

PlayNitride Inc. and Subsidiaries
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024

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

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Independent Auditors' Review Report

To the Board of Directors
PlayNitride Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of PlayNitride Inc. and its subsidiaries (the “Group”) as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are An-Chih Cheng and Hai-Ning Huang.

KPMG

Taipei, Taiwan (Republic of China)

November 6, 2025

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PlayNitride Inc. and subsidiaries
Consolidated Balance Sheets
September 30, 2025, December 31, 2024, and September 30, 2024
(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2025		December 31, 2024		September 30, 2024				September 30, 2025		December 31, 2024		September 30, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(1))\$	2,419,111	49	805,973	31	487,397	19	2100	Short-term borrowings (note 6(9))	\$ 50,000	1	-	-	-	-
1110	Financial assets at fair value through profit or loss—current (note 6(2))	1,040	-	-	-	-	-	2130	Contract liabilities—current (notes 6(20) and 7)	3,127	-	5,226	-	233,076	9
1136	Financial assets at amortized cost—current (notes 6(3) and 8)	433,766	9	104,827	4	420,778	16	2170	Accounts payable	63,046	1	37,943	1	58,748	3
1140	Contract assets—current (notes 6(20) and 7)	176,564	4	129,387	5	68,494	3	2180	Accounts payable—related parties (note 7)	13,642	-	1,256	-	2,459	-
1152	Other notes receivable	-	-	824	-	-	-	2200	Other payables (note 6(10))	131,434	3	194,172	9	116,593	5
1170	Accounts receivable, net (note 6(4))	319,094	7	7,162	-	31,895	1	2220	Other payables—related parties (note 7)	40,619	1	28,198	1	25,300	1
1180	Accounts receivable—related parties, net (notes 6(4) and 7)	154,544	3	295,816	12	242,441	9	2250	Provisions—current (notes 6(11) and 8)	17,035	-	6,792	-	3,607	-
1200	Other receivables	6,420	-	6,547	-	18,138	1	2280	Lease liabilities—current (notes 6(12) and 7)	36,015	1	36,436	1	36,960	1
1210	Other receivables—related parties (note 7)	618	-	556	-	-	-	2322	Long-term borrowings, current portion (notes 6(13) and 8)	82,400	2	120,267	5	71,559	3
1220	Current tax assets	742	-	2,457	-	2,257	-	2399	Other current liabilities	2,201	-	1,492	-	4,453	-
130X	Inventories (note 6(5))	550,264	11	339,521	13	351,323	14			439,519	9	431,782	17	552,755	22
1410	Prepayments (note 7)	105,956	2	74,150	3	100,860	4	Non-current liabilities:							
1470	Other current assets	331	-	42,656	2	47,776	2	Financial liabilities at fair value through profit or loss—non-current (note 6(2))		7,440	-	-	-	-	-
		4,168,450	85	1,809,876	70	1,771,359	69	2500	Bonds payable (notes 6(14) and 8)	766,144	16	-	-	-	-
Non-current assets:								2540	Long-term borrowings (notes 6(13) and 8)	-	-	8,840	-	-	-
1535	Financial assets at amortized cost—non-current (notes 6(3) and 8)	4,382	-	5,522	-	5,522	-	2580	Lease liabilities—non-current (notes 6(12) and 7)	54,446	1	72,533	3	81,277	3
1600	Property, plant and equipment (notes 6(6) and 8)	570,937	12	565,807	22	600,770	23			828,030	17	81,373	3	81,277	3
1755	Right-of-use assets (notes 6(7) and 7)	89,097	2	107,927	4	117,404	5			1,267,549	26	513,155	20	634,032	25
1780	Intangible assets (note 6(8))	18,845	-	35,455	2	40,162	2	Total liabilities							
1915	Prepayments for equipment	30,480	1	34,083	1	6,706	-	Equity (notes 6(17) and 6(18)):							
1920	Refundable deposits (note 7)	10,174	-	12,949	1	13,033	1	3110	Ordinary shares	1,176,786	24	1,071,786	42	1,071,786	42
1990	Other non-current assets	-	-	356	-	489	-	3200	Capital surplus	8,361,425	171	6,450,644	251	6,448,699	252
		723,915	15	762,099	30	784,086	31	3300	Accumulated deficits	(6,053,043)	(124)	(5,702,710)	(222)	(5,820,339)	(228)
								3400	Other equity	235,826	5	239,100	9	221,267	9
								3500	Treasury stock	(96,178)	(2)	-	-	-	-
								3xxx	Total equity	3,624,816	74	2,058,820	80	1,921,413	75
1xxx	Total assets	\$ 4,892,365	100	2,571,975	100	2,555,445	100	2-3xxx	Total liabilities and equity	\$ 4,892,365	100	2,571,975	100	2,555,445	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
PlayNitrade Inc. and subsidiaries
Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

		For the three months ended September 30,				For the nine months ended September 30,			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (notes 6(20) and 7)	\$ 359,688	100	525,419	100	864,023	100	1,054,345	100
5000	Cost of sales (notes 6(5), (6), (7), (8), (11), (12), (15), (18) and 7)	203,268	57	335,385	64	556,392	64	695,830	66
5900	Gross profit	156,420	43	190,034	36	307,631	36	358,515	34
6000	Operating expenses (notes 6(6), (7), (8), (12), (15), (18) and 7):								
6100	Selling and marketing expenses	14,437	4	15,019	3	53,139	7	43,369	4
6200	General and administrative expenses	54,544	15	48,026	9	157,469	18	146,414	14
6300	Research and development expenses	92,453	26	79,955	15	318,179	37	264,618	25
	Total operating expenses	161,434	45	143,000	27	528,787	62	454,401	43
6900	Operating Income (loss)	(5,014)	(2)	47,034	9	(221,156)	(26)	(95,886)	(9)
7000	Non-operating income and expenses (notes 6(12), (22) and 7):								
7100	Interest income	9,847	3	9,410	2	30,389	4	28,398	3
7010	Other income	391	-	1,352	-	779	-	2,483	-
7020	Other gains and losses	71,405	20	2,368	-	(146,745)	(17)	8,787	1
7050	Finance costs	(5,317)	(1)	(832)	-	(13,600)	(2)	(1,324)	-
	Total non-operating income and expenses	76,326	22	12,298	2	(129,177)	(15)	38,344	4
7900	Income (loss) before income taxes	71,312	20	59,332	11	(350,333)	(41)	(57,542)	(5)
7950	Income tax expense (note 6(16))	-	-	-	-	-	-	-	-
8200	Net income (loss)	71,312	20	59,332	11	(350,333)	(41)	(57,542)	(5)
8300	Other comprehensive income (note 6(17)):								
8310	Items that will not be reclassified subsequently to profit or loss								
8341	Exchange differences arising on translation to the presentation currency	-	-	(37,662)	(7)	-	-	74,329	7
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(1,074)	-	22,958	4	(3,274)	-	(49,868)	(5)
8300	Other comprehensive income for the period	(1,074)	-	(14,704)	(3)	(3,274)	-	24,461	2
8500	Total comprehensive income for the period	\$ 70,238	20	44,628	8	(353,607)	(41)	(33,081)	(3)
	Earnings (loss) per share (NTD) (note 6(19)):								
9750	Basic earnings (loss) per share	\$ 0.61		0.55		(3.06)		(0.54)	
9850	Diluted earnings (loss) per share	\$ 0.61		0.55		(3.06)		(0.54)	

See accompanying notes to consolidated financial statements.

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

PlayNitride Inc. and subsidiaries

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

				Other equity				
	Ordinary shares	Capital surplus	Accumulated deficits	Exchange differences on translation of foreign financial statements	Exchange differences arising on translation to the presentation currency	Total	Treasury shares	Total equity
Balance at January 1, 2024	\$ 1,071,786	6,446,914	(5,762,797)	(197,914)	394,720	196,806	-	1,952,709
Net loss for the period	-	-	(57,542)	-	-	-	-	(57,542)
Other comprehensive income (loss) for the period	-	-	-	(49,868)	74,329	24,461	-	24,461
Total comprehensive income (loss) for the period	-	-	(57,542)	(49,868)	74,329	24,461	-	(33,081)
Proceeds from disposal of donated employee stocks managed by an employee ownership trust	-	1,785	-	-	-	-	-	1,785
Balance at September 30, 2024	<u>\$ 1,071,786</u>	<u>6,448,699</u>	<u>(5,820,339)</u>	<u>(247,782)</u>	<u>469,049</u>	<u>221,267</u>	<u>-</u>	<u>1,921,413</u>
Balance at January 1, 2025	\$ 1,071,786	6,450,644	(5,702,710)	(283,589)	522,689	239,100	-	2,058,820
Net loss for the period	-	-	(350,333)	-	-	-	-	(350,333)
Other comprehensive income (loss) for the period	-	-	-	(3,274)	-	(3,274)	-	(3,274)
Total comprehensive income (loss) for the period	-	-	(350,333)	(3,274)	-	(3,274)	-	(353,607)
Capital increase in cash	105,000	1,869,000	-	-	-	-	-	1,974,000
Share-based payments	-	2,260	-	-	-	-	-	2,260
Proceeds from disposal of donated employee stocks managed by an employee ownership trust	-	561	-	-	-	-	-	561
Recognition of equity component of convertible bonds	-	38,960	-	-	-	-	-	38,960
Treasury stock repurchase	-	-	-	-	-	-	(96,178)	(96,178)
Balance at September 30, 2025	<u>\$ 1,176,786</u>	<u>8,361,425</u>	<u>(6,053,043)</u>	<u>(286,863)</u>	<u>522,689</u>	<u>235,826</u>	<u>(96,178)</u>	<u>3,624,816</u>

See accompanying notes to consolidated financial statements.

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

PlayNitride Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2025	2024
Cash flows from operating activities:		
Loss before income tax	\$ (350,333)	(57,542)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	179,294	184,211
Amortization expense	17,829	16,228
Net loss on financial assets or liabilities at fair value through profit or loss	3,360	-
Interest expense	13,600	1,324
Interest income	(30,389)	(28,398)
Loss (gain) on disposal of property, plant and equipment	(1)	21
Inventory devaluation and obsolescence loss (reversed gain)	32,526	(18,673)
Share-based compensation expense	2,260	-
Others not affecting cash flows	17,723	1,229
Total adjustments to reconcile profit (loss)	236,202	155,942
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(47,177)	38,017
Other notes receivable	824	-
Accounts receivable	(311,932)	(16,251)
Accounts receivable — related parties	141,272	(181,903)
Other receivables	(48)	6,703
Other receivables — related parties	(62)	2,345
Inventories	(264,974)	(124,141)
Prepayments	(32,192)	(42,661)
Other current assets	42,325	22,637
Other non-current assets	356	400
Total changes in operating assets	(471,608)	(294,854)
Changes in operating liabilities:		
Contract liabilities	(2,099)	186,556
Accounts payable	25,103	12,475
Accounts payable — related parties	12,386	(17,898)
Other payables	(59,329)	(33,576)
Other payables — related parties	12,421	6,706
Provisions	10,243	3,607
Other current liabilities	709	2,886
Total changes in operating liabilities	(566)	160,756
Total changes in operating assets and liabilities	(472,174)	(134,098)
Total adjustments	(235,972)	21,844
Cash inflow (outflow) in operations	(586,305)	(35,698)
Interest received	30,564	28,371
Interest paid	(5,518)	(1,270)
Income taxes paid	1,715	1,889
Net cash provided by (used in) operating activities	(559,544)	(6,708)

(Continued)

See accompanying notes to consolidated financial statements.

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

PlayNitride Inc. and subsidiaries

Consolidated Statements of Cash Flows (continue)

For the nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2025	2024
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(1,394,686)	(425,100)
Proceeds from disposal of financial assets at amortized cost	1,049,234	382,059
Acquisition of property, plant and equipment	(103,471)	(64,808)
Proceeds from disposal of property, plant and equipment	24	49
Decrease (increase) in refundable deposits	2,775	(4,936)
Acquisition of intangible assets	(833)	(9,884)
Increase in prepayments for equipment	(30,480)	(6,326)
Net cash provided by (used in) investing activities	(477,437)	(128,946)
Cash flows from financing activities:		
Increase in short-term borrowings	426,000	-
Decrease in short-term borrowings	(376,000)	-
Proceeds from issuing bonds	800,000	-
Proceeds from long-term borrowings	73,560	64,440
Repayments of long-term borrowings	(120,267)	(13,359)
Payment of lease liabilities	(28,283)	(29,323)
Capital increase in cash	1,974,000	-
Payments to acquire treasury shares	(96,178)	-
Proceeds from disposal of donated employee stocks managed by an employee ownership trust	561	1,785
Net cash provided by (used in) financing activities	2,653,393	23,543
Effect of exchange rate changes on cash and cash equivalents	(3,274)	24,461
Net increase (decrease) in cash and cash equivalents	1,613,138	(87,650)
Cash and cash equivalents at beginning of period	805,973	575,047
Cash and cash equivalents at end of period	\$ 2,419,111	487,397

See accompanying notes to consolidated financial statements.

PlayNitride Inc. and subsidiaries

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

**(amounts expressed in Thousands of New Taiwan Dollars,
except for per share information and unless otherwise specified)**

1. Company history:

PlayNitride Inc. (the “Company”) was incorporated on February 25, 2014, and registered under British Cayman Islands. The Company established the Taiwan branch on June 9, 2014. The registered address of the Company’s office is The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208 Cayman Islands. The Company's shares have been listed and traded on the Taiwan Innovation Board (“TIB”) since August 18, 2022. The Company and its subsidiaries (together referred to as the “Group”) are engaged mainly in the research, development, design, manufacture and sale of Micro LED, modules, and panels, in related design, installation, and maintenance of process equipment, in out-licensing of innovative technologies, and in the chemical, raw materials, products, and material wholesale and retail.

2. Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issue by the Board of Directors on November 6, 2025.

3. New standards, amendments and interpretations adopted:

- (1) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, ROC (“FSC”).

The Group has adopted the amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (collectively, “IFRSs”) with effective date from January 1, 2025. The adoption does not have a material impact on the Group’s consolidated financial statements.

- 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

- (2) 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

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

- Annual Improvements to IFRS Accounting Standards—Volume 11
 - Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”
- (3) 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”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	<p>January 1, 2027</p> <p>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.</p>

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> • 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. 	

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”

4. Summary of material accounting policies:

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (Regulations) and the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRSs endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

A. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit or loss.

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

B. Functional and presentation currency

The functional currency of each entity of the Group is determined based on the primary economic environment in which the entity operates. The Company's functional currency is USD before 2024, however the consolidated financial statements were presented in NTD.

Considering that the primary financing activities are mainly denominated in NTD, and in response to changes in economic conditions, the board of directors of the Company approved to change the functional currency from USD to NTD since 2025 and in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates," the effect of the change in functional currency is accounted for prospectively from January 1, 2025. The consolidated financial statements are presented in the Company's functional currency, NTD. The Group converts all financial information into the new functional currency at the exchange rate on the date of change. The exchanged amounts of non-monetary items are stated of its historical cost.

(3) Basis of consolidation

A. List of subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Business Nature	Percentage of Ownership			note
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	PlayNitride Display Co., Ltd. (PlayNitride Display)	The research, development, design, manufacture and sale of Micro LED, modules, panels, and related design, installation, and maintainance of process equipment, and the licensing of innovative technologies, and in the chemical, raw materials, products, material wholesale and retail.	100 %	100 %	100 %	
The Company	PlayNitride America Corporation	Sales and consulting services	100 %	100 %	100 %	
The Company	PN Nova Holdings Ltd.	Holding company	100 %	-	-	Note 1
The Company	PlayNitride Display (Shanghai) Co.,Ltd.	Sales and consulting services	100 %	-	-	Note 2
PN Nova Holdings Ltd.	PN Nova (Jiangsu) Co.,Ltd.	Holding company	100 %	-	-	Note 3
PN Nova (Jiangsu) Co.,Ltd.	PlayNitride (Kunshan) Co., Ltd.	Production, manufacturing, and sales of Micro LED panels and modules	100 %	-	-	Note 4

Note 1: The establishment registration was completed in June, 2025.

Note 2: The establishment registration was completed in August, 2025.

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

Note 3: The establishment registration was completed in July, 2025.

Note 4: The establishment registration was completed in August, 2025.

B. List of subsidiaries which are not included in the consolidated financial statements: None.

(4) Financial instruments

A. Financial assets

Fair value through profit or loss

All financial assets not classified as amortized cost are measured at fair value through profit or loss, including derivative financial assets.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

B. Financial liabilities and equity instruments

(a) Treasury shares

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

(b) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(c) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other 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.

C. Derivative financial instruments

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(5) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

(6) Income tax

Income tax expense in the financial statements is measured and disclosed in according to paragraph B12 of IAS 34 endorsed by the FSC.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as income tax expense for the current period.

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

6. Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 annual consolidated financial statements. Please refer to note 6 of the 2024 annual consolidated financial statements.

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	\$ 864	704	635
Checking and demand deposits	1,898,858	589,842	279,607
Time deposits	519,389	215,427	207,155
	<u>\$ 2,419,111</u>	<u>805,973</u>	<u>487,397</u>

A. Please refer to note 6(23) for the exchange rate risk and sensitivity analysis.

B. The time deposits, which are not qualified the definitions of cash and cash equivalents have been reclassified as financial assets at amortized cost at the reporting date, please refer to note 6(3).

(2) Financial assets and liabilities at fair value through profit or loss

	September 30, 2025
Financial assets mandatorily measured at fair value through profit or loss — current	
Embedded derivatives of convertible bonds — call options	\$ <u>1,040</u>

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

	<u>September 30, 2025</u>
Financial liabilities mandatorily measured at fair value through profit or loss — non current	
Embedded derivatives of convertible bonds — put options	\$ <u><u>7,440</u></u>

(3) Financial assets at amortized cost

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Time deposits — current	\$ <u><u>433,766</u></u>	<u><u>104,827</u></u>	<u><u>420,778</u></u>
Time deposits — non-current	\$ <u><u>4,382</u></u>	<u><u>5,522</u></u>	<u><u>5,522</u></u>

The Group assessed that the above financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets at amortized cost.

A. The Group held time deposits at an interest rate ranging from 1.285%~4.20%, 1.285%~5.12% and 1.285%~5.59% on September 30, 2025, December 31 and September 30, 2024, respectively.

B. For credit risk, please refer to note 6(23).

C. The financial assets mentioned above were pledged as collateral, please refer to note 8.

(4) Accounts receivable, net (including related parties)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable, net	\$ 319,094	7,162	31,895
Accounts receivable — related parties, net	<u>154,544</u>	<u>295,816</u>	<u>242,441</u>
	\$ <u><u>473,638</u></u>	<u><u>302,978</u></u>	<u><u>274,336</u></u>

The Group applied 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, accounts receivable has been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The credit loss provision of accounts receivables (including related parties) was determined as follows:

	<u>September 30, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Credit loss provision</u>
Current	\$ 352,944	0.00%	-
Overdue 1~90 days	<u>120,694</u>	0.00%	<u>-</u>
Total	\$ <u><u>473,638</u></u>		<u><u>-</u></u>

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Credit loss provision
Current	\$ 290,290	0.00%	-
Overdue 1~90 days	11,560	0.00%	-
Overdue 91~180 days	1,128	0.00%	-
Total	\$ 302,978		-

	September 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Credit loss provision
Current	\$ 252,008	0.00%	-
Overdue 1~90 days	18,198	0.00%	-
Overdue 91~180 days	4,130	0.00%	-
Total	\$ 274,336		-

The Group did not provide impairment losses for receivables (including related parties) for the three and nine months ended September 30, 2025 and 2024.

The Group's accounts receivable (including related parties) mentioned were not pledged as collateral.

(5) Inventories

A. The details of inventories were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 200,459	88,009	95,240
Work in process and semi-finished goods	159,329	135,369	128,840
Finished goods	179,576	116,143	127,243
Merchandise inventories	10,900	-	-
	\$ 550,264	339,521	351,323

B. Cost of sales

For the three and nine months ended September 30, 2025 and 2024, the amounts recognized as cost of sales were \$203,268 thousand dollars, \$335,385 thousand dollars, \$556,392 thousand dollars and \$695,830 thousand dollars, respectively. For the three and nine months ended September 30, 2025 and 2024, the inventory devaluation and obsolescence losses (reversed gains) were \$14,184 thousand dollars, \$1,156 thousand dollars, \$32,526 thousand dollars and \$(18,673) thousand dollars, and the unallocated manufacturing overhead of idle sites and production capacity were \$23,364 thousand dollars, \$14,757 thousand dollars, \$74,442 thousand dollars and \$49,887 thousand dollars, respectively, which were recorded in the aforementioned cost of sales.

C. The Group's inventories mentioned above were not pledged as collateral.

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(6) Property, plant and equipment

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

	Machinery and equipment	Office equipment	Lease improvement	Other equipment	Construction in progress and equipment awaited for testing	Total
Cost:						
Balance at January 1, 2025	\$ 984,585	5,832	74,600	29,320	42,293	1,136,630
Additions	6,917	-	676	6,859	94,391	108,843
Disposals	(83,226)	(209)	(36,105)	(6,722)	-	(126,262)
Reclassification	33,376	-	-	-	13,693	47,069
Effect of exchange rate changes	-	-	-	(115)	-	(115)
Balance at September 30, 2025	\$ 941,652	5,623	39,171	29,342	150,377	1,166,165
Balance at January 1, 2024	\$ 938,028	4,252	80,003	26,632	76,012	1,124,927
Additions	13,208	2,111	5,504	15,225	29,521	65,569
Disposals	(25,967)	-	(14,560)	(12,329)	-	(52,856)
Reclassification	20,141	-	9,807	-	(22,620)	7,328
Effect of exchange rate changes	-	-	-	(10)	-	(10)
Balance at September 30, 2024	\$ 945,410	6,363	80,754	29,518	82,913	1,144,958
Accumulated depreciation:						
Balance at January 1, 2025	\$ 508,285	2,358	48,424	11,756	-	570,823
Depreciation	130,910	1,375	11,114	7,275	-	150,674
Disposals	(83,226)	(209)	(36,105)	(6,699)	-	(126,239)
Effect of exchange rate changes	-	-	-	(30)	-	(30)
Balance at September 30, 2025	\$ 555,969	3,524	23,433	12,302	-	595,228
Balance at January 1, 2024	\$ 377,861	1,192	47,855	15,143	-	442,051
Depreciation	128,238	1,197	17,412	8,077	-	154,924
Disposals	(25,967)	-	(14,560)	(12,259)	-	(52,786)
Effect of exchange rate changes	-	-	-	(1)	-	(1)
Balance at September 30, 2024	\$ 480,132	2,389	50,707	10,960	-	544,188
Carrying amounts:						
Balance at January 1, 2025	\$ 476,300	3,474	26,176	17,564	42,293	565,807
Balance at September 30, 2025	\$ 385,683	2,099	15,738	17,040	150,377	570,937
Balance at January 1, 2024	\$ 560,167	3,060	32,148	11,489	76,012	682,876
Balance at September 30, 2024	\$ 465,278	3,974	30,047	18,558	82,913	600,770

For information of the property, plant and equipment of the Group that had been pledged as collateral for long-term borrowings; please refer to note 8.

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PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(7) Right-of-use assets

The movements of cost and accumulated depreciation of leased buildings and vehicles of the Group were as follows:

	<u>Building</u>	<u>Vehicle</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 129,570	9,172	138,742
Additions	5,488	4,580	10,068
Disposals	(3,467)	(5,625)	(9,092)
Effect of exchange rate changes	(545)	-	(545)
Balance at September 30, 2025	<u>\$ 131,046</u>	<u>8,127</u>	<u>139,173</u>
Balance at January 1, 2024	\$ 105,418	9,172	114,590
Additions	107,445	-	107,445
Disposals	(83,791)	-	(83,791)
Effect of exchange rate changes	286	-	286
Balance at September 30, 2024	<u>\$ 129,358</u>	<u>9,172</u>	<u>138,530</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 24,215	6,600	30,815
Depreciation	27,350	1,270	28,620
Disposals	(3,467)	(5,625)	(9,092)
Effect of exchange rate changes	(267)	-	(267)
Balance at September 30, 2025	<u>\$ 47,831</u>	<u>2,245</u>	<u>50,076</u>
Balance at January 1, 2024	\$ 70,853	4,765	75,618
Depreciation	27,911	1,376	29,287
Disposals	(83,791)	-	(83,791)
Effect of exchange rate changes	12	-	12
Balance at September 30, 2024	<u>\$ 14,985</u>	<u>6,141</u>	<u>21,126</u>
Carrying amounts:			
Balance at January 1, 2025	<u>\$ 105,355</u>	<u>2,572</u>	<u>107,927</u>
Balance at September 30, 2025	<u>\$ 83,215</u>	<u>5,882</u>	<u>89,097</u>
Balance at January 1, 2024	<u>\$ 34,565</u>	<u>4,407</u>	<u>38,972</u>
Balance at September 30, 2024	<u>\$ 114,373</u>	<u>3,031</u>	<u>117,404</u>

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PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(8) Intangible assets

The carrying amounts of intangible assets of the Group were as follows:

	<u>Intellectual property</u>	<u>Computer software</u>	<u>Technology licensed</u>	<u>Others</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2025	\$ <u>112</u>	<u>34,017</u>	<u>-</u>	<u>1,326</u>	<u>35,455</u>
Balance at September 30, 2025	\$ <u>83</u>	<u>17,805</u>	<u>-</u>	<u>957</u>	<u>18,845</u>
Balance at January 1, 2024	\$ <u>549</u>	<u>40,295</u>	<u>235</u>	<u>1,025</u>	<u>42,104</u>
Balance at September 30, 2024	\$ <u>221</u>	<u>39,005</u>	<u>38</u>	<u>898</u>	<u>40,162</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2025 and 2024. Information on amortization for the period is discussed in note 12. Please refer to note 6(7) of the 2024 annual consolidated financial statements for other related information.

The Group's intangible assets mentioned above were not pledged as collateral.

(9) Short-term borrowings

The details of the Group's short-term borrowings were as follows:

	<u>September 30, 2025</u>			
	<u>Currency</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Unsecured borrowings	NTD	2.10%	2026.3.20	\$ <u>50,000</u>
Unused credit lines				\$ <u>300,000</u>

The Group's short-term borrowings mentioned above were not pledged as collateral.

(10) Other payables

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Salaries and bonuses payables	\$ 71,210	119,845	57,170
Accrued expenses	50,268	60,962	53,939
Equipment payables	9,843	13,190	5,409
Interest payables	<u>113</u>	<u>175</u>	<u>75</u>
	<u>\$ 131,434</u>	<u>194,172</u>	<u>116,593</u>

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(11) Provisions

The movements of provisions - current of the Group were as follows:

	Warranties
Balance at January 1, 2025	\$ 6,792
Additions	12,065
Amount utilized	(1,781)
Amount reversed	(41)
Balance at September 30, 2025	<u>\$ 17,035</u>
Balance at January 1, 2024	\$ -
Additions	3,607
Balance at September 30, 2024	<u>\$ 3,607</u>

(12) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	<u>\$ 36,015</u>	<u>36,436</u>	<u>36,960</u>
Non-current	<u>\$ 54,446</u>	<u>72,533</u>	<u>81,277</u>

For the maturity analysis, please refer to note 6(23).

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30, 2025	2024	For the nine months ended September 30, 2025	2024
Interest on lease liabilities	<u>\$ 524</u>	<u>499</u>	<u>1,659</u>	<u>811</u>
Expenses relating to short-term leases	<u>\$ 1,736</u>	<u>1,018</u>	<u>4,539</u>	<u>2,106</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 108</u>	<u>97</u>	<u>278</u>	<u>267</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,328</u>	<u>1,077</u>	<u>3,619</u>	<u>2,965</u>

The total cash outflows recognized during the reporting period were as follows:

	For the nine months ended September 30, 2025	2024
Total cash outflow for leases	<u>\$ 38,378</u>	<u>35,472</u>

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A. Real estate leases

The Group leases buildings for its office space and factories. The leases typically run for a period of 1 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

B. Transportation equipment leases

The lease term for all of the Group's company vehicles are within 5 years.

C. Other leases

The Group leases lab, office, equipment and staff dormitory with contract terms of within 1 year. These leases are short-term items. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

The Group leases office equipment with contract terms of 1 to 5 years. These leases are leases of low value items. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

(13) Long-term borrowings

The details of the Group's long-term borrowings were as follows:

September 30, 2025				
	Currency	Interest Rate	Maturity Date	Amount
Unsecured borrowings	NTD	2.375%	2027.6.3~2027.7.23	\$ 82,400
Less: current portion				(82,400)
Total				\$ -
Unused credit lines				\$ -
December 31, 2024				
	Currency	Interest Rate	Maturity Date	Amount
Secured borrowings	NTD	2.325%	2025.8.15	\$ 2,667
Unsecured borrowings	NTD	2.375%	2025.1.25~2027.6.3	126,440
Subtotal				129,107
Less: current portion				(120,267)
Total				\$ 8,840
Unused credit lines				\$ 369,940

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September 30, 2024				
	Currency	Interest Rate	Maturity Date	Amount
Secured borrowings	NTD	2.325%~ 2.375%	2024.12.15~2027.1.26	\$ 71,559
Less: current portion				(71,559)
Total				\$ -
Unused credit lines				\$ 135,560

Please refer to note 8 for details of the related assets pledged as collateral.

(14) Bonds Payable

On December 6, 2024, the board of directors of the Company approved to issue the first domestic secured convertible corporate bonds, which was declared and effective on February 6, 2025 by the FSC. The issuance period is 3 years from February 27, 2025 to February 27, 2028. The total face value of the bonds issued is \$800,000 thousand dollars and the coupon rate is 0%.

The details of secured convertible bonds were as follows:

	September 30, 2025
Total convertible corporate bonds issued	\$ 800,000
Unamortized discounts	(33,856)
Bonds payable	\$ 766,144
Embedded derivative – call options	\$ 1,040
Embedded derivative – put options	\$ 7,440
Equity component – conversion options	\$ 38,960

The conversion price per share at the time of issuance of NTD250.9 is calculated by multiplying the closing price of the Company's ordinary shares traded on TIB at one business day before the reference date for determining the conversion price, which is February 19, 2025, of NTD246 by the conversion premium rate of 102%. The number of convertible shares of the bonds is calculated by dividing the issued face value of the bonds by the conversion price. After the issuance, anti-dilution clause in the terms of issuance and conversion will lead to adjustment of the conversion price. Due to the capital increase in cash, the conversion price shall be adjusted in accordance with the aforementioned terms.

The conversion price adjusted was as follows:

		(Amount in Dollars)
Base date for the cash capital increase	Conversion price before adjustment	Conversion price after adjustment
2025.3.24	250.9	248.3

(Continued)

PlayNitride Inc. and subsidiaries
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If the closing price of the Company's ordinary shares on TIB exceeds the conversion price by 30% for 30 consecutive business days or when the outstanding balance of the convertible corporate bonds is less than 10% of the total amount of the issuance, between the day following three months after the issuance of the convertible corporate bonds (May 28, 2025) to 40 days before the maturity date of the issuance period (January 18, 2028), the Company may repurchase the convertible corporate bonds of the bondholders in cash at face value within five business days after the reference date called.

February 27, 2027 should be the reference date that the bondholders exercises put options of the convertible corporate bonds in advance, after the date that the convertible corporate bonds had issued for two years. The bondholders could request the Company to buy back the convertible corporate bonds in cash at 101.0025% of the face value. If accepting the request, the Company should repurchase the convertible corporate bonds in cash within five business days after the reference date.

(15) Employee benefits

Defined contribution plans

The Group's Taiwan entities allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance, Ministry of Labor (the Bureau of Labor Insurance) in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations thereafter.

The pension costs of Group's domestic subsidiaries under the defined contribution plan were \$5,602 thousand dollars, \$5,008 thousand dollars, \$16,264 thousand dollars and \$14,468 thousand dollars for the three and nine months ended September 30, 2025 and 2024, respectively. Payments were made to the Bureau of the Labor Insurance.

The pension costs of Group's overseas subsidiaries under the defined contribution plan was \$65 thousand dollars and \$175 thousand dollars for the three and nine months ended September 30, 2025, respectively.

(16) Income tax

- A. The income tax expenses of the Group for the three and nine months ended September 30, 2025 and 2024 are nil.
- B. The Company was registered in the Cayman Islands, and not required to pay the local profit-seeking enterprise income tax. In addition, the income tax rate for branch and subsidiaries in Taiwan for the nine months ended September 30, 2025 and 2024 was 20%. Individual income tax rate was applied to taxable income in respective jurisdictions.
- C. Examination and approval

The income tax returns of the Group's branch and subsidiaries in Taiwan had been examined and assessed by the tax authority through the year of 2023.

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PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(17) Capital and other equity

Except for the following mentioned below, there were no significant changes in capital and other equity for the nine months ended September 30, 2025 and 2024, please refer to note 6(14) of the 2024 annual consolidated financial statements for other related information.

A. Ordinary shares

On September 30, 2025, December 31 and September 30, 2024, the amounts of authorized share capital were \$2,500,000 thousand dollars. The par value was NTD10 per share. On September 30, 2025, December 31 and September 30, 2024, the issued share capital were made up of ordinary shares 117,678,622 shares, 107,178,622 shares and 107,178,622 shares, respectively. As at September 30, 2025, December 31 and September 30, 2024, the paid in share capital were \$1,176,786 thousand dollars, \$1,071,786 thousand dollars and \$1,071,786 thousand dollars, respectively.

On December 6, 2024, the board of directors of the Company approved a capital increase in cash to issue 10,500,000 new shares (NTD10 per share). The above mentioned capital increase case was declared and effective on February 6, 2025 by the Financial Supervisory Commission. The capital increase record date is March 24, 2025, and the raised amount is \$1,974,000 thousand dollars.

The reconciliations of shares outstanding for the nine months ended September 30, 2025 and 2024 were as follows:

(by shares)	Ordinary shares	
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Balance at January 1	107,178,622	107,178,622
Capital increase in cash	10,500,000	-
Treasury stock repurchased	(608,000)	-
Balance at September 30	<u>117,070,622</u>	<u>107,178,622</u>

B. Capital surplus

The details of the Company's capital surplus were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Premium on issuance of ordinary shares	\$ 8,302,399	6,431,139	6,431,139
Proceeds from disposal of donated employee stocks managed by an employee ownership trust	20,066	19,505	17,560
Due to recognition of equity component of convertible bonds	38,960	-	-
	<u>\$ 8,361,425</u>	<u>6,450,644</u>	<u>6,448,699</u>

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PlayNitride Inc. and subsidiaries
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C. Retained earnings

According to the Company's Articles of Incorporation, if the Company shows a year end earning, it shall first pay miscellaneous taxes and make up any accumulated losses. Thereafter, a 10% appropriation of the remaining amount shall be set aside for legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid in capital. Thereafter, an amount shall be set aside or reversed as a special reserve in accordance with related laws, regulations, or provisions of the competent authorities. Distribution of the remaining profit after setting aside the abovementioned amounts, shall be proposed by the Board of Directors to be approved at the shareholders' meeting.

The Company's dividend policy is to pay dividends from surplus. The remaining part of earning after setting aside for abovementioned reserves together with the undistributed earnings fully and partially in prior year shall be served as shareholders' dividends with an amount no less than 20% of earnings after tax by considering multiple factors and in accordance with Cayman Companies Act and R.O.C. Regulations governing by Public Companies. The Company also considers several factors for earnings distribution such as current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, while taking into account shareholders' interest in the meantime, maintenance of balanced dividend and the Company's long term financial plan. The dividends will be distributed proportionately by the ownership percentage of shareholders; provided that where the amount of distributable earnings is less than 2% of the total paid in capital, there may be no dividend distribution. The shareholders' dividends paid in the current year will be distributed in a combination of cash dividends and stock dividends, with the cash dividends distributed is no less than the 10% of the total amount of cash dividends and stock dividends distributed throughout the year.

If the earning distribution is paid in cash dividends, the resolution shall be passed in majority with two thirds of attendance in Board of Directors' meeting and approved by one half of the present directors and further reported to the nearly coming shareholders' meeting.

The statements of deficits off-setting for 2024 and 2023 were approved during the stockholders' meeting held on June 27, 2025 and June 20, 2024. The resolution was consistent with that approved by the board of directors. The related information is available on the market Observation Post System website.

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PlayNitride Inc. and subsidiaries
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D. Other equity

	Exchange differences on translation of foreign financial statements	Exchange differences arising on translation to the presentation currency	Total
Balance at January 1, 2025	\$ (283,589)	522,689	239,100
Exchange differences on translation of foreign financial statements	(3,274)	-	(3,274)
Balance at September 30, 2025	<u>\$ (286,863)</u>	<u>522,689</u>	<u>235,826</u>
Balance at January 1, 2024	\$ (197,914)	394,720	196,806
Exchange differences on translation of foreign financial statements	(49,868)	-	(49,868)
Exchange differences arising on translation to the presentation currency	-	74,329	74,329
Balance at September 30, 2024	<u>\$ (247,782)</u>	<u>469,049</u>	<u>221,267</u>

E. Treasury stock

The Company implemented a treasury stock program, and the reasons for the repurchase were as follows:

Unit: Shares

	2025			
Reasons	Balance at January 1	Granted during the period	Exercised during the period	Balance at September 30
Transfer to employees	-	608,000	-	608,000

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

The Company repurchased a total of 608,000 treasury shares at a cost of \$96,178 thousand dollars to transfer to employees in accordance with the requirements of Securities and Exchange Act 28-2 for the nine months ended September 30, 2025. There were no treasury stock transactions for the nine months ended September 30, 2024.

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(18) Share-based payment

On December 6, 2024, the board of directors of the Company approved a capital increase in cash. In accordance with Article 267 of the ROC Company Act, 15% of the total number of shares issued for the capital increase should be reserved for employee subscription. The related information was as follows:

	<u>Equity-settled Capital increase reserved for employee subscription</u>
Grant date	2025.3.11
Number of shares grants	1,129,753 shares
Vesting conditions	Immediately vested

The share-based payment that was determined based on the employee's actual subscription, multiplied by the amounts where the fair value exceed the subscription value on the grant date amounted to \$2,260 thousand dollars, recognized as compensation cost.

(19) Earnings (loss) per share

Basic and diluted earnings (loss) per share

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u><u>71,312</u></u>	<u><u>59,332</u></u>	<u><u>(350,333)</u></u>	<u><u>(57,542)</u></u>
Weighted-average number of shares outstanding during the period (in thousands of shares)	<u><u>117,404</u></u>	<u><u>107,179</u></u>	<u><u>114,432</u></u>	<u><u>107,179</u></u>
Basic and diluted earnings (loss) per share (NTD)	\$ <u><u>0.61</u></u>	<u><u>0.55</u></u>	<u><u>(3.06)</u></u>	<u><u>(0.54)</u></u>

For the three months ended September 30, 2025, the Company's convertible corporate bonds with a total face value issued is \$800,000 thousand dollars were excluded from the calculation of diluted earnings per share, as their effect was anti-dilutive. Since the Company incurred an accumulated deficit for the nine months ended September 30, 2025 and 2024, there were no dilutive potential ordinary shares for the period.

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PlayNitride Inc. and subsidiaries
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(20) Revenue from contracts with customers

- A. Revenue from contracts with customers is recognized based on the location of customers. The details were as follows:

	For the three months ended September 30, 2025					
	Chip on Carrier (CoC)	Technical services	Construction contract revenue	Equipment sales	Others	Total
Taiwan	\$ 78,022	2,604	-	237,450	285	318,361
Korea	21,259	4,895	-	-	-	26,154
Others	3,526	11,647	-	-	-	15,173
	\$ 102,807	19,146	-	237,450	285	359,688

For the three months ended September 30, 2024					
	Chip on Carrier (CoC)	Technical services	Construction contract revenue	Others	Total
Taiwan	\$ 168,317	78,791	216,224	10,940	474,272
Korea	29,496	12,802	-	-	42,298
Others	-	8,849	-	-	8,849
	\$ 197,813	100,442	216,224	10,940	525,419

For the nine months ended September 30, 2025						
	Chip on Carrier (CoC)	Technical services	Construction revenues	Equipment sales	Others	Total
Taiwan	\$ 291,850	20,208	153,393	292,816	890	759,157
Korea	56,192	12,750	-	-	-	68,942
Others	8,596	27,328	-	-	-	35,924
	\$ 356,638	60,286	153,393	292,816	890	864,023

For the nine months ended September 30, 2024					
	Chip on Carrier (CoC)	Technical services	Construction revenues	Others	Total
Taiwan	\$ 397,138	179,816	320,728	19,533	917,215
Korea	93,099	12,865	-	232	106,196
Others	-	30,511	-	423	30,934
	\$ 490,237	223,192	320,728	20,188	1,054,345

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PlayNitride Inc. and subsidiaries
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B. Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Contract assets — current	\$ <u>176,564</u>	<u>129,387</u>	<u>68,494</u>
Contract liabilities — current	\$ <u>3,127</u>	<u>5,226</u>	<u>233,076</u>

The contract assets were mainly recognized when revenue was recognized but not yet claimed at the reporting date. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

The contract liabilities primarily relate to advances from construction and the advance consideration received from customers for the sales contracts, for which revenue is recognized when the construction is built over time and products are delivered to customers. The amounts of revenue recognized for the three and nine months ended September 30, 2025 and 2024 that were included in the contract liability balances at the beginning of the periods were \$250 thousand dollars, \$0 thousand dollars, \$5,143 thousand dollars and \$30,620 thousand dollars, respectively.

C. The transaction price allocated to the outstanding performance obligations

On September 30, 2025, the transaction price allocated from the total amount of the contract to remaining performance obligations was \$13,036 thousand dollars. The revenue is recognized progressively based on the progress towards complete satisfaction of contract and is expected to be completed in one year.

(21) Remuneration to employees and directors

In accordance with the Company's Articles of Incorporation, the Company shall accrue its remuneration to employees and directors based on a certain percentage of the current year profit, as follows: no less than 5% as employee remuneration and no more than 1% as directors' remuneration. Profits shall first be used to offset against any deficit. The remuneration to employees and directors is to be reported to the shareholders meeting.

For the three and nine months ended September 30, 2025 and 2024, the Company incurred accumulated deficits, so there were no remuneration recognized.

(22) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 9,841	9,404	30,375	28,384
Interest imputed from refundable deposits	<u>6</u>	<u>6</u>	<u>14</u>	<u>14</u>
	<u>\$ 9,847</u>	<u>9,410</u>	<u>30,389</u>	<u>28,398</u>

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PlayNitride Inc. and subsidiaries
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B. Other income

The details of other income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Grants	\$ -	-	-	463
Others	391	1,352	779	2,020
	<u>\$ 391</u>	<u>1,352</u>	<u>779</u>	<u>2,483</u>

C. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net foreign exchange gain (loss)	\$ 73,165	2,364	(143,386)	9,475
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	(1,760)	-	(3,360)	-
Gain (loss) on disposals and derecognition of property, plant and equipment	-	4	1	(21)
Others	-	-	-	(667)
	<u>\$ 71,405</u>	<u>2,368</u>	<u>(146,745)</u>	<u>8,787</u>

D. Finance costs

The details of finance costs were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest expense from bonds payable	\$ 3,496	-	8,144	-
Interest expense from bank borrowings	1,297	333	3,797	513
Interest expense from lease liabilities	524	499	1,659	811
	<u>\$ 5,317</u>	<u>832</u>	<u>13,600</u>	<u>1,324</u>

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PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

(23) Financial instruments

A. Credit risk

(a) Credit risk exposures

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

(b) Disclosures of the concentration of credit risk

The Group's potential credit risk is derived primarily from cash and cash equivalents, financial assets measured at amortized cost, contract assets, accounts receivable (including related parties), other notes receivables, net and other receivable. The Group maintains its cash and cash equivalents and financial assets measured at amortized cost in various creditworthy financial institutions. The Group monitors its exposure with these financial institutions; therefore, the Group believes that there is no concentration of credit risk in regard to cash and cash equivalents and financial assets.

As of September 30, 2025, December 31 and September 30, 2024, 96%, 92% and 46%, respectively, of total notes and accounts receivables, net (including related parties) consisted of three customers, resulting in the credit risk to be centralized. However, the major customers of the Group are companies with sound reputation. The Group regularly reviews the credit status of its customers to ensure whether there is any significant credit risk existing. Also, the Group regularly reviews the recoverable amount of the receivables to ensure the uncollectible amount are recognized appropriately as impairment loss; therefore, the management does not expect any significant future impairment loss.

(c) Credit risk of receivables and debt securities

For credit risk exposure of notes and accounts receivables, net (including related parties), please refer to note 6(4).

Financial assets at amortized cost include investments in time deposits with original maturities of more than three months, please refer to note 6(3).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

No loss allowances were recognized under financial assets measured at amortized cost at for the three and nine months ended September 30, 2025 and 2024.

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B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Cash flows of contract</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>Over 1 year</u>
September 30, 2025					
Non-derivative financial liabilities					
Liabilities without interests	\$ 248,741	248,741	248,741	-	-
Short-term borrowings	50,000	50,515	50,515	-	-
Lease liabilities	90,461	93,230	19,924	17,698	55,608
Long-term borrowings (including current portion)	82,400	83,004	83,004	-	-
Bonds payable	<u>766,144</u>	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>800,000</u>
	<u>\$ 1,237,746</u>	<u>1,275,490</u>	<u>402,184</u>	<u>17,698</u>	<u>855,608</u>
December 31, 2024					
Non-derivative financial liabilities					
Liabilities without interests	\$ 261,569	261,569	261,569	-	-
Lease liabilities	108,969	113,023	20,008	18,486	74,529
Long-term borrowings (including current portion)	<u>129,107</u>	<u>129,924</u>	<u>120,304</u>	<u>774</u>	<u>8,846</u>
	<u>\$ 499,645</u>	<u>504,516</u>	<u>401,881</u>	<u>19,260</u>	<u>83,375</u>
September 30, 2024					
Non-derivative financial liabilities					
Liabilities without interests	\$ 203,100	203,100	203,100	-	-
Lease liabilities	118,237	122,934	20,065	19,161	83,708
Long-term borrowings (including current portion)	<u>71,559</u>	<u>72,295</u>	<u>70,619</u>	<u>1,676</u>	<u>-</u>
	<u>\$ 392,896</u>	<u>398,329</u>	<u>293,784</u>	<u>20,837</u>	<u>83,708</u>

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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C. Exchange rate risk

(a) Exchange rate risk

The Group's financial assets and liabilities exposed to exchange rate risk were as follows:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial Assets</u>									
<u>Monetary items</u>									
USD	\$ 47,222	30.52	1,441,215	4,206	32.73	137,662	4,810	31.87	153,295
JPY	709	0.2037	144	20,708	0.2073	4,293	165,718	0.2198	36,425
<u>Financial Liabilities</u>									
<u>Monetary items</u>									
USD	942	30.52	28,750	471	32.73	15,416	486	31.87	15,489
JPY	-	0.2037	-	-	0.2073	-	90,000	0.2198	19,782

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses on cash and cash equivalents, financial assets measured at amortized, accounts receivable, net (including related parties), other receivables (including related parties), accounts payables (including related parties), and other payable (including related parties) that are denominated in foreign currency. A 5% depreciation or appreciation of the consolidated entities' functional currency against the above foreign currency as of September 30, 2025 and 2024, would have increased (decreased) the net income before income tax of \$70,630 thousand dollars and \$7,722 thousand dollars for the nine months ended September 30, 2025 and 2024, respectively.

(c) Exchange gains and losses of functional currency

For the three and nine months ended September 30, 2025 and 2024, the foreign exchange gain (losses) (including realized and unrealized) were \$73,165 thousand dollars, \$2,364 thousand dollars, \$(143,386) thousand dollars and \$9,475 thousand dollars, respectively. It is impractical to disclose the foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the Group.

D. Interest rate analysis

The sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.25%, the Group's income before income taxes would have increased / decreased by \$3,306 thousand dollars and \$379 thousand dollars for the nine months ended September 30, 2025 and 2024, respectively, with all other variable factors remaining constant. This is mainly due to floating interest rates of the Group's cash and cash equivalents, short-term borrowings and long-term borrowings.

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E. Fair value of financial instruments

(a) Categories of financial instruments and fair value

The carrying amounts of the Group's current non-derivative financial instruments, including financial assets and financial liabilities at amortized cost, were considered to approximate their fair value due to their short-term nature. This methodology applies to cash and cash equivalents, receivables or payables (including related parties), guarantee deposits received, short-term borrowings and long-term borrowings, etc.

Fair value measurements are grouped into Level I to 3 based on the degree to which the fair value is observable:

- Level I fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		September 30, 2025				
		Carrying amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Embedded derivatives of convertible bonds — call options		\$ <u>1,040</u>	<u>-</u>	<u>1,040</u>	<u>-</u>	<u>1,040</u>
Financial liabilities at fair value through profit or loss						
Embedded derivatives of convertible bonds — put options		\$ <u>7,440</u>	<u>-</u>	<u>7,440</u>	<u>-</u>	<u>7,440</u>

(b) Valuation techniques for financial instruments not measured at fair value

The Group's financial instruments not measured at fair value are financial assets measured at amortized cost. Except for the maturities that are quite closed or the future payment or receipt is closed to the carrying amount, the carrying amount at the consolidated balance sheet date is used to estimate the fair value.

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(c) Valuation techniques for financial instruments measured at fair value

The Group's measurement of financial instruments measured at fair value is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models.

(d) There is no transfer between the levels for the nine months ended September 30, 2025 and 2024.

(24) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(20) of the consolidated financial statements for the year ended December 31, 2024.

(25) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6(21) of the consolidated financial statements for the year ended December 31, 2024 for further details.

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

The Group's investing and financing activities which did not affect the current cash flow were as follows:

A. For leased right-of-use assets, please refer to note 6(7).

B. Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Exchange rate movement and others	September 30, 2025
Short-term borrowings	\$ -	50,000	-	50,000
Lease Liabilities	108,969	(28,283)	9,775	90,461
Long-term borrowings (including current portion)	129,107	(46,707)	-	82,400
Bonds payable	-	800,000	(33,856)	766,144
Total liabilities from financing activities	<u>\$ 238,076</u>	<u>775,010</u>	<u>(24,081)</u>	<u>989,005</u>

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	January 1, 2024	Cash flows	Exchange rate movement and others	September 30, 2024
Lease liabilities	\$ 39,835	(29,323)	107,725	118,237
Long-term borrowings (including current portion)	20,478	51,081	-	71,559
Total liabilities from financing activities	<u>\$ 60,313</u>	<u>21,758</u>	<u>107,725</u>	<u>189,796</u>

7. Related-party transactions:

(1) 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:

Name of related party	Relationship with the Group
Samsung Electronics Co., Ltd. and its subsidiaries (Samsung)	Key management personnel of the Group (Note 1)
Ennostar Inc. and its subsidiaries (Ennostar)	Key management personnel of the Group (Note 2)
AUO Optronics Corporation and its subsidiaries (AUO)	Key management personnel of the Group (Note 3)
LITE-ON Technology Corporation and its subsidiaries (LITE-ON)	Key management personnel of the Group

Note 1: SVIC No. 32 New Technology Business Investment L.L.P. of Samsung is the key management personnel (corporate director) of the Group.

Note 2: Epistar Corporation of Ennostar is the key management personnel (corporate director) of the Group.

Note 3: Konly Venture Corporation of AUO is the key management personnel (corporate director) of the Group.

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(2) Significant related-party transactions

A. Operating revenue

(a) The significant transactions with related parties were as follows:

Related Party Category	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Key management personnel of the Group (Samsung)	\$ 35,238	67,649	88,688	202,152
Key management personnel of the Group (Ennostar)	-	2,602	-	56,906
Key management personnel of the Group (AUO)	54,740	387,795	391,427	622,871
Key management personnel of the Group (LITE-ON)	-	-	800	-
	<u>\$ 89,978</u>	<u>458,046</u>	<u>480,915</u>	<u>881,929</u>

The sales price between the Group and its related parties cannot be compared since the Group sells different products to the third parties. However, the collection term is similar to that of the non-related parties.

On November 10, 2022, the Group signed a contract with Ennostar based on a resolution of the board of directors to assist Ennostar in building a production line. The contract begins from November 11, 2022 to April 30, 2025. The total contract price is \$600 million dollars (excluding tax). Two-year warranty service is provided from the date of completion, and the warranty obligation has already commenced. However, in order to establish a long-term partnership, a supplementary agreement was signed to add conditions for the completion of the project contract. As of September 30, 2025, the supplementary agreement and the additional project completion conditions have not yet been finalized.

On October 31, 2023, the Group signed a contract with AUO based on a resolution of the board of directors to assist AUO in building a production line. The contract begins from January 1, 2024 to June 30, 2026. The total contract price is \$700 million dollars (excluding tax).

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(b) The outstanding balance from above-mentioned transactions is as follows:

Item	Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable — related parties, net	Key management personnel of the Group (Samsung)	\$ 22,527	40,860	58,444
	Key management personnel of the Group (Ennostar)	-	16,695	115,279
	Key management personnel of the Group (AUO)	132,017	238,221	68,718
	Key management personnel of the Group (LITE-ON)	-	40	-
		<u>\$ 154,544</u>	<u>295,816</u>	<u>242,441</u>
Contract assets — current	Key management personnel of the Group (Samsung)	\$ 2,901	-	2,076
	Key management personnel of the Group (Ennostar)	53,628	53,628	53,628
	Key management personnel of the Group (AUO)	105,000	56,607	-
		<u>\$ 161,529</u>	<u>110,235</u>	<u>55,704</u>
Contract liabilities — current	Key management personnel of the Group (Ennostar)	\$ -	-	37,100
	Key management personnel of the Group (AUO)	-	1,706	120,544
		<u>\$ -</u>	<u>1,706</u>	<u>157,644</u>

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

B. Purchase

- (a) The amounts of significant purchase by the Group from related parties were as follows:

Related Party Category	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Key management personnel of the Group (Ennostar)	\$ <u>9,213</u>	<u>2,640</u>	<u>25,491</u>	<u>37,800</u>

The purchase price between the Group and the related party cannot be compared since the Group purchases different products from third parties. However, the payment term with related parties is similar to that of the non-related parties.

- (b) The outstanding balance (accounts payable—related parties) from above-mentioned transactions is as follows:

Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Key management personnel of the Group (Ennostar)	\$ <u>13,642</u>	<u>1,256</u>	<u>2,459</u>

C. Lease agreement

- (a) The Group has signed relevant contracts to lease the existing plants and offices from Ennostar. The contract period is 2 to 4 years. Interest expenses recognized for the three and nine months ended September 30, 2025 and 2024 were \$448 thousand dollars, \$420 thousand dollars, \$1,469 thousand dollars and \$592 thousand dollars, respectively, and lease principal repayments for the nine months period ended September 30, 2025 and 2024 were \$21,506 thousand dollars and \$22,662 thousand dollars, respectively. The balances of lease liabilities were \$74,676 thousand dollars, \$96,182 thousand dollars and \$103,268 thousand dollars at September 30, 2025, December 31 and September 30, 2024, respectively. The balances of refundable deposits due to lease were \$724 thousand dollars, \$4,601 thousand dollars and \$4,601 thousand dollars, and prepaid rents were \$2,553 thousand dollars, at September 30, 2025, December 31 and September 30, 2024, respectively.
- (b) The Group leased the machines and parking spots, etc. from Ennostar for the nine months ended September 30, 2025 and 2024. Based on IFRS 16 the Group has elected not to recognize short-term lease and low value lease assets for these leases. The variable lease payments were not included in the measurement of lease liabilities. The operating rents paid by the Group were \$1,076 thousand dollars, \$1,155 thousand dollars, \$4,707 thousand dollars and \$2,629 thousand dollars for the three and nine months ended September 30, 2025 and 2024, respectively.

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

D. Others

- (a) The details of research expense, processing expense and plant facility usage expense paid by the Group to related parties are as follows:

Related Party Category	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Key management personnel of the Group (Ennostar)	<u>\$ 63,680</u>	<u>37,606</u>	<u>147,147</u>	<u>107,896</u>

- (b) Other receivables and payables to related parties

The details of the receivables and payables of the Group due to the above-mentioned transactions and other collections and payments made on behalf of related parties, etc. are as follows:

Item	Related Party Category	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables-related parties	Key management personnel of the Group (Ennostar)	<u>\$ 618</u>	<u>556</u>	<u>-</u>
Other payables-related parties	Key management personnel of the Group (Ennostar)	<u>\$ 40,619</u>	<u>28,198</u>	<u>25,300</u>

- (3) Transactions with key management personnel

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	<u>\$ 12,106</u>	<u>14,974</u>	<u>64,711</u>	<u>67,422</u>

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

8. Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Purpose of pledge	September 30, 2025	December 31, 2024	September 30, 2024
Equipment included in property, plant and equipment	Guarantee of long-term borrowings	\$ -	47,058	53,548
Financial assets at amortized cost—current	Guarantee of credit card	200	200	200
Financial assets at amortized cost—current	Guarantee for bonds payable	234,046	-	-
Financial assets at amortized cost—current	Guarantee of long-term borrowings	1,000	-	-
Financial assets at amortized cost—current	Provision guarantee	140	-	-
Financial assets at amortized cost—non-current	Guarantee of long-term borrowings	-	1,000	1,000
Financial assets at amortized cost—non-current	Provision guarantee	-	140	140
Financial assets at amortized cost—non-current	Lease guarantee	4,382	4,382	4,382
		<u><u>\$ 239,768</u></u>	<u><u>52,780</u></u>	<u><u>59,270</u></u>

9. Commitments and contingencies:

Significant commitments that were not recognized:

	September 30, 2025	December 31, 2024	September 30, 2024
Acquisition of property, plant and equipment	\$ 108,753	258,011	97,730
Purchase of construction equipment, material and consumables	177,154	232,696	297,894
	<u><u>\$ 285,907</u></u>	<u><u>490,707</u></u>	<u><u>395,624</u></u>

10. Losses due to major disasters: None.

11. Subsequent events:

On October 17, 2025, the board of directors of the Company approved the equipment procurement plan of its subsidiary, PlayNitride (Kungshan) Co., Ltd., with a total amount not exceeding CNY 395,000 thousand dollars.

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

12. Other:

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

By function	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Classified as cost of sales	Classified as operating expenses	Total	Classified as cost of sales	Classified as operating expenses	Total
By item						
Employee benefits						
Salaries	46,086	56,654	102,740	46,512	57,334	103,846
Labor and health insurance	4,317	8,181	12,498	4,147	5,335	9,482
Pension	2,110	3,557	5,667	2,035	2,973	5,008
Remuneration of directors	-	1,067	1,067	-	986	986
Others	2,093	4,591	6,684	1,667	3,700	5,367
Depreciation	34,150	22,708	56,858	35,762	25,940	61,702
Amortization	4,940	962	5,902	5,002	752	5,754

By function	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Classified as cost of sales	Classified as operating expenses	Total	Classified as cost of sales	Classified as operating expenses	Total
By item						
Employee benefits						
Salaries	131,121	194,680	325,801	133,292	173,838	307,130
Labor and health insurance	12,808	20,109	32,917	12,214	15,121	27,335
Pension	6,225	10,214	16,439	5,876	8,592	14,468
Remuneration of directors	-	2,591	2,591	-	3,042	3,042
Others	6,242	12,707	18,949	5,054	10,630	15,684
Depreciation	107,953	71,341	179,294	107,800	76,411	184,211
Amortization	14,820	3,009	17,829	13,857	2,371	16,228

(Continued)

PlayNitride Inc. and subsidiaries
Notes to the Consolidated Financial Statements

13. Other disclosures:

(1) 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 for the nine months ended September 30, 2025:

- A. Loans to other parties: None.
- B. Endorsements/guarantees provided: Please refer to Table 1.
- C. Securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): None.
- D. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock: Please refer to Table 2.
- E. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: Please refer to Table 3.
- F. Business relationships and significant intercompany transactions: Please refer to Table 4.

(2) Information on investees: Please refer to Table 5.

(3) Information on investment in mainland China:

- (i) The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 6.
- (ii) Limitation on investment in Mainland China: Please refer to Table 6.
- (iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of the consolidated financial statements, were disclosed in the “Information on significant transactions”.

14. Segment information:

The Group has a single reportable segment. The Group is mainly engaged in the research, development, design, production and sale of Micro LED, module and the related product of panel, and in chemical, raw materials, products, and material wholesale and retail. The operating segment information is consistent with the consolidated financial statements. Please refer to the consolidated statements of comprehensive income for net revenues from external customers and segment profit or loss, and refer to the consolidated balance sheets for segment assets.

(Continued)

PlayNitride Inc. and subsidiaries
Endorsements/guarantees provided
For the nine months ended September 30, 2025

Table 1

(In Thousands of New Taiwan Dollars)

No.	Endorser/ Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided for Each Party (Notes 4, 5)	Maximum Endorsement/ Guarantee Balance for the Period (Note 2)	Ending Balance (Notes 3, 4)	Amount Actually Drawn Down (Note 4)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 4, 5)	Endorsement/ Guarantee Provided by Parent Company to Subsidiary	Endorsement/ Guarantee Provided by Subsidiary to Parent Company	Endorsement/ Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
0	The Company	PlayNitride Display	5	1,268,686	198,600 (USD6,000,000)	183,120 (USD6,000,000)	60,000	-	5.48 %	1,268,686	Y	N	N
1	PlayNitride Display	The Company	2	2,273,376	816,080	816,080	816,080	-	25.13 %	2,273,376	N	Y	N

Note 1: The relationship between the endorser/guarantor and the guaranteed party:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) For the parent company that directly or indirectly holds more than 50% of the Company's voting shares through its subsidiaries.
- (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- (5) Companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Note 2: The maximum endorsement/guarantee balance for the period represents the highest amount in New Taiwan Dollars announced or occurred during the period.

Note 3: The ending balance represents the amounts approved by the Board of Directors.

Note 4: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the exchange rates at the reporting date.

Note 5: The policy for the limit of total endorsement/guarantee amount and the limit on endorsement/guarantee amount provided to each party are prescribed as follows:

The Company: The total amount of endorsement/guarantee provided by the Company is limited to 35% of its net worth. For any one endorsee/guarantee company, the limit shall not exceed 10% of the Company's net worth, nor the net worth of the endorsee/guarantee company, whichever is lower. With the approval of the Board of Directors, the policy for endorsement/guarantee granted by subsidiaries to the company whose voting shares are directly or indirectly wholly-owned is not limited by the above description.

PlayNitride Display: The total amount of endorsement/guarantee provided by PlayNitride Display is limited to 70% of its net worth. For any one endorsee/guarantee company, the limit shall not exceed 10% of PlayNitride Display's net worth, nor the net worth of the endorsee/guarantee company, whichever is lower. With the approval of the Board of Directors, the policy for endorsement/guarantee granted by subsidiaries to PlayNitride Display whose voting shares are directly or indirectly wholly-owned, or to the parent company whose voting shares are directly wholly-owned by PlayNitride Display, is not limited by the above description.

PlayNitride Inc. and subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower than NT\$300 million or 20% of the capital stock

For the nine months ended September 30, 2025

Table 2

(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)	
PlayNitride Display	AUO	Key management personnel of the Group	(Sale)	391,427	46 %	Note 2	-	-	132,017	28%	Note 1

Note 1: Since the Group sells different products to the third parties, the sales price and payment terms between the Group and its the related parties cannot be compared.

Note 2: Payment terms are agreed in the contracts signed by both parties.

PlayNitride Inc. and subsidiaries
Receivables from related parties with amounts exceeding the lower than NT\$100 million or 20% of the capital stock
September 30, 2025

Table 3

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate (times)	Overdue		Amounts received in subsequent period (Note1)	Allowance for bad debts	Note
					Amount	Action taken			
PlayNitride Display	AUO	Key management personnel of the Group	132,017	2.82	111,129	Will be collected in next period	-	-	None

Note 1: The amount received in subsequent period as of October 25, 2025.

PlayNitride Inc. and subsidiaries
Business relationships and significant intercompany transactions
For the nine months ended September 30, 2025

Table 4

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	PlayNitride Display	The Company	2	Sales revenue	48,366	Note 3	5.60%

Note 1: The characters of business transactions between parent company and its subsidiaries are coded as follows:

1. PlayNitride "0".
2. PlayNitride Display "1".
3. The investee is coded consecutively beginning from "0" in the order presented in the table above.

Note 2: The relationships with transactions are as follows:

- (1) Parent company to its subsidiaries.
- (2) Subsidiaries to the parent company.
- (3) Transactions between subsidiaries.

Note 3: The price of inter-company sales are not comparable with those of third parties. The credit term is EOM 60 days.

Note 4: The table represented the amount of significant transaction exceeding 1 percent of the consolidated operating revenue or total assets.

Note 5: Only the sales revenue and receivables from related parties were disclosed; the relative purchase and payables need not be redisclosed.

PlayNitride Inc. and subsidiaries
Information on investees
For the nine months ended September 30, 2025

Table 5

(In Thousands and shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/ losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of Ownership	Carrying value			
The Company	PlayNitride Display	Taiwan	Engages in the research, development, design, manufacture and sale of Micro LED, modules, and panels, in related design, installation, and maintenance of process equipment, in out-licensing of innovative technologies, and in the chemical, raw materials, products, and material wholesale and retail.	6,498,000	4,470,000	71,200,000	100.00 %	3,247,680	(167,117)	(167,117)	Note 1
The Company	PlayNitride America Corporation	America	Sales and consulting services	47,998 (USD1,500)	31,633 (USD1,000)	15,000,000	100.00 %	15,204	(9,972)	(9,972)	Note 1
The Company	PN Nova Holdings Ltd.	Cayman Islands	Holding company	252,388 (USD8,250)	-	20,000	100.00	249,721	(835)	(835)	Note 1

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

PlayNitride Inc. and subsidiaries

The names of investees in Mainland China, the main businesses and products, and other information

For the nine months ended September 30, 2025

Table 6

(In Thousands)

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

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 September 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4 and 5)	Book value (Note 4)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
PlayNitride Display (Shanghai) Co., Ltd.	Sales and consulting services	30,192 (USD1,000)	Note 1	-	30,192	-	-	126	100%	126	30,481	-
PN Nova (Jiangsu) Co., Ltd.	Holding company	249,329 (USD8,150)	Note 2	-	249,329	-	-	(347)	100%	(347)	247,106	-
PlayNitride (Kungshan) Co., Ltd.	Production, manufacturing, and sales of Micro LED panels and modules	241,029 (CNY56,000)	Note 3	-	-	-	-	(8)	100%	(8)	239,224	-

(2) Limitation on investment in Mainland China

Accumulated Investment in Mainland China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NA	NA	NA

Note 1: Direct investment in Mainland China by Playnitride Inc.

Note 2: Investments in Mainland China through an existing investee company (PN Nova Holdings Ltd.) in a third region.

Note 3: Direct investment by Playnitride Inc. subsidiary (PN Nova (Jiangsu) Co., Ltd.) in Mainland China .

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 5: The investment gain or loss recognized in the current period are based on the financial statement reviewed by a certified public accountant cooperating with the parent company in Taiwan.