

I. Letter to Shareholders

Annual General Meeting of Shareholders 2021

Dear Shareholders, Ladies and Gentlemen,

How time flies! A new year is upon us once again, so we would like to wish everyone all the best and a roaring trade in the Year of the Tiger. Thanks to the talent development, mentoring and organizational adjustment initiatives that PTI first embarked on two years ago, the impact from the latest wave of turnovers, personnel shortages, and recruiting difficulties were minimized.

At the same time, our proactive optimization of product combination as well as the development and manufacturing of advance technologies have borne fruit.

In memory products, Xi'an plant's service contract with Micron has expired so it will no longer affect group operations. The formal founding of Solidgm (subsidiary of SK Hynix) as an independent company at the start of the year meant the continuation of the long-term partnership between the two parties. Kioxia had disclosed in February that it was having issues with its production process but this was quickly resolved. On the whole, we believe that memory product revenues will hold steady this year and there will be no change to the current trend of sustained revenue growth in each quarter. In logic products, our overall performance has been outstanding. Greatek in particular was on a streak with annual revenues growing by 32.4% and net profits growing by 72.9%. Its parent company PTI maintains high utilization either. The production of Bumping, Flip Chip-Chip Scale Package (FCCSP), Flip Chip Ball Grid Array (FCBGA), system-level packaging (SIP/SIM) and die-stacking products all met their targets ahead of schedule.

The PTI Group delivered its best results ever in 2021 due to the support of our suppliers and customer partners as well as all of our employees working together. Consolidated revenues reached NT\$83.794 billion, net profit after tax attributable to the parent company reached NT\$8.898 billion, and with earnings per share (EPS) was NT\$11.54.

For the new ahead, the global economy is now faced with many challenges such as the rise of nationalism, regional trade conflicts, the Russian-Ukraine war, the US-China technology war, and the continued spread of COVID-19. The implementation of working and learning from home measures is changing how people work and live; at the same time, it is also accelerating the development of new technologies such as AI, 5G communications, self-driving vehicles, low-earth orbit satellites, and the metaverse. The semiconductor industry plays a critical role in the realization of this technology applications. Even though wafer foundries used to attract most people's attention, all of these applications require an advanced assembly & testing industry to make them happen. The advanced assembly & testing technology of PTI is among the best in the world. In the future, we plan to:

1. Increase our investment and upgrade our design of advanced products and process technologies, such as:

(1) Application of Through-Silicon Via (TSV) technology to

--CMOS Image Sensor (CIS)

--High Bandwidth Memory (HBM) and

--Bio-technology (Bio.Tech);

(2) Application of Fan-Out Panel Level Packaging (FOPLP) technology to

--High Performance Computing (HPC)

- Augmented Reality (AR)
- Artificial Intelligence (AI)
- Internet of Things (IoT) and
- Smart Driving etc.

2. Emphasize the upgrading of manufacturing capabilities to provide highly reliable, high-quality products and services.

3. Strengthen and enhance our ability to respond to global developments in order to become the trusted partner and strength of our customers, suppliers, employees and society.

4. Fulfill the goals of sustainable corporate development through the continued promotion of Environment, Society and Governance (ESG).

PTI will continue to move forward towards realizing our goal of “becoming the World No.1 in technology, quality, and service!”

Sincerely,
D.K. Tsai

PTI Chairman

Powertech Technology Inc. 2021 Business Report

I. 2021 Business Operations Report

According to the "World Economy Watch" issued by the International Monetary Fund in (IMF) in January 2022, the global economy grew by 5.9% in 2021 and showed clear signs of sustained recovery compared to 2020. New COVID-19 surges however impacted on overall economy growth due to supply chain disruptions, labor shortages, high energy prices and rising commodity prices. Economic growth in developed economic bodies was therefore weaker than expected while China was also impacted by the spread of COVID-19 and power rationing. Economic growth is therefore expected to slow in the second half of the year so IMF forecast that the global economy will grow by around 4.4% in 2022.

In terms of the global semiconductor industry, the international research and consulting firm Gartner found that strong demand for computers and smart phone products driven by the stay-at-home economy was now gradually cooling with grow returning to past norms. Shortages due to growing demand from other applications for semiconductor products persist however so global semiconductor product revenues in 2021 are expected to reach US\$555.9 billion, an increase of 26.2% compared to 2020. Taiwan's semiconductor industry performed significantly better than the rest of the world. Statistics from the International Strategy Center of the Industrial Technology Research Center (ITRI) in February 2022 showed that the Taiwanese IC industry was worth NT\$4,082 billion (US\$145.8 billion) in 2021, up 26.7% compared to 2020. The IC packaging industry in particular was worth NT\$435.4 billion, up 15.3% from 2020, while the IC testing industry was worth NT\$203 billion, up 18.4% compared to 2020.

PTI 2021 revenue increased 10% from 2020 with strong remote demand on server, notebook, and mobile devices. PTI 2021 revenue and profit outperform industry average and peers and met our expectations. PTI will continue to invest in technologies to provide excellent quality and services going forward. PTI 2021 accomplishment contributed by its excellent quality and services, operations efficiency improvement, efficient cost control, new technologies and products

development, equipment investment, and strategic alliance strengthening.

Details of 2021 revenue and profitability are reported as follow:

1.2021 Operations Results

PTI Consolidated revenue of 2021 was NT\$83.79 billion, which was 9.99% increase from 2020 consolidated revenue of NT\$76.18 billion. 2021 net income belonged to parent company was NT\$8.90 billion which was 33.56% from 2020 NT\$6.66 billion.

2.Financial Status

2021 Consolidated Statement of Cash Flow	(in NT\$1,000)
a. Net cash inflow from operating activities	24,649,382
b. Net cash outflow from investing activities (Changes mainly from acquisition of machinery and equipment)	14,059,133
c. Net cash outflow from financing activities (Mainly for distribution of cash dividends and repayment of bank loans)	8,715,936

3.Profitability Analysis

Analysis Items		2021	2020
Profitability	Operating Income / Capital Ratio	186.42%	137.56%
	Pre-tax Net Income / Capital Ratio	188.74%	133.41%
	Return on Assets	10.48%	7.78%
	Return on Equity	19.27%	14.44%
	Net Income (Loss) Ratio	10.62%	8.75%
	Net Income(Loss) Per Share	\$11.54	\$8.60

4.R&D Updates

PTI has been constantly devoted to new technologies and production technologies development to meet industry standards and customers' demand. 2021 R&D expenses were NT\$2.44 billion which was about 2.92% of consolidated revenue. In addition to DRAM and NAND Flash products, PTI has been developing advanced packaging & testing and heterogeneous integration, such as Flip Chip (FC), System in Package (SiP), Wafer Level Package (WLP), CMOS image sensor (CIS), 2.5D/3D Through Silicon Via (TSV), and Fan-Out Panel Level Package (FOPLP). PTI has completed the lab for Antenna in Package (AiP) and Radio Frequency (RF)

to provide certify services of 5G products. Apply TSV technologies on CIS products to enhance performance of health care, surveillance, and automotive devices. FOPLP has been engaged with customers in development and certification to provide comprehensive solutions.

II. 2022 Operations Plans

1. Plan Outlines:

- (1) Promise, Technology and Integration are our core values.
- (2) Focus on the assembly and final testing sectors in semiconductor industry in order to generate the profits together with our customers and vendors.
- (3) Devoted to the research and development of advanced technologies and launch new products to enhance corporate growth momentum.
- (4) Provide full services to customers with quality and exquisite technologies.
- (5) Integrated corporate resources to enhance operation performances and ensure corporate profitability and sustainability.
- (6) Provided employee trainings to talent, addressed employee benefits and interest of shareholders to create mutual benefits.

2. Sales Forecast volume:

The World Semiconductor Trade Statistics (WSTS) estimated the global semiconductor market keep positive growth by 10.1% and will reach US\$ 606.5 billion in 2022. According to Industry, Science and Technology International Strategy Center of Industrial Technology Research Institute (ISTI of ITRI), the production value for Taiwan IC industry in 2023 will grow around 17.7% to NT\$ 4.8 trillion. Overall semiconductor industry outlook is optimistic with positive growth in both global and Taiwan market.

In 2022, growing popularity of emerging electronic applications such as well as the introduction of new functions in AI, 5G, electric and autonomous vehicles, data centers, distance learning, low-earth orbit satellites, e-healthcare, home electronic products and different mobile device will expand the scope of semiconductor applications. The semiconductor industry is therefore widely expected to enter a new golden decade.

COVID-19 remains the biggest variable in every end-user market. Vaccination rates have climbed greatly after two years of the pandemic and

COVID-19's impact on the global economy is expected to continue waning over time. There is a chance of a gradual return to pre-pandemic lifestyles in 2022. Friction in geopolitics and global trade remains a serious problem however and how they will impact on the overall economic market remains to be seen.

Continued growth is expected in the production output for all product types including logic IC packaging, memory IC packaging, and system module product packaging this year.

2022 Sale forecast volume:

Item	Sale Forecast Volume
Assembly	16 billion packages
Final Test	10 billion packages
Bumping	1,000 K wafers
Chip Probing	2.9 million wafers
SSD & SiP	150 million pcs

3. Production and Marketing Strategies:

- (1) Provide the turn-key services to customers for cycle time and overall cost reduction.
- (2) Maintain the leading position in memory packaging and testing market.
- (3) Continue developing Logic business and enhancing technology development for Flip-Chip, Solid State Drive (SSD), Wafer Level Packaging (WLP), Chip Probing (CP), and Fan-Out Panel Level packaging (FOPLP) to create business growth.
- (4) Developing new customers, new markets, and new products at the same time enhancing the relationship with existing customers.
- (5) Improve corporate competitive advantages by cost reduction and resources integration.

Chairman: D.K. Tsai

President: J.S. Leu

Head of Accounting: Evan Tseng