<u>1,946,775</u>	<u>5</u>	<u>203,727</u>	<u>1</u>
8300	Other comprehensive income (notes 6(e), (j) and (k)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans	(220,631)	-	130,345	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	10,486	-	(130,925)	-
8320	Share of other comprehensive income of associates accounted for using equity method	41,362	-	(42,082)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(44,126)</u>	<u>-</u>	<u>26,069</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(124,657)</u>	<u>-</u>	<u>(68,731)</u>	<u>-</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(629,317)	(2)	1,201,702	4
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(125,863)</u>	<u>-</u>	<u>240,341</u>	<u>1</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(503,454)</u>	<u>(2)</u>	<u>961,361</u>	<u>3</u>
8300	Other comprehensive income, net	<u>(628,111)</u>	<u>(2)</u>	<u>892,630</u>	<u>3</u>
8500	Total comprehensive income	<u>\$ 1,318,664</u>	<u>3</u>	<u>1,096,357</u>	<u>4</u>
	Earnings per share (note 6(l))				
9750	Basic earnings per share	<u>\$ 3.01</u>		<u>0.32</u>	
9850	Diluted earnings per share	<u>\$ 3.01</u>		<u>0.32</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

						Other equity interest			
						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		Total	Total equity
Balance at January 1, 2024	\$ 6,461,655	18,125,615	7,857,185	761,647	15,814,388	(1,056,659)	(55,915)	(1,112,574)	47,907,916
Profit for the year ended December 31, 2024	-	-	-	-	203,727	-	-	-	203,727
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	104,484	961,361	(173,215)	788,146	892,630
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	308,211	961,361	(173,215)	788,146	1,096,357
Appropriation and allocation of earnings:									
Legal reserve appropriated	-	-	616,725	-	(616,725)	-	-	-	-
Special reserve appropriated	-	-	-	350,927	(350,927)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,553,910)	-	-	-	(3,553,910)
Other changes in capital surplus:									
Other changes in capital surplus	-	17	-	-	-	-	-	-	17
Balance at December 31, 2024	6,461,655	18,125,632	8,473,910	1,112,574	11,601,037	(95,298)	(229,130)	(324,428)	45,450,380
Profit for the year ended December 31, 2025	-	-	-	-	1,946,775	-	-	-	1,946,775
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	(176,737)	(503,454)	52,080	(451,374)	(628,111)
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	1,770,038	(503,454)	52,080	(451,374)	1,318,664
Appropriation and allocation of earnings:									
Legal reserve appropriated	-	-	30,821	-	(30,821)	-	-	-	-
Reversal of special reserve	-	-	-	(788,146)	788,146	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(646,166)	-	-	-	(646,166)
Other changes in capital surplus:									
Other changes in capital surplus	-	16	-	-	-	-	-	-	16
Balance at December 31, 2025	<u>\$ 6,461,655</u>	<u>18,125,648</u>	<u>8,504,731</u>	<u>324,428</u>	<u>13,482,234</u>	<u>(598,752)</u>	<u>(177,050)</u>	<u>(775,802)</u>	<u>46,122,894</u>

See accompanying notes to consolidated financial statements.

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

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Profit before tax	\$ 2,345,514	163,066
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	6,893,842	6,460,023
Interest expense	13,810	17,535
Interest income	(158,239)	(255,058)
Dividend income	(1,498)	(2,996)
Share of profit of associates accounted for using equity method	(18,343)	(26,889)
Loss on disposal of property, plant and equipment	14,715	4,284
Reversal of impairment loss on non-financial assets	-	(75)
Unrealized foreign exchange gain	(105,198)	(103,922)
Total adjustments to reconcile profit	<u>6,639,089</u>	<u>6,092,902</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable (including related parties)	(2,447,968)	(24,637)
(Increase) decrease in other receivables (including related parties)	(31,890)	56,206
Increase in inventories	(965,609)	(207,710)
Decrease (increase) in prepayments	123,807	(44,943)
Total changes in operating assets	<u>(3,321,660)</u>	<u>(221,084)</u>
Changes in operating liabilities:		
Decrease in contract liabilities	(2,218,144)	(1,492,079)
Increase (decrease) in accounts payable (including related parties)	195,532	(1,546,244)
Increase (decrease) in other payables (including related parties)	170,943	(587,171)
Increase (decrease) in other current liabilities	10,519	(4,135)
Decrease in net defined benefit liabilities	(276,304)	(55,520)
Total changes in operating liabilities	<u>(2,117,454)</u>	<u>(3,685,149)</u>
Total changes in operating assets and liabilities	<u>(5,439,114)</u>	<u>(3,906,233)</u>
Total adjustments	<u>1,199,975</u>	<u>2,186,669</u>
Cash inflow generated from operations	3,545,489	2,349,735
Interest received	156,462	249,724
Interest paid	(13,810)	(17,535)
Income taxes paid	(661,147)	(422,189)
Net cash flows from operating activities	<u>3,026,994</u>	<u>2,159,735</u>
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(2,422,333)	(2,378,853)
Proceeds from disposal of property, plant and equipment	74,612	83,244
Decrease (increase) in other financial assets	604,246	(326,324)
Decrease in other non-current assets	78	5,465
Dividends received	20,735	14,936
Net cash flows used in investing activities	<u>(1,722,662)</u>	<u>(2,601,532)</u>
Cash flows used in financing activities:		
Increase (decrease) in guarantee deposits received	25,431	(24,152)
Payment of lease liabilities	(266,014)	(265,146)
Cash dividends paid	(646,166)	(3,553,910)
Net cash flows used in financing activities	<u>(886,749)</u>	<u>(3,843,208)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(308,775)</u>	<u>435,899</u>
Net Increase (decrease) in cash and cash equivalents	108,808	(3,849,106)
Cash and cash equivalents at beginning of period	8,480,692	12,329,798
Cash and cash equivalents at end of period	<u><u>\$ 8,589,500</u></u>	<u><u>8,480,692</u></u>

See accompanying notes to consolidated financial statements.

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

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

Nan Ya Printed Circuit Board Corporation “the Company” was legally established with the approval by the Ministry of Economic Affairs on October 28, 1997, with registered address at 7F., No. 390, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City, Taiwan. The Company and its subsidiaries “the Group” main operating activities are primarily in the manufacturing and selling of printed circuit boards.

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

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on February 24, 2026.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

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

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

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

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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

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

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

(4) Summary of material accounting policies

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to “IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

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

The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements include:

Investor	Name of subsidiary	Business activity	Percentage of ownership (%)	
			December 31, 2025	December 31, 2024
The Company	NPUC	Selling and other services	100 %	100 %
The Company	NPHK	Selling and investing in electronic products	100 %	100 %
NPHK	NPKC	Producing and selling PCB	100 %	100 %

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

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

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

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

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

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: Amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

2) Impairment of financial assets

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

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

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

Loss allowance for accounts receivable is always measured at an amount equal to lifetime ECL.

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

The Group assumes a significantly increased credit risk of a financial asset if there are indications of potential breaches of contract over the expected life of the contract period.

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

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

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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

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

- significant financial difficulty of the borrower or issuer;

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- a breach of contract such as a default or being more than 1 year past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

3) Derecognition of financial assets

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

(ii) Financial liabilities

1) Classification of liabilities

Debt instruments issued by the Group are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

3) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations have been met, cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different from the original liability. A new financial liability is then recognized, at fair value, based on the modified terms.

On derecognition of a financial liability, the difference between the carrying amount of the financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(h) Inventories

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

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

(i) Investment in associates

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

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

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

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

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

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings:	25 to 35 years
2) Machinery equipment:	3 to 15 years
3) Vehicles:	5 to 15 years
4) Miscellaneous equipment:	5 to 15 years

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

(k) Leases

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

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there are any lease modifications

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and office equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

For operating leases, the Group recognizes lease payments received under the straight-line basis as lease income over the lease term.

(l) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

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

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(m) Provision

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation in the future.

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

(n) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

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

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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

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

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

(iii) Short-term employee benefits

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

(p) Income taxes

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

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

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

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

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Group reports the basic earnings per share and the diluted earnings per share. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholder of the Company divided by the weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as employee compensation.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 2,212	-
Cash in banks	578,463	1,609,676
Time deposits	2,820,014	3,681,921
Cash equivalents	<u>5,188,811</u>	<u>3,189,095</u>
	<u>\$ 8,589,500</u>	<u>8,480,692</u>

As of December 31, 2025 and 2024, the time deposits more than three months of the Group amounted to \$0 and \$604,246, respectively, have been reclassified to prepayments and other current assets.

Please refer to note 6(p) for the interest rate risk and sensitivity analysis of the consolidated financial assets and liabilities of the Group.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(b) Notes and accounts receivables

	December 31, 2025	December 31, 2024
Notes receivable	\$ 40,574	24,071
Accounts receivable—non-related parties	9,479,514	6,940,566
Accounts receivable—related parties	55,211	54,613
Less: Loss allowance	<u>(23,004)</u>	<u>(23,004)</u>
	<u>\$ 9,552,295</u>	<u>6,996,246</u>

As of December 31, 2025 and 2024, the Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

	December 31, 2025		
	Notes and Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 9,493,119	0.237%	22,464
Past due within 3 months	81,619	0.647%	528
Past due 3 to 6 months	<u>561</u>	2.139%	<u>12</u>
	<u>\$ 9,575,299</u>		<u>23,004</u>

	December 31, 2024		
	Notes and Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 6,839,040	0.290%	19,853
Past due within 3 months	179,678	1.747%	3,139
Past due 3 to 6 months	<u>532</u>	2.256%	<u>12</u>
	<u>\$ 7,019,250</u>		<u>23,004</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The movements in the allowance for notes and accounts receivable were as follows:

	For the years ended December 31,	
	2025	2024
Balance at the end of the period (i.e. balance at the beginning of the period)	\$ <u><u>23,004</u></u>	<u><u>23,004</u></u>

As of December 31, 2025 and 2024, the Group did not provide any notes and accounts receivable as collateral for its loans.

(c) Other receivables

	December 31, 2025	December 31, 2024
Other receivables—related parties	\$ 1,951	1,574
Tax refund receivable	111,642	93,882
Others	<u>41,823</u>	<u>26,398</u>
	<u><u>\$ 155,416</u></u>	<u><u>121,854</u></u>

For further credit risk information, please refers to note 6(p).

(d) Inventories

	December 31, 2025	December 31, 2024
Finished goods	\$ 449,749	320,084
Work in process	2,839,577	2,338,946
Raw materials	1,337,943	970,028
Supplies	<u>440,413</u>	<u>471,790</u>
	<u><u>\$ 5,067,682</u></u>	<u><u>4,100,848</u></u>

The details of costs of sales were as follows:

	For the years ended December 31,	
	2025	2024
Inventory that has been sold	\$ 32,887,440	27,624,953
Write-down of inventories (Reversal of write-downs)	(473)	2,374
Unapportioned manufacturing expenses	<u>3,638,971</u>	<u>4,298,306</u>
	<u><u>\$ 36,525,938</u></u>	<u><u>31,925,633</u></u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The reversal of write-downs of inventories amounting to \$473 for the year ended December 31, 2025 was due to the increase in market price which led to the increase in net realizable value; while the write-down of inventories for the year ended December 31, 2024 amounted to \$2,374.

As of December 31, 2025 and 2024, the Group did not provide any inventories as collateral for its loan.

(e) Investments accounted for using the equity method

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

	December 31, 2025	December 31, 2024
Associates	\$ <u>500,196</u>	<u>459,726</u>

The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows:

	For the years ended December 31, 2025	2024
Attributable to the Group:		
Net income	\$ 18,343	26,889
Other comprehensive income	<u>41,362</u>	<u>(42,082)</u>
Total comprehensive income	\$ <u>59,705</u>	<u>(15,193)</u>

As of December 31, 2025 and 2024, the Group did not provide any investments accounted for using the equity method as collateral for its loans.

(f) Property, plant and equipment

The cost and accumulated depreciation and impairment of the property, plant and equipment of the Group were as follows:

	Building	Machinery and equipment	Vehicles	Miscellaneous equipment	Unfinished construction and equipment pending acceptance	Total
Cost:						
Balance as of January 1, 2025	\$ 4,686,068	69,236,324	22,943	6,246,365	7,525,360	87,717,060
Additions	-	185,907	868	27,480	2,208,078	2,422,333
Disposals	-	(1,494,353)	(611)	(26,154)	-	(1,521,118)
Reclassification	51,759	5,850,420	(524)	2,576,232	(8,477,887)	-
Effect of exchange rate changes	<u>(46,666)</u>	<u>(591,164)</u>	<u>(56)</u>	<u>(4,460)</u>	<u>(985)</u>	<u>(643,331)</u>
Balance as of December 31, 2025	\$ <u>4,691,161</u>	<u>73,187,134</u>	<u>22,620</u>	<u>8,819,463</u>	<u>1,254,566</u>	<u>87,974,944</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

	Building	Machinery and equipment	Vehicles	Miscellaneous equipment	Unfinished construction and equipment pending acceptance	Total
Balance as of January 1, 2024	\$ 4,509,673	66,306,779	23,337	6,121,650	8,312,379	85,273,818
Additions	-	315,045	297	54,038	2,009,473	2,378,853
Disposals	-	(1,568,657)	(849)	(22,762)	-	(1,592,268)
Reclassification	58,916	2,663,168	-	82,248	(2,804,332)	-
Effect of exchange rate changes	117,479	1,519,989	158	11,191	7,840	1,656,657
Balance as of December 31, 2024	<u>\$ 4,686,068</u>	<u>69,236,324</u>	<u>22,943</u>	<u>6,246,365</u>	<u>7,525,360</u>	<u>87,717,060</u>
Accumulated depreciation and impairment:						
Balance as of January 1, 2025	\$ 3,263,791	40,403,704	13,942	4,044,931	-	47,726,368
Depreciation for the period	129,366	6,143,884	1,957	349,402	-	6,624,609
Disposals	-	(1,405,376)	(611)	(25,804)	-	(1,431,791)
Reclassification	-	977	(524)	(453)	-	-
Effect of exchange rate changes	(31,868)	(282,113)	(63)	(3,534)	-	(317,578)
Balance as of December 31, 2025	<u>\$ 3,361,289</u>	<u>44,861,076</u>	<u>14,701</u>	<u>4,364,542</u>	<u>-</u>	<u>52,601,608</u>
Balance as of January 1, 2024	\$ 3,012,110	35,363,801	12,622	3,778,651	-	42,167,184
Depreciation for the period	170,858	5,738,426	2,044	277,714	-	6,189,042
Reversal of impairment loss	-	(75)	-	-	-	(75)
Disposals	-	(1,483,653)	(849)	(20,238)	-	(1,504,740)
Reclassification	-	220	-	(220)	-	-
Effect of exchange rate changes	80,823	784,985	125	9,024	-	874,957
Balance as of December 31, 2024	<u>\$ 3,263,791</u>	<u>40,403,704</u>	<u>13,942</u>	<u>4,044,931</u>	<u>-</u>	<u>47,726,368</u>
Carrying amounts:						
Balance as of December 31, 2025	<u>\$ 1,329,872</u>	<u>28,326,058</u>	<u>7,919</u>	<u>4,454,921</u>	<u>1,254,566</u>	<u>35,373,336</u>
Balance as of December 31, 2024	<u>\$ 1,422,277</u>	<u>28,832,620</u>	<u>9,001</u>	<u>2,201,434</u>	<u>7,525,360</u>	<u>39,990,692</u>

For gains and losses on disposals, please refer to note 6(o).

The Group recognized a reversal of impairment loss of \$75 in 2024, due to some equipment did not meet the requirement for future manufacturing process, the Group expected to reduce the future cash inflows, resulting in the recoverable amount of the equipment is less than the carrying amount, and then a reversal of the impairment loss was generated due to the resumption of the use of the equipment and the sale of part of the equipment. The Group used the value-in-use as the recoverable amount of property, plant and equipment. Gain on reversal of impairment losses and impairment losses were recognized in the consolidated income statement under "other gains and losses".

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(g) Right-of-use assets

The Group leases assets including land and buildings, as recognized right-of-use assets. Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance as of January 1, 2025	\$ 429,889	2,178,168	2,608,057
Write off	-	(24,582)	(24,582)
Change in an index of lease payment	11,499	11,322	22,821
Effect of exchange rate changes	(704)	-	(704)
Balance as of December 31, 2025	<u>\$ 440,684</u>	<u>2,164,908</u>	<u>2,605,592</u>
Balance as of January 1, 2024	\$ 419,435	2,135,615	2,555,050
Additions	-	14,224	14,224
Change in an index of lease payment	8,683	28,329	37,012
Effect of exchange rate changes	1,771	-	1,771
Balance as of December 31, 2024	<u>\$ 429,889</u>	<u>2,178,168</u>	<u>2,608,057</u>
Accumulated depreciation:			
Balance as of January 1, 2025	\$ 236,648	882,482	1,119,130
Depreciation for the period	76,870	192,363	269,233
Write off	-	(22,931)	(22,931)
Effect of exchange rate changes	(105)	-	(105)
Balance as of December 31, 2025	<u>\$ 313,413</u>	<u>1,051,914</u>	<u>1,365,327</u>
Balance as of January 1, 2024	\$ 163,316	684,542	847,858
Depreciation for the period	73,041	197,940	270,981
Effect of exchange rate changes	291	-	291
Balance as of December 31, 2024	<u>\$ 236,648</u>	<u>882,482</u>	<u>1,119,130</u>
Carrying amount:			
Balance as of December 31, 2025	<u>\$ 127,271</u>	<u>1,112,994</u>	<u>1,240,265</u>
Balance as of December 31, 2024	<u>\$ 193,241</u>	<u>1,295,686</u>	<u>1,488,927</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(h) Lease liabilities

The carrying amount of the lease liabilities was as follows:

	December 31, 2025	December 31, 2024
Current	\$ 248,048	263,160
Non-current	\$ 986,579	1,216,311

For the maturity analysis, please refer to note 6(p).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31, 2025	2024
Interest on lease liabilities	\$ 13,739	16,195
Variable lease payment not included in the measurement of lease liabilities; expenses relating to short-term leases; expenses relating to leases of low-value assets	\$ 39,311	33,425

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the years ended December 31, 2025	2024
Total cash outflow for leases	\$ 319,064	314,766

(i) Real estate leases

The Group leases land and buildings to be used for its office space and plants, which typically runs for a period of 2 to 10 years.

(ii) Other leases

The Group leases machinery and equipment with contract periods within a year. These leases are short-term leases or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(i) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2025	December 31, 2024
Present value of the defined benefit obligations	\$ 2,465,638	2,273,503
Fair value of the plan assets	<u>(1,594,532)</u>	<u>(1,346,724)</u>
Net defined benefit liabilities	<u>\$ 871,106</u>	<u>926,779</u>

Contributions are made to an independent fund that is deposited with Bank of Taiwan. For employees that are eligible for the Labor Standards Act, the payments of retirement benefits are based on the years of service and the average salary for the last six months before the employee's retirement.

1) Composition of the plan assets

The Labor Pension Fund Supervisory Committee (the "LPFSC") manages the Company's pension fund which is being funded according to the Labor Standards Act. Under the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by the local banks.

As of the report date, the Company's pension fund with Bank of Taiwan amounted to \$1,594,532. Please refer to the related information published on the website of the Labor Pension Fund Supervisory Committee concerning the utilization of the labor pension fund, related yield rate, and its allocation.

2) Movements in the present value of the defined benefit obligations were as follows:

The movements in the present value of defined benefit obligations of the Company as follows:

	For the years ended December 31	
	2025	2024
Present value of defined benefit obligations as of January 1	\$ 2,273,503	2,361,295
Current service cost and interest	40,368	39,832
Remeasurement of net defined benefit obligations		
-Experience adjustments loss (gain)	318,267	(23,027)
Benefits paid	<u>(166,500)</u>	<u>(104,597)</u>
Present value of defined benefit obligations as of December 31	<u>\$ 2,465,638</u>	<u>2,273,503</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- 3) Movements in the fair value of the plan asset were as follows:

The movements in the fair value of the plan assets of the Company as follows:

	For the years ended December 31	
	2025	2024
Fair value of plan assets as of January 1	\$ 1,346,724	1,248,651
Interest income	19,487	15,447
Remeasurements of net defined benefit obligations		
-Return on plan assets for the period (excluding interest for the period)	97,636	107,318
Appropriations to the plan	263,671	65,248
Benefits paid by plan assets	(132,986)	(89,940)
Fair value of plan assets as of December 31	<u><u>\$ 1,594,532</u></u>	<u><u>1,346,724</u></u>

- 4) Expense recognized as profit or loss

Expense of the Company recognized as profit or loss as follows:

	For the years ended December 31	
	2025	2024
Current service cost	\$ 7,926	10,898
Net interest of defined benefit obligations	12,955	13,487
	<u><u>\$ 20,881</u></u>	<u><u>24,385</u></u>

	For the years ended December 31,	
	2025	2024
Operating costs	\$ 17,521	20,281
Selling expenses	596	834
Administrative expenses	2,764	3,270
	<u><u>\$ 20,881</u></u>	<u><u>24,385</u></u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- 5) Remeasurements of the net defined benefit obligations recognized as other comprehensive income

The Company's cumulated pretax remeasurements of the net defined benefit obligations recognized in other comprehensive income were as follows:

	For the years ended December 31	
	2025	2024
Balance as of January 1,	\$ (34,447)	(164,792)
Recognized in the current period	(220,631)	130,345
Balance as of December 31,	<u><u>\$ (255,078)</u></u>	<u><u>(34,447)</u></u>

- 6) Actuarial assumptions

The principal actuarial assumptions were as follows:

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

The Company is expected to make a contribution of \$67,102 to the defined benefit plans for the one-year period after the reporting date.

The weighted average duration of the defined benefit plan is 9.8 years.

- 7) Sensitivity analysis

The effects on the present value of the defined benefit obligation arising from changes in principal actuarial assumptions were as follows:

	Effect on present value of defined benefit obligations	
	Decrease Amount	Increase Amount
December 31, 2025		
Discount rate (0.25% variation)	\$ 53,781	(52,074)
Future salaries (1% variation)	(196,525)	218,597
December 31, 2024		
Discount rate (0.25% variation)	53,549	(51,755)
Future salaries (1% variation)	(195,091)	218,630

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The sensitivity analysis was conducted based on the assumption that only a single variable changed and all other variables remained constant. However, the assumptions may be correlated. The sensitivity analysis adopts the same methods used in determining the defined benefit liability on the balance sheet.

The same methods and assumptions are adopted in the two-year sensitivity analysis.

(ii) Defined contribution plan

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

The Company's pension costs under the contribution pension plan amounted to \$199,873 and \$191,640 for the years ended December 31, 2025 and 2024, respectively.

All foreign subsidiaries' pension costs under the contribution pension plan amounted to \$317,016 and \$311,358 for the years ended December 31, 2025 and 2024, respectively, and have been submitted to the authorities.

(j) Income tax

(i) The details of income tax expense (benefit) were as follows:

	For the years ended December 31,	
	2025	2024
Current income tax expense	\$ 826,152	348,329
Deferred income tax benefit	(427,413)	(388,990)
Total income tax expense (benefit)	<u>\$ 398,739</u>	<u>(40,661)</u>

The details of income tax (benefit) expense under other comprehensive income were as follows:

	For the years ended December 31,	
	2025	2024
Components of other comprehensive income that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	\$ <u>(44,126)</u>	<u>26,069</u>
Components of other comprehensive income that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ <u>(125,863)</u>	<u>240,341</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Reconciliation of income tax expense (benefit) and profit before tax were as follow:

	For the years ended December 31	
	2025	2024
Profit before tax	\$ 2,345,514	163,066
Income tax expense using the Company's domestic tax rate	\$ 469,103	32,613
Effect of tax rates in foreign jurisdiction	(33,550)	(73,351)
Other adjustments required by the tax law	45,988	80,205
Effect of profit of associates accounted for using equity method	(3,669)	(5,378)
Investment tax credits	(85,612)	(74,750)
Adjustment for prior periods	6,479	-
Income tax expense (benefit)	\$ 398,739	(40,661)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

As of December 31, 2025 and 2024, the Group has no unrecognized deferred tax assets and liabilities.

2) Recognized deferred tax liabilities and assets

Movements in recognized deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 were as follows:

Deferred tax assets:

	Defined benefit plan	Exchange differences on translation of foreign financial statements	Others	Total
Balance on January 1, 2025	\$ 178,722	23,824	111,395	313,941
Recognized in profit or loss	(55,259)	-	32,392	(22,867)
Recognized in other comprehensive income	44,126	125,863	-	169,989
Balance on December 31, 2025	\$ 167,589	149,687	143,787	461,063
Balance on January 1, 2024	\$ 215,895	264,165	167,079	647,139
Recognized in profit or loss	(11,104)	-	(55,684)	(66,788)
Recognized in other comprehensive income	(26,069)	(240,341)	-	(266,410)
Balance on December 31, 2024	\$ 178,722	23,824	111,395	313,941

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Deferred tax liabilities:

	Foreign investment income	Others	Total
Balance on January 1, 2025	\$ 2,535,751	449,976	2,985,727
Recognized in profit or loss	(463,254)	12,974	(450,280)
Balance on December 31, 2025	<u><u>\$ 2,072,497</u></u>	<u><u>462,950</u></u>	<u><u>2,535,447</u></u>
Balance on January 1, 2024	\$ 2,984,120	457,385	3,441,505
Recognized in profit or loss	(448,369)	(7,409)	(455,778)
Balance on December 31, 2024	<u><u>\$ 2,535,751</u></u>	<u><u>449,976</u></u>	<u><u>2,985,727</u></u>

(iii) The Company's tax returns for the year through 2023 were assessed by the ROC tax authorities.

(iv) As of December 31, 2025, the Group is subject to the global minimum top-up tax under Pillar Two tax legislation. During the year 2025, the Group's subsidiary operating in Hong Kong enacted and implemented income inclusion rules in accordance with Pillar Two requirements, with the domestic minimum top-up tax becoming effective on January 1 of the same year. Based on an analysis of Hong Kong's tax regime and the applicable effective tax rates, the Group does not expect the top-up tax to have a material impact. The Group will continue to closely monitor and assess legislative developments in the jurisdictions where its subsidiaries operate. Any impact arising from the top-up tax will be recognized as current income tax expense, as appropriate.

(k) Capital and other equity interest

(i) Ordinary share

As of December 31, 2025 and 2024, the Company's total authorized capital both amounted to \$7,000,000, of which \$84,110 were reserved for stock options. As of December 31, 2025 and 2024, the total authorized common stocks were both 700,000 thousand shares, and the total issued common stocks both amounted to 646,166 thousand shares, with \$10 par value per share. All issued shares were paid up upon issuance.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Paid-in capital in excess of par value	\$ 17,874,841	17,874,841
Employee stock options	250,434	250,434
Others	<u>373</u>	<u>357</u>
	<u>\$ 18,125,648</u>	<u>18,125,632</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received.

According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to the rules of the Company's articles, any earnings of an annual final accounting shall first be used to pay income taxes and to offset accumulated losses. Thereafter, 10% of the remaining earnings shall be appropriated as legal reserve; however, this requirement shall not apply once the legal reserve has reached the amount of the paid-in capital. The Company may also appropriate a special reserve when necessary. If there are any remaining earnings for the year, together with unappropriated earnings accumulated from prior years, the Board of Directors shall prepare a proposal for the distribution of dividends. The distribution of cash dividends is authorized to be approved by a resolution adopted by a majority vote at a meeting attended by at least 2/3 of the directors, and shall be reported to the shareholders' meeting thereafter; while the distribution of stock dividends shall be submitted to the shareholders' meeting for approval.

The Company adopts three kinds of dividend distribution policies, which are cash dividends, capitalization of earnings, and capital surplus. The net earnings after deducting the legal reserve and special reserve may first be distributed by way of cash dividends which shall be equal to at least fifty percent of the Company's total dividend distribution every year. The capitalization of earnings and capital surplus shall not exceed fifty percent of the total dividends.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

According to Ruling by FSC, when the Company distributes its earnings, it should set aside from the earnings of the current period and the accumulated unappropriated earnings a special reserve which is equivalent to the amount of the net reductions of other equity interest in the current period. If the distributed earnings were appropriated from the accumulated unappropriated earnings of prior periods, a special reserve which is equivalent to the amount of the distribution should be appropriated. If subsequently there is a reversal of the reductions in other equity interest, earnings can be distributed from the reversal. Except for the above appropriations required by the regulations, the special reserve also includes:

The special reserve includes the following:

- a) Special reserve recorded for special purposes.
- b) Investment income under the equity method.
- c) Net valuation gains from financial instrument transactions. Only when its accumulated amount decreases, the special reserve should be decreased at the same amount and is restricted to the recognized amount in this item.

3) Earnings distribution

The 2024 and 2023 earnings distribution had been approved during the board meetings held on February 27, 2025 and February 29, 2024, respectively, as follows:

	2024		2023	
	Dividends per share (NTD)	Amount	Dividends per share (NTD)	Amount
Dividends distributed to common shareholders:				
Cash	\$ 1.00	<u><u>646,166</u></u>	5.50	<u><u>3,553,910</u></u>

The amount of cash dividends on the 2025 earnings distribution had been approved and proposed, respectively during the board meeting on February 24, 2026, as follows:

	2025	
	Dividends per share (NTD)	Amount
Dividends distributed to common shareholders:		
Cash	\$ 2.00	<u><u>1,292,331</u></u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(iv) Other equity interest (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total
Balances as of January 1, 2025	\$ (95,298)	(229,130)	(324,428)
Exchange differences on translation of foreign operations	(503,454)	-	(503,454)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	10,486	10,486
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	41,594	41,594
Balances as of December 31, 2025	<u>\$ (598,752)</u>	<u>(177,050)</u>	<u>(775,802)</u>
Balances as of January 1, 2024	\$ (1,056,659)	(55,915)	(1,112,574)
Exchange differences on translation of foreign operations	961,361	-	961,361
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	(130,925)	(130,925)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(42,290)	(42,290)
Balances as of December 31, 2024	<u>\$ (95,298)</u>	<u>(229,130)</u>	<u>(324,428)</u>

(l) Earnings per share

Calculation of earnings per share for the Group were as follows:

(i) Basic earnings per share

1) Net profit attributable to equity shareholders of the Company

	For the years ended December 31,	
	2025	2024
Net profit attributable to equity shareholders of the Company	<u>\$ 1,946,775</u>	<u>203,727</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

2) Weighted average number of ordinary shares outstanding

	For the years ended December 31,	
	2025	2024
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u>646,166</u>	<u>646,166</u>

(ii) Diluted earnings per share

1) Net profit attributable to equity shareholders of the Company (diluted)

	For the years ended December 31,	
	2025	2024
Net profit attributable to equity shareholders of the Company (diluted)	<u>\$ 1,946,775</u>	<u>203,727</u>

2) Weighted average number of ordinary shares outstanding (diluted)

	For the years ended December 31,	
	2025	2024
Weighted average number of ordinary shares outstanding (basic) (in thousands of shares)	646,166	646,166
Effects of dilutive potential ordinary shares		
Effects of employee stock compensation (in thousands of shares)	<u>20</u>	<u>13</u>
Weighted average number of ordinary shares outstanding (diluted) (in thousands of shares)	<u>646,186</u>	<u>646,179</u>

(m) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31,	
	2025	2024
Primary geographical markets:		
Taiwan	\$ 15,473,193	10,846,663
USA	2,099,996	2,434,849
Mainland China	14,496,171	14,527,483
Korea	2,338,915	1,249,389
Other countries	<u>5,764,715</u>	<u>3,224,947</u>
	<u>\$ 40,172,990</u>	<u>32,283,331</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

		For the years ended December 31,	
		2025	2024
Major products:			
Printed circuit board	\$	39,060,099	31,390,463
Others		<u>1,112,891</u>	<u>892,868</u>
	\$	<u>40,172,990</u>	<u>32,283,331</u>
(ii) Contract balances			
		December 31, 2025	December 31, 2024
Notes receivable	\$	40,574	24,071
Accounts receivable — non-related parties		9,479,514	6,940,566
Accounts receivable — related parties		55,211	54,613
Less: Loss allowance		<u>(23,004)</u>	<u>(23,004)</u>
	\$	<u>9,552,295</u>	<u>6,996,246</u>
		December 31, 2025	December 31, 2024
Contract liabilities — unearned sales	\$	<u>5,515,202</u>	<u>7,733,346</u>
		December 31, 2025	December 31, 2024
Current	\$	2,218,144	2,218,144
Non-current		<u>3,297,058</u>	<u>5,515,202</u>
	\$	<u>5,515,202</u>	<u>7,733,346</u>

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

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue will be recognized when products are delivered to customers.

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$2,218,144 and \$1,991,749, respectively.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(n) Employee compensation

On May 27, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles of Incorporation, if there is profit for the year, 0.05% to 0.5% of the profit before deducting employee compensation for the year should be set aside as employee compensation; among which, 0.03% to 0.3% of the profit before deducting employee compensation for the year should be set aside for salary adjustments or employee compensation for entry-level employees. When the Company incurs an accumulated deficit, the Company should reserve in advance to cover the accumulated deficit. Prior to the amendment, the Articles of Incorporation stipulated that if there is a profit for the year, the Company should set aside 0.05% to 0.5% of the pre-tax earnings before deducting the employees' remuneration for the year as employee compensation. However, if there are accumulated deficits, the Company should reserve an amount to cover such deficits.

The estimated remunerations to employees amounted to \$4,698 and \$323 for the years ended December 31, 2025 and 2024, respectively. These amounts were estimated using the Company's net income before tax before the remunerations to employees for each period, deducting the accumulated losses and then multiplying the remaining amount by the proposed percentage which is stated under the Company's Article of Incorporation. These remunerations were expensed under operating costs or expenses for the period. Related information would be available on the Market Observation Post System website.

The remunerations to employees approved by the Board of Directors were same as the financial report for the years ended December 31, 2025 and 2024.

(o) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 110,757	228,032
Other interest income	47,482	27,026
	<u>\$ 158,239</u>	<u>255,058</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(ii) Other income

The details of other income were as follows:

	For the years ended December 31,	
	2025	2024
Rental income	\$ 42,579	41,057
Dividend revenue	1,498	2,996
Government grants	63,717	286,632
Others	<u>273,853</u>	<u>284,321</u>
	<u>\$ 381,647</u>	<u>615,006</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31,	
	2025	2024
Losses on disposal of property, plant and equipment	\$ (14,715)	(4,284)
Net foreign exchange (losses) gains	(158,026)	557,097
Reversal of impairment loss on property, plant and equipment	-	75
Others	<u>(8,579)</u>	<u>(2,584)</u>
	<u>\$ (181,320)</u>	<u>550,304</u>

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31,	
	2025	2024
Interest expense	<u>\$ 13,810</u>	<u>17,535</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(p) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets after deducting the warranty amount represents the maximum amount exposed to credit risk. As of December 31, 2025 and 2024, the Group's maximum exposure to credit risk were \$7,943,350 and \$5,915,540, respectively.

2) Concentration of credit risk

Since most of the Group's clients are renowned international companies with good credit which scatter in different industries and geographic areas, the Group does not make concentrated transactions with any specific client. Therefore, there is no concentration of credit risk for accounts receivable. In order to reduce its credit risk, the Group assesses the financial condition of clients consistently and periodically.

3) Credit risk of receivables

Please refer to note 6(b) for the exposure of credit risk of notes and accounts receivables.

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

Other receivables and time deposits are considered to have low credit risk as the Group only deals with external parties with good credit ratings and with financial institutions with credit ratings qualified for investing and above.

As of December 31, 2025 and 2024, no allowance for impairment was recognized as there were no indications of impaired credit risk for the 12 month ECL or lifetime ECL for other financial assets measured at amortized cost.

(ii) Liquidity risk

The following table shows the remaining contractual maturities of financial liabilities, including estimated interest payments :

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Accounts payable (including related parties)	\$ 1,710,875	1,710,875	1,710,875	-	-	-	-
Other payables (including related parties)	2,366,087	2,366,087	2,366,087	-	-	-	-
Lease liabilities (including current portion)	<u>1,234,627</u>	<u>1,270,398</u>	<u>138,980</u>	<u>120,058</u>	<u>202,272</u>	<u>606,816</u>	<u>202,272</u>
	<u>\$ 5,311,589</u>	<u>5,347,360</u>	<u>4,215,942</u>	<u>120,058</u>	<u>202,272</u>	<u>606,816</u>	<u>202,272</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2024							
Non-derivative financial liabilities							
Accounts payable (including related parties)	\$ 1,517,545	1,517,545	1,517,545	-	-	-	-
Other payables (including related parties)	2,195,158	2,195,158	2,195,158	-	-	-	-
Lease liabilities (including current portion)	<u>1,479,471</u>	<u>1,528,339</u>	<u>139,612</u>	<u>137,136</u>	<u>253,910</u>	<u>598,609</u>	<u>399,072</u>
	<u>\$ 5,192,174</u>	<u>5,241,042</u>	<u>3,852,315</u>	<u>137,136</u>	<u>253,910</u>	<u>598,609</u>	<u>399,072</u>

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

(iii) **Currency risk**

1) **Exposure to foreign currency risk**

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

December 31, 2025			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>New Taiwan Dollars</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 272,067	31.4380	8,553,229
EUR	741	36.6957	27,195
JPY	86,905	0.1997	17,355
CNY	167	4.4727	746
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	8,791	31.4380	276,379
JPY	516,066	0.1997	103,058
December 31, 2024			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>New Taiwan Dollars</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 305,817	32.7810	10,024,975
EUR	629	34.0652	21,426
JPY	40,051	0.2087	8,359
CNY	550	4.5602	2,508

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

December 31, 2024			
	Foreign currency	Exchange rate	New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$	7,073	32.7810
EUR		18	34.0652
JPY		733,361	0.2087
			153,052

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable and other receivables, loans, accounts payable and other payables which are denominated in foreign currencies. A 1% depreciation or appreciation of the NTD against the USD, EUR, JPY and CNY as of December 31, 2025 and 2024 would have increased or decreased the net income before tax by \$82,191 and \$96,718 for the years ended December 31, 2025 and 2024, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Due to the variety of functional currencies, the Group disclosed its aggregated foreign exchange gains (losses); the Group's foreign exchange gains, including realized and unrealized, for the years ended December 31, 2025 and 2024 were the net exchange (losses) gains of \$(158,026) and \$557,097, respectively.

(iv) Interest rate analysis

The Group's exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk section of this note.

The following sensitivity analysis is based on the risk exposure to interest rates of the derivative and non-derivative financial instruments on the reporting date. For floating rate instruments, the sensitivity analysis assumes the liabilities bearing variable interest rates are outstanding for the whole year. A 1% increase or decrease in interest rate is assessed by management to be a reasonably possible change in interest rate.

If the interest rates increase or decrease by 1%, (with all the other factors remain constant) for the years ended December 31, 2025 and 2024, no significant impact on the Group's profit would occur.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(v) Fair value of information

1) Fair value of financial instruments

The carrying amount of the Group's financial assets and liabilities is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 116,844	116,844	-	-	116,844
Financial assets measured by amortized cost					
Cash and cash equivalents	8,589,500	-	-	-	-
Notes and accounts receivable, net (including related parties)	9,552,295	-	-	-	-
Other receivables (including related parties)	43,774	-	-	-	-
Total	\$ 18,302,413	116,844	-	-	116,844
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	\$ 1,710,875	-	-	-	-
Other payables (including related parties)	2,366,087	-	-	-	-
Lease liabilities (including current portion)	1,234,627	-	-	-	-
Total	\$ 5,311,589	-	-	-	-
December 31, 2024					
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 106,358	106,358	-	-	106,358
Financial assets measured by amortized cost					
Cash and cash equivalents	8,480,692	-	-	-	-
Notes and accounts receivable, net (including related parties)	6,996,246	-	-	-	-
Other receivables (including related parties)	27,972	-	-	-	-
Other financial assets (recognized as other current assests)	604,246	-	-	-	-
Total	\$ 16,215,514	106,358	-	-	106,358

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

	Carrying Amount	December 31, 2024			
		Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	\$ 1,517,545	-	-	-	-
Other payables (including related parties)	2,195,158	-	-	-	-
Lease liabilities (including current portion)	1,479,471	-	-	-	-
Total	<u>\$ 5,192,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(q) Financial risk management

(i) Nature and extent

The Group has exposures to the following risks from holding certain financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note expresses the information of risk exposure, the goals, policies and procedures for the Group to measure and manage risks. Please refer to each note in consolidated financial statements for further quantitative disclosures.

(ii) Framework of risk management

The risk management policies are established according to the regulations of the authorities and the policy of the corporation. The Group understands that risk management is crucial to the business operation when facing the ever-changing market conditions. The Group, through strict internal control and complete risk management system, aims to effectively control the credit, liquidity, and market risk when operating. By doing so, the Group hopes to achieve its goal of sustainable operation.

The internal audit section of the Group reviews the effectiveness and appropriateness of each risk hedge transaction on a nonscheduled basis and reports the results to the Board of Directors.

(iii) Credit risk

Credit risk is the risk that resulted from receivables generated from operating activities and financial investments (including bank deposits, investments with fixed return, and other financial instruments).

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

1) Accounts receivable

To insure the collection of accounts receivable, the Group established risk management relating to operations, including operation goal management, credit authorization management, and accounts receivable management, constantly paying attention to the operating condition and dynamics of the client in order to take necessary measures and to prevent impairment of accounts receivable.

Most of the counterparties of the Group's accounts receivable are renowned international companies with good reputation, scattering across different industrial and geographic regions.

2) Financial investments

The credit risk of bank deposits, fixed return investments and other financial instruments conforms to the financial framework of the Group. To prevent default from counterparties due to credit abnormalities, the Group trades mostly with companies with long-term credit rating, larger scale and higher liquidity. Also, the Group explicitly states different credit levels and ranges for counterparties according to the risk and period of financial instruments.

(iv) Liquidity risk

The goal of liquidity risk management of the Group is to ensure enough cash and cash equivalents, highly liquid securities, and sufficient bank financing credit to ensure sufficient financial flexibility.

(v) Market risk

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

1) Exchange rate risk

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

Deficit of foreign currency funds for daily operations are offset by spot exchange or forward exchange agreements bought in during an advantageous situation. For foreign currency long-term debt, in order to minimize the impact of exchange rate changes on the Group's profit, the Group signs long period forward exchange agreements or cross currency swaps with several renowned international banks at times when exchange rates are favorable.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

2) Interest rate risk

All of the Group's long-term loans bear floating interest rates. To hedge the risk of fluctuated interest rate, the financial sector prudently evaluates the trend of the financial market and signs swap contracts with several international renowned banks at times when interest rates are relatively low; all the bearing interest rates are lower than the estimated financing cost.

(r) Capital management

The capital management of the Group focuses on ensuring necessary financial resources and operation plans support the Group's operating funds, capital expenditure, research and development expense, and dividend payments in the following 12 months.

(s) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2025 and 2024 were as follows:

(i) For right-of-use assets under leases, please refer to note 6(g).

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

	January 1, 2025	Cash flows	Non-cash changes		December 31, 2025
			Acquisition	Changes in lease payments	
Lease liabilities (including current portion)	<u>\$ 1,479,471</u>	<u>(266,014)</u>	<u>22,821</u>	<u>(1,651)</u>	<u>1,234,627</u>

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			Acquisition	Changes in lease payments	
Lease liabilities (including current portion)	<u>\$ 1,693,381</u>	<u>(265,146)</u>	<u>51,236</u>	<u>-</u>	<u>1,479,471</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(7) Related-party transactions

(a) Parent company and ultimate controlling party

Nan Ya Plastics Corporation is both the parent company and the ultimate controlling party of the Group. It owns 66.97% of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

(b) Names and relationship with related parties

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Nan Ya Plastics Corporation (NYPC)	The parent company
Formosa Advanced Technologies Co., Ltd. (FATC)	The Group's associates
Nan Ya Electronic Materials (Kunshan) Co., Ltd. (NEMK)	The Group's parent company is the ultimate controlling parent of the company
Nan Ya Electric (Nantong) Co., Ltd. (NENC)	The Group's parent company is the ultimate controlling parent of the company
Formosa Plastics Corporation (FPC)	The Group's parent company is the company's board of director
Formosa Biomedical Technology Corporation	The Group's parent company is a board of director of the company
Wellink Technology Co., Ltd. (WTC)	The Group's parent company is the ultimate controlling parent of the company

(c) Significant related-party transactions

(i) Operating revenues

Significant sales to related parties were as follows:

	For the years ended December 31,	
	2025	2024
Associates	\$ 838,982	645,289
Other related parties	1,024	625
	\$ 840,006	645,914

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The sales price from related parties is not significantly different from non-related general parties. The normal credit term with the companies above is collection on open account 70 days. There is no collateral received among related parties accounts receivable and there is no need to estimate loss allowance.

(ii) Receivables from related parties

The balances of accounts receivable from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable due from related parties	Associates	\$ 55,128	54,568
Accounts receivable due from related parties	Other related parties	83	45
		<u>\$ 55,211</u>	<u>54,613</u>

(iii) Purchases from related parties

Significant purchases from related parties were as follows:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
The parent company	\$ 1,841,568	1,660,092
Other related parties		
NEMK	675,030	757,021
WTC	145,333	145,122
Others	143,682	104,518
	<u>\$ 2,805,613</u>	<u>2,666,753</u>

The purchase price from related parties is not significantly different from non-related general parties. The normal credit term with the related parties above is collected on open account 30 days, on open account 60 days, on open account 90 days and on the day following the day of approving payment, respectively.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(iv) Payables to related parties

The details of accounts payable to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts payable to related parties	The parent company	\$ 100,434	145,372
Accounts payable to related parties	Other related parties		
	NEMK	43,797	47,428
Accounts payable to related parties	WTC	22,553	20,289
Accounts payable to related parties	Others	9,760	8,668
		<u>\$ 176,544</u>	<u>221,757</u>

(v) Property transaction

The Group purchased fixed assets from the parent company with the acquisition price of \$332,948 for the year ended December 31, 2025. As of December 31, 2025, the Group still had unpaid payables accounted for as other payables to related parties amounting to \$66,590.

The Group purchased fixed assets from other related parties—Nan Ya Electronic Materials (Kunshan) Co., Ltd. with the acquisition price of \$118 for the year ended December 31, 2024. There was no unpaid balance as of December 31, 2024.

(vi) Lease of property, plant and equipment

- 1) The lease revenue of the Group from leasing its property, plant and equipment to its related parties, accounted for as other income, were as follows:

	<u>Lease revenue</u>	
	<u>For the years ended</u>	
	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
The parent company	<u>\$ 12,751</u>	<u>12,564</u>

The rentals charged to related parties are determined based on the local market prices and monthly rentals, depending on the contract. As of December 31, 2025 and 2024, all rentals have been collected by the Group.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

- 2) The rental expenses of the Group's property, plant and equipment leased from its related parties were as follows:

The Group entered into different lease agreements with its parent company for its Taipei office, as well as its factories and employee dormitories, both located at Luchu Dist., Taoyuan City and Shulin Dist., New Taipei City, with monthly rental fees based on the local market prices within their respective vicinities. For the years ended December 31, 2025 and 2024, the above rentals amounting to \$35,586 and \$30,712, respectively, were recognized as expenses. For the years ended December 31, 2025 and 2024, the amount of \$13,719 and \$16,106 was recognized as interest expense. As of December 31, 2025 and 2024 the balance of lease liabilities amounting to \$1,234,627 and \$1,474,778 respectively.

For the years ended December 31, 2025 and 2024, the Group recognized the additional amount of \$0 and \$9,284 of right-of-use assets.

(vii) Others

The Group bought utilities such as steam, water and electricity from other related parties-Nan Ya Electronic Materials (Kunshan) Co., Ltd. amounting to \$300,070 and \$341,352, for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the Group still had unpaid payables accounted for as other payables to related parties amounting to \$31,802 and \$40,306, respectively.

For the years ended December 31, 2025 and 2024, the Group provides sewage treatment service to Nan Ya Electronic Materials (Kunshan) Co., Ltd. and receives \$20,681 and \$24,888, respectively. As of December 31, 2025 and 2024, the Group still had uncollected receivables accounted for as other receivables due from related parties amounting to \$1,951 and \$1,574, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	\$ 21,212	29,051

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(8) Pledged assets: None

(9) Commitments and contingencies

(a) The outstanding letters of credit for the importation of raw materials by the Group were as follows:

	December 31, 2025	December 31, 2024
Outstanding letters of credit for the importation of raw materials	\$ <u><u>26,565</u></u>	<u><u>92,037</u></u>

(b) The endorsements by the bank were as follows:

	December 31, 2025	December 31, 2024
The guarantee for customs	\$ <u><u>43,000</u></u>	<u><u>26,000</u></u>
The guarantee for letters of credit	\$ <u><u>20,520</u></u>	<u><u>39,500</u></u>

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other

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

	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	7,204,186	744,285	7,948,471	6,417,204	679,492	7,096,696
Labor and health insurance	610,146	57,345	667,491	568,500	74,867	643,367
Pension expenses	496,974	40,796	537,770	456,067	71,316	527,383
Remuneration of directors	-	6,100	6,100	-	6,130	6,130
Other personnel expenses	218,706	17,618	236,324	217,929	27,131	245,060
Depreciation expenses	6,868,621	25,221	6,893,842	6,433,349	26,674	6,460,023

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included): None
- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	NYPK	Parent company	Purchase	1,812,883	14.14 %	O/A 30 days	-	-	(92,465)	(7.23)%	-
The Company	NPKC	Subsidiary of the Company	Purchase	4,586,733	35.78 %	O/A 30 days	-	-	(445,157)	(34.80)%	Note
The Company	FATC	Associates	(sale)	(417,839)	(1.41)%	O/A 70 days	-	-	4,244	0.06%	-
The Company	NTC	Other related parties	Purchase	105,139	0.82 %	O/A 30 days	-	-	(8,728)	(0.68)%	-
NPKC	The Company	Parent company	(sale)	(4,586,733)	(30.07)%	O/A 30 days	-	-	445,157	15.29%	Note
NPKC	FATC	Associates	(sale)	(421,143)	(2.76)%	O/A 70 days	-	-	50,884	1.75%	-
NPKC	NEMK	Other related parties	Purchase	675,030	7.72 %	O/A 60 days	-	-	(43,797)	(4.85)%	-
NPKC	WTC	Other related parties	Purchase	102,702	1.17 %	O/A 60 days	-	-	(21,738)	(2.41)%	-

Note: The transactions listed in the left have been written off during the preparation of the consolidated financial statements.

(v) Receivables from related parties with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss Allowance
					Amount	Action taken		
NPKC	The Company (Note)	Parent company	445,157	11.37	-		445,157	-

Note : The above transactions listed have been written off during the preparation of the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

(in thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	NPKC	The Company	2	Sales	4,586,733	O/A 30 days	11.42%
1	NPKC	The Company	2	Accounts receivable due from related parties	445,157	O/A 30 days	0.73%

Note 1: Numbers are filled in as follows

- 1. 0 represents the parent company
- 2. Subsidiaries are numbered from 1

Note 2: Classifications of relation with counterparty are listed as follows:

- 1. Parent to subsidiary
- 2. Subsidiary to parent
- 3. Between subsidiaries

Note 3: Only data related to sales and accounts receivable of all the intercompany transactions and business contact are disclosed. The related purchase and accounts payable are not stated.

Note 4: The transactions listed above have been written off during the preparation of the consolidated financial statements.

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(b) Information on investees

The following is the information on investees for the year ended December 31, 2025 (excluding information on investees in Mainland China):

(in thousands of shares and New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/(losses) of investee	Note
				December 31, 2025	December 31, 2024	Shares (in thousands)	Percentage of ownership	Carrying amount				
The Company	NPHK	HK	Business of electronic products	8,595,674	8,595,674	2,152,020	100.00 %	19,880,812	100.00 %	(135,831)	(135,831)	Note1
The Company	NPUC	USA	Customer sales promotion	3,479	3,479	1,000	100.00 %	23,438	100.00 %	1,986	1,986	Note1
The Company	FATC	TW	Assembling testing and producing modules for IC	472,968	472,968	13,267	3.00 %	500,196	3.00 %	602,632	18,343	Note2

Note1: The transactions listed in the left have been written off during the preparation of the consolidated financial statements.

Note2: Investee company accounted for using equity method.

(c) Information on investment in mainland China

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

(in thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership	Investment income (losses)	Carrying amount	Accumulated remittance of earnings in current period
					Outflow	Inflow							
NPKC	Production and marketing of PCBs	8,592,495	(Note 1)	8,592,495	-	-	8,592,495	(136,341)	100.00%	100.00 %	(136,341)	19,865,001	4,063,822
											(Note 2)		

Note 1: NPKC in Mainland China is invested through a company established in a third region.

Note 2: Investment income or loss is recognized according to the financial statements audited by the CPA of the Taiwanese parent company.

Note3: The transaction listed above has been written off during the preparation of the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

(in thousands of New Taiwan Dollars)

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
8,592,495	8,592,495	-

Note: The Industrial Development Bureau of the MOEA issued a letter to the Company stating that it qualifies under Section 12 of the Statute for Upgrading Industries.

(iii) Significant transactions:

Please refer to “Information on significant transactions” for direct or indirect significant transactions (written off during the preparation of the consolidated financial statements), between the Company and its investees in Mainland China for the year ended December 31, 2025.

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(14) Segment information:

(a) General information

The Group's main operating activities are manufacturing and selling PCB products. The Group's reportable segments are determined by the information used by the director, and the segments are managed separately following different management frameworks in different regions. The Group has three reportable segments: the domestic segment, the American segment and the Asian segment.

(b) The reconciliation of operating segments of the Group is as follows:

The Group allocates resources and assesses performance based on the net income before tax (excluding extraordinary income/ expenses) from the interior management reports reviewed by the operating decision makers. Since income tax and extraordinary income/ expense are managed at the group level, the Group does not allocate income tax expense (benefits), and extraordinary income/ loss to its reportable segments. Besides, not all reportable segments' income include significant non-cash items apart from depreciation and amortization. The reported amount is the same as the amount of the financial statements used by operating decision makers.

The information and reconciliation of operating segments of the Group are as follows:

For the year ended December 31, 2025					
	Domestic	American	Asian	Adjustments and elimination	Total
Revenue:					
From external clients	\$ 29,504,838	-	10,668,152	-	40,172,990
Intersegments	33,857	30,646	4,586,733	(4,651,236)	-
Total revenue	<u>\$ 29,538,695</u>	<u>30,646</u>	<u>15,254,885</u>	<u>(4,651,236)</u>	<u>40,172,990</u>
Interest expense	<u>\$ 13,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,810</u>
Depreciation and amortization	<u>\$ 4,731,845</u>	<u>9</u>	<u>2,180,892</u>	<u>(18,904)</u>	<u>6,893,842</u>
Income/Loss of reportable segments	<u>\$ 2,344,511</u>	<u>2,900</u>	<u>(135,741)</u>	<u>133,844</u>	<u>2,345,514</u>
Reportable segments assets	<u>\$ 60,209,509</u>	<u>23,649</u>	<u>21,562,121</u>	<u>(20,587,881)</u>	<u>61,207,398</u>
Reportable segments liabilities	<u>\$ 14,086,615</u>	<u>211</u>	<u>1,595,207</u>	<u>(597,529)</u>	<u>15,084,504</u>

For the year ended December 31, 2024					
	Domestic	American	Asian	Adjustments and elimination	Total
Revenue:					
From external clients	\$ 21,855,360	-	10,427,971	-	32,283,331
Intersegments	3,553	30,562	4,079,415	(4,113,530)	-
Total revenue	<u>\$ 21,858,913</u>	<u>30,562</u>	<u>14,507,386</u>	<u>(4,113,530)</u>	<u>32,283,331</u>
Interest expense	<u>\$ 17,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,535</u>
Depreciation and amortization	<u>\$ 4,090,965</u>	<u>11</u>	<u>2,380,549</u>	<u>(11,502)</u>	<u>6,460,023</u>
Income/Loss of reportable segments	<u>\$ 161,202</u>	<u>2,203</u>	<u>(293,625)</u>	<u>293,286</u>	<u>163,066</u>
Reportable segments assets	<u>\$ 61,871,968</u>	<u>22,349</u>	<u>24,295,119</u>	<u>(23,251,025)</u>	<u>62,938,411</u>
Reportable segments liabilities	<u>\$ 16,421,588</u>	<u>-</u>	<u>1,448,692</u>	<u>(382,249)</u>	<u>17,488,031</u>

(Continued)

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(c) Types of products and service:

Information on revenue from external clients was as follows:

	For the years ended December 31	
	2025	2024
Products and service		
Printed circuit board	\$ 39,060,099	31,390,463
Others	1,112,891	892,868
	<u>\$ 40,172,990</u>	<u>32,283,331</u>

(d) Regional information

Regional information of the Group is as follows. Revenue was based on the place where the clients are located; non-current assets are based on the place where the assets are located.

	For the years ended December 31	
	2025	2024
District		
Revenue from external clients:		
Taiwan	\$ 15,473,193	10,846,663
USA	2,099,996	2,434,849
Mainland China	14,496,171	14,527,483
Korea	2,338,915	1,249,389
Other countries	5,764,715	3,224,947
	<u>\$ 40,172,990</u>	<u>32,283,331</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current assets:		
Taiwan	\$ 24,017,773	26,875,717
USA	126	141
Mainland China	12,605,595	14,613,732
	<u>\$ 36,623,494</u>	<u>41,489,590</u>

Non-current assets did not include non-current deferred tax assets and investments accounted for using the equity method.

(e) Major clients

Sales exceeding 10% of the Group's sales revenue were as follows:

	For the years ended December 31	
	2025	2024
Client A	\$ 5,324,785	3,925,790
Client B	6,972,131	4,998,939
Client C	6,091,907	3,977,580
	<u>\$ 18,388,823</u>	<u>12,902,309</u>