

**Powertech Technology Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Powertech Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Powertech Technology Inc. and its subsidiaries (the "Corporation") as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 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.

Basis for Qualified Conclusion

As stated in Note 13 to the consolidated financial statements, we did not review the financial statements of some non-significant subsidiaries included in the consolidated financial statements. As of June 30, 2024 and 2023, the total assets of these non-significant subsidiaries were NT\$6,923,236 thousand and NT\$5,044,624 thousand, representing 6.49% and 4.36%, of the consolidated total assets, respectively; the total liabilities of these non-significant subsidiaries were NT\$2,451,233 thousand and NT\$2,066,980 thousand, representing 6.24% and 3.91%, of the consolidated total liabilities, respectively. For the three months ended June 30, 2024 and 2023, the amounts of these non-significant subsidiaries' comprehensive income were NT\$(56,703) thousand and NT\$43,866 thousand, representing (2.52)% and 2.67%, of the consolidated total comprehensive income, respectively. For the six months ended June 30, 2024 and 2023, the amounts of these non-significant subsidiaries' comprehensive income were NT\$(19,159) thousand and NT\$132,556 thousand, representing (0.42)% and 4.35%, of the consolidated total comprehensive income, respectively. And as disclosed in Note 14 to the consolidated financial statements, the investments accounted for using equity method as of June 30, 2024 were

NT\$1,202,874 thousand, and the share of loss of associates for using the equity method, for the three months and six months ended June 30, 2024 were NT\$628 thousand and NT\$(7,164) thousand, respectively, was recognition and disclosure based on the investments financial statements for the same period that have not been reviewed by Accountant, these investment amounts, as well as related information disclosed in Note 34 to the consolidated financial statements, were based on the unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries.

Qualified Conclusion

Based on our reviews, except for the consolidated financial statements of subsidiaries and Investment as well as related information disclosed referred to in preceding paragraph, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries, if those consolidated financial statements had been reviewed and any adjustments were determined to be necessary, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of the Corporation as of June 30, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 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 Cheng-Chih Lin and Su-Li Fang.

Cheng Chih Lin Su Li Fang

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 9, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023		LIABILITIES AND EQUITY	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Note 6)	\$ 18,174,159	17	\$ 21,079,749	19	\$ 20,788,595	18	Short-term bank loans (Note 19)	\$ -	-	\$ 65,190	-	\$ 64,500	-
Financial assets at fair value through profit or loss - current (Note 7)	-	-	28,659	-	1,146	-	Financial liabilities at fair value through profit or loss - current (Note 7)	31,907	-	504	-	91,985	-
Financial assets at amortized cost - current (Notes 9 and 30)	82,450	-	210,744	-	185,827	-	Contract liabilities - current (Note 23)	133,546	-	131,106	-	175,093	-
Contract assets - current (Notes 23 and 29)	2,417,562	2	2,363,716	2	2,404,617	2	Notes and accounts payable	4,686,589	4	4,952,699	5	4,250,105	4
Notes and accounts receivable (Notes 10 and 23)	12,146,341	11	11,503,525	10	9,780,369	9	Accounts payable to related parties (Note 29)	137,551	-	124,111	-	5,798	-
Receivables from related parties (Notes 23 and 29)	6,278,454	6	5,175,271	5	5,702,863	5	Bonus to employees and remuneration to directors (Note 24)	1,585,261	2	1,189,713	1	1,702,778	1
Other receivables	1,083,472	1	362,471	-	498,560	-	Payables to equipment suppliers	2,015,326	2	1,195,261	1	1,393,355	1
Other receivables from related parties (Note 29)	46,818	-	100,338	-	93,405	-	Dividends payable	6,125,980	6	-	-	6,623,336	6
Inventories (Note 11)	5,421,596	5	6,680,554	6	8,689,226	8	Other payables - related parties (Note 29)	103,949	-	126,714	-	19,479	-
Prepaid expenses (Note 18)	237,469	-	272,119	-	273,993	-	Current income tax liabilities (Notes 4 and 25)	1,119,464	1	1,540,856	1	640,882	1
Disposal groups held for sale (Note 12)	-	-	-	-	2,084,655	2	Liabilities directly associated with disposal groups held for sale (Note 12)	-	-	-	-	317,057	-
Other current assets (Notes 18 and 31)	520,907	1	417,137	1	485,546	-	Lease liabilities - current (Note 16)	37,729	-	38,005	-	49,657	-
Total current assets	46,409,228	43	48,194,283	43	50,988,802	44	Accrued expenses and other current liabilities (Note 20)	6,465,589	6	6,576,059	6	6,587,169	6
							Current portion of long-term debts (Notes 19 and 30)	139,912	-	567,909	1	214,496	-
NON-CURRENT ASSETS							Total current liabilities	22,582,803	21	16,508,127	15	22,135,690	19
Financial assets at fair value through other comprehensive income - non-current (Note 8)	25,453	-	34,662	-	30,768	-	NON-CURRENT LIABILITIES						
Financial assets at amortized cost - non-current (Notes 9 and 30)	915,456	1	794,154	1	415,834	1	Long-term debt (Notes 19 and 30)	14,330,223	14	23,197,987	21	28,209,577	25
Investments accounted for using the equity method (Note 14)	1,202,874	1	1,174,347	1	-	-	Deferred income tax liabilities (Notes 4 and 25)	357,491	-	354,366	-	403,418	-
Property, plant and equipment (Notes 15, 29 and 30)	54,718,239	52	56,923,703	51	60,516,925	52	Lease liabilities - non-current (Note 16)	1,296,482	1	1,313,961	1	1,330,916	1
Right-of-use assets (Note 16)	1,279,959	1	1,348,665	1	1,378,418	1	Net defined benefit liability - non-current (Notes 4 and 21)	59,759	-	92,414	-	172,273	-
Intangible assets (Note 17)	1,105,648	1	1,107,074	1	1,113,366	1	Other noncurrent liabilities (Note 20)	647,448	1	581,227	1	676,221	1
Deferred income tax assets (Notes 4 and 25)	148,277	-	318,920	1	182,058	-	Total non-current liabilities	16,691,403	16	25,539,955	23	30,792,405	27
Net defined benefit assets - non-current (Notes 4 and 21)	2,643	-	2,643	-	2,539	-	Total liabilities	39,274,206	37	42,048,082	38	52,928,095	46
Other non-current assets (Notes 18 and 31)	898,996	1	1,256,114	1	1,000,563	1	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 12 and 22)						
Total non-current assets	60,297,545	57	62,960,282	57	64,640,471	56	Capital stock						
							Common stock	7,591,466	7	7,591,466	7	7,591,466	7
							Capital surplus	237,196	-	237,071	-	149,596	-
							Retained earnings						
							Legal reserve	10,852,212	10	10,051,723	9	10,051,723	9
							Special reserve	732,267	1	602,228	-	602,228	-
							Unappropriated earnings	34,907,845	33	37,588,110	34	32,053,736	28
							Total retained earnings	46,492,324	44	48,242,061	43	42,707,687	37
							Other equity	(518,293)	(1)	(732,267)	(1)	(690,727)	(1)
							Treasury stock	(468,802)	-	(468,802)	-	(468,802)	-
							Equity attributable to shareholders of the Parent	53,333,891	50	54,869,529	49	49,289,220	43
							NON-CONTROLLING INTERESTS (Notes 13 and 22)						
							Total equity	67,432,567	63	69,106,483	62	62,701,178	54
TOTAL	\$ 106,706,773	100	\$ 111,154,565	100	\$ 115,629,273	100	TOTAL	\$ 106,706,773	100	\$ 111,154,565	100	\$ 115,629,273	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 9, 2024)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 23 and 29)	\$ 19,586,480	100	\$ 17,217,598	100	\$ 37,915,361	100	\$ 32,958,122	100
COST OF REVENUE (Notes 11, 24 and 29)	<u>15,860,955</u>	<u>81</u>	<u>14,328,929</u>	<u>83</u>	<u>30,982,783</u>	<u>82</u>	<u>27,535,599</u>	<u>83</u>
GROSS PROFIT	<u>3,725,525</u>	<u>19</u>	<u>2,888,669</u>	<u>17</u>	<u>6,932,578</u>	<u>18</u>	<u>5,422,523</u>	<u>17</u>
OPERATING EXPENSES (Note 24)								
Marketing	53,008	-	64,550	-	101,984	-	121,804	1
General and administrative	354,899	2	416,494	3	800,409	2	727,067	2
Research and development	740,509	4	566,556	3	1,408,511	4	1,021,595	3
Expected credit gain (Note 10)	-	-	-	-	-	-	(528)	-
Total operating expenses	<u>1,148,416</u>	<u>6</u>	<u>1,047,600</u>	<u>6</u>	<u>2,310,904</u>	<u>6</u>	<u>1,869,938</u>	<u>6</u>
OPERATING INCOME	<u>2,577,109</u>	<u>13</u>	<u>1,841,069</u>	<u>11</u>	<u>4,621,674</u>	<u>12</u>	<u>3,552,585</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 24)	73,899	-	87,176	-	185,784	1	134,753	-
Other gains and losses (Notes 24 and 29)	133,133	1	(23,258)	-	170,932	-	148,713	-
Miscellaneous income (Note 24)	3,360	-	3,200	-	6,264	-	5,901	-
Financial costs (Note 24)	(55,279)	-	(83,804)	-	(127,898)	-	(162,331)	-
Share of loss of associates for using the equity method (Note 14)	628	-	-	-	(7,164)	-	-	-
Foreign exchange gains, net (Notes 24 and 33)	<u>191,802</u>	<u>1</u>	<u>403,541</u>	<u>2</u>	<u>794,507</u>	<u>2</u>	<u>291,323</u>	<u>1</u>
Total non-operating income and expenses	<u>347,543</u>	<u>2</u>	<u>386,855</u>	<u>2</u>	<u>1,022,425</u>	<u>3</u>	<u>418,359</u>	<u>1</u>
INCOME BEFORE INCOME TAX	2,924,652	15	2,227,924	13	5,644,099	15	3,970,944	12
INCOME TAX EXPENSE (Notes 4 and 25)	<u>611,464</u>	<u>3</u>	<u>488,712</u>	<u>3</u>	<u>1,224,191</u>	<u>3</u>	<u>808,196</u>	<u>3</u>
NET INCOME	<u>2,313,188</u>	<u>12</u>	<u>1,739,212</u>	<u>10</u>	<u>4,419,908</u>	<u>12</u>	<u>3,162,748</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 22)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gain (losses) on investments in equity instruments designated as at fair value through other comprehensive income	(7,743)	-	10,494	-	(8,041)	-	13,625	-

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POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	\$ (55,421)	(1)	\$ (104,307)	-	\$ 122,754	-	\$ (130,372)	-
Total other comprehensive (loss) income	(63,164)	(1)	(93,813)	-	114,713	-	(116,747)	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,250,024</u>	<u>11</u>	<u>\$ 1,645,399</u>	<u>10</u>	<u>\$ 4,534,621</u>	<u>12</u>	<u>\$ 3,046,001</u>	<u>9</u>
NET INCOME ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 1,828,283	9	\$ 1,343,043	8	\$ 3,564,919	10	\$ 2,470,514	8
Non-controlling interests	484,905	3	396,169	2	854,989	2	692,234	2
	<u>\$ 2,313,188</u>	<u>12</u>	<u>\$ 1,739,212</u>	<u>10</u>	<u>\$ 4,419,908</u>	<u>12</u>	<u>\$ 3,162,748</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 1,830,710	9	\$ 1,226,082	7	\$ 3,778,263	10	\$ 2,314,232	7
Non-controlling interests	419,314	2	419,317	3	756,358	2	731,769	2
	<u>\$ 2,250,024</u>	<u>11</u>	<u>\$ 1,645,399</u>	<u>10</u>	<u>\$ 4,534,621</u>	<u>12</u>	<u>\$ 3,046,001</u>	<u>9</u>
EARNINGS PER SHARE								
(Note 26)								
Basic	\$ 2.45		\$ 1.80		\$ 4.77		\$ 3.31	
Diluted	\$ 2.44		\$ 1.79		\$ 4.75		\$ 3.29	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 9, 2024)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent							Other Equity			Total	Treasury Share	Total	Non-controlling Interests	Total Equity
	Capital Stock		Capital Surplus	Unappropriated			Equity Directly Associated with Disposal Groups Held for Sale	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income						
	Number of Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings									
BALANCE, JANUARY 1, 2023	759,147	\$ 7,591,466	\$ 149,540	\$ 9,181,307	\$ 710,623	\$ 35,659,269	\$ -	\$ (501,790)	\$ (32,655)	\$ (534,445)	\$ (468,802)	\$ 52,288,958	\$ 14,034,080	\$ 66,323,038	
Appropriation of 2022 earnings															
Legal reserve	-	-	-	870,416	-	(870,416)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	(108,395)	108,395	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Parent	-	-	-	-	-	(5,314,026)	-	-	-	-	-	(5,314,026)	-	(5,314,026)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,353,965)	(1,353,965)	
Net income for the six months ended June 30, 2023	-	-	-	-	-	2,470,514	-	-	-	-	-	2,470,514	692,234	3,162,748	
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	(169,907)	13,625	(156,282)	-	(156,282)	39,535	(116,747)	
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	2,470,514	-	(169,907)	13,625	(156,282)	-	2,314,232	731,769	3,046,001	
Donations from shareholders	-	-	56	-	-	-	-	-	-	-	-	56	74	130	
Equity directly associated with disposal groups held for sale	-	-	-	-	-	-	(39,155)	39,155	-	-	-	-	-	-	
BALANCE, JUNE 30, 2023	759,147	\$ 7,591,466	\$ 149,596	\$ 10,051,723	\$ 602,228	\$ 32,053,736	\$ (39,155)	\$ (632,542)	\$ (19,030)	\$ (690,727)	\$ (468,802)	\$ 49,289,220	\$ 13,411,958	\$ 62,701,178	
BALANCE, JANUARY 1, 2024	759,147	\$ 7,591,466	\$ 237,071	\$ 10,051,723	\$ 602,228	\$ 37,588,110	\$ -	\$ (717,131)	\$ (15,136)	\$ (732,267)	\$ (468,802)	\$ 54,869,529	\$ 14,236,954	\$ 69,106,483	
Appropriation of 2023 earnings															
Legal reserve	-	-	-	800,489	-	(800,489)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	130,039	(130,039)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Parent	-	-	-	-	-	(5,314,026)	-	-	-	-	-	(5,314,026)	-	(5,314,026)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(894,448)	(894,448)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(630)	-	-	630	630	-	-	-	-	
Net income for the six months ended June 30, 2024	-	-	-	-	-	3,564,919	-	-	-	-	-	3,564,919	854,989	4,419,908	
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	-	221,385	(8,041)	213,344	-	213,344	(98,631)	114,713	
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	3,564,919	-	221,385	(8,041)	213,344	-	3,778,263	756,358	4,534,621	
Changes in percentage of ownership interests in subsidiaries	-	-	125	-	-	-	-	-	-	-	-	125	(188)	(63)	
BALANCE, JUNE 30, 2024	759,147	\$ 7,591,466	\$ 237,196	\$ 10,852,212	\$ 732,267	\$ 34,907,845	\$ -	\$ (495,746)	\$ (22,547)	\$ (518,293)	\$ (468,802)	\$ 53,333,891	\$ 14,098,676	\$ 67,432,567	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 9, 2024)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 5,644,099	\$ 3,970,944
Adjustments for:		
Depreciation	6,380,065	6,835,789
Amortization	12,587	15,625
Expected credit loss reversed	-	(528)
Net loss on fair value change of financial assets designated as at fair value through profit or loss	28,659	10,946
Financial costs	127,898	162,331
Interest revenue	(185,784)	(134,753)
Net gain on disposal of property, plant and equipment	(199,616)	(97,341)
Property, plant and equipment transfer to expenses	5,322	726
Share of loss of associate	7,164	-
Proceeds from disposal of intangible assets	-	641
Net gain on foreign currency exchange, net	(908,414)	(330,543)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	-	54,527
Contract assets	(53,846)	198,369
Notes and accounts receivable	(306,320)	(579,162)
Accounts receivable from related parties	(849,725)	(420,075)
Other receivables	(697,424)	(159,524)
Other receivables from related parties	57,690	(24,395)
Inventories	1,258,958	1,983,475
Prepayments	34,650	143,984
Other current assets	(87,323)	228,157
Financial liabilities held for trading	31,403	84,539
Contract liabilities	2,440	(52,276)
Notes and accounts payable	(371,849)	(1,257,583)
Accounts payable to related parties	9,476	(78,577)
Bonus to employees and remuneration of directors	395,548	280,377
Other payables to related parties	(22,765)	(12,835)
Accrued expenses and other current liabilities	(49,011)	(1,541,620)
Net defined benefit liabilities	(32,655)	(110,149)
Other payables	273	148
Cash generated from operations	10,231,500	9,171,217
Interest received	206,162	127,762
Interest paid	(140,423)	(217,923)
Income tax paid	(1,471,815)	(1,380,234)
Net cash generated from operating activities	<u>8,825,424</u>	<u>7,700,822</u>

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POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of the investment in equity instruments designed as at fair value through other comprehensive income	\$ 1,168	\$ -
Acquisition of financial assets at amortized cost	(156,402)	(95,073)
Proceeds from sale of financial assets at amortized cost	137,263	-
Acquisition of property, plant and equipment	(4,320,720)	(5,085,183)
Disposal of property, plant and equipment	1,026,137	206,171
Decrease in refundable deposits	97,839	80,048
Increase in intangible assets	(10,178)	(8,882)
Decrease in lease receivable	15,536	-
Decrease (increase) in prepayments for equipment	<u>300,591</u>	<u>12,326</u>
Net cash used in investing activities	<u>(2,908,766)</u>	<u>(4,890,593)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term bank loans	(65,190)	59,091
Increase in long-term debts	200,000	4,600,000
Decrease in long-term debts	(9,479,100)	(6,685,547)
Decrease in guarantee deposits	(42,928)	(23,575)
Repayment of the principal portion of lease liabilities	(19,212)	(36,414)
Payments for buy-back of treasury shares	(63)	-
Dividends paid to non-controlling interests	(82,494)	(44,655)
Donations from shareholders	<u>-</u>	<u>130</u>
Net cash used in financing activities	<u>(9,488,987)</u>	<u>(2,130,970)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>666,739</u>	<u>162,761</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,905,590)	842,020
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>21,079,749</u>	<u>20,373,424</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 18,174,159</u>	<u>\$ 21,215,444</u>
	June 30	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 18,174,159	\$ 20,788,595
Cash and cash equivalents included in disposal groups held for sale	<u>-</u>	<u>426,849</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 18,174,159</u>	<u>\$ 21,215,444</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 9, 2024)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Powertech Technology Inc. (PTI) was incorporated in the Republic of China (ROC) on May 15, 1997 and commenced business on September 3, 1997. PTI is mainly engaged in the manufacturing, packaging, testing, researching and developing, designing, assembling and selling of various integrated circuit products. PTI also provides semiconductor testing and assembly services on a turnkey basis, in which PTI buys fabricated wafers and sells tested and assembled semiconductors. PTI's registered office and principal place of business are in Hsin-chu Industrial Park, Hukou, Hsin-chu.

PTI's share was initially listed and started trading on the Taipei Exchange (TPEX) since April 3, 2003, after which PTI's share was transferred for listing and started trading on the Taiwan Stock Exchange (TWSE) since November 8, 2004. PTI also issued Global Depository Shares (GDS), which are listed on the Luxembourg Stock Exchange and traded on the Euro MTF Market. The GDS was accepted for quotation on the International Order Book of the London Stock Exchange.

The consolidated financial statements are presented in PTI's functional currency, the New Taiwan dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since PTI's share is listed on the Taiwan Share Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on August 9, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC.

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
IFRS Accounting Standards 「 Annual Improvements-Volume 11 」	January 1, 2026
IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and was published by the International Accounting Standards Board (IASB)	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures published by the International Accounting Standards Board (IASB)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of PTI and the entities controlled by PTI (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by PTI.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of PTI and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Corporation’s ownership interests in subsidiaries that do not result in the Corporation losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interest of the Corporation and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Notes 13 and 34k for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty followed in these consolidated financial statements refer to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Checking accounts and demand deposits	\$ 18,173,704	\$ 21,079,526	\$ 20,788,166
Cash on hand	<u>455</u>	<u>223</u>	<u>429</u>
	<u>\$ 18,174,159</u>	<u>\$ 21,079,749</u>	<u>\$ 20,788,595</u>

The market rate intervals of cash in bank and cash equivalents at the end of the reporting period were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Bank deposits	0%-5.15%	0%-5.72%	0%-5.15%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 28,659</u>	<u>\$ 1,146</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 31,907</u>	<u>\$ 504</u>	<u>\$ 91,985</u>

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>June 30, 2024</u>			
Sell forward exchange contracts	USD to NTD	2024.07.03-2024.08.30	USD 73,820
	USD to JPY	2024.07.12-2024.10.31	USD 14,710
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD to NTD	2024.01.02-2024.04.09	USD 33,635
	USD to JPY	2024.01.15-2024.05.07	USD 9,511
	USD to CNY	2024.01.10-2024.01.29	USD 3,369

(Continued)

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>June 30, 2023</u>			
Buy forward exchange contracts	JPY to USD	2023.07.31	USD 1,264
Sell forward exchange contracts	USD to NTD	2023.07.03-2023.09.28	USD 117,300
	USD to JPY	2023.07.05-2023.10.31	USD 12,452
	USD to CNY	2023.07.10-2023.07.18	USD 1,941
			(Concluded)

The Corporation entered into foreign exchange forward contracts to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares			
Ordinary shares - Solid State System Co., Ltd.	\$ 25,453	\$ 34,662	\$ 30,768

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Domestic investments			
Corporate bonds - P08 Taiwan Power Company 3A Bond	\$ 50,000	\$ 50,000	\$ 50,000
Time deposits with original maturities of more than 3 months	-	-	86,182
Pledged time deposits	-	-	18,510
Restricted deposit	32,450	160,744	31,135
	<u>\$ 82,450</u>	<u>\$ 210,744</u>	<u>\$ 185,827</u>
			(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic investments			
Corporate bonds - P13 Taiwan Power Company 3A Bond	\$ 200,001	\$ -	\$ -
Corporate bonds - P08 Corporation, Taiwan Company 3A Bond	100,000	-	-
Corporate bonds - P08 Taiwan Power Company 3A Bond	-	-	50,000
Time deposits with original maturities of more than 3 months	362,880	586,710	236,500
Pledged time deposits	<u>252,575</u>	<u>207,444</u>	<u>129,334</u>
	<u>\$ 915,456</u>	<u>\$ 794,154</u>	<u>\$ 415,834</u> (Concluded)

On September 12, 2019, the Corporation bought corporate bonds issued by Taiwan Power Company with an effective interest rate of 0.72% at par value \$100,000 thousand, and maturity dates of September 12, 2023 and 2024, at par value of \$50,000 thousand, respectively.

On April 25, 2024, the Corporation bought corporate bonds issued by Taiwan Power Company with an effective interest rate of 1.66% at par value \$200,000 thousand, and maturity dates of April 25, 2028 and 2029, at par value of \$160,000 thousand and \$40,000 thousand, respectively.

On May 14, 2024, the Corporation bought corporate bonds issued by CPC Corporation with an effective interest rate of 1.73% at par value \$100,000 thousand, and maturity dates of May 14, 2028 and 2029, at par value of \$50,000 thousand, respectively.

The ranges of interest rates for time deposits with original maturities of more than 3 months was 0.05%-0.145%, 0.001%-0.035% and 0.001%-1.95% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

Refer to Note 28 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 39,338</u>	<u>\$ 16,338</u>	<u>\$ 16,805</u> (Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 12,172,307	\$ 11,552,491	\$ 9,828,868
Less: Allowance for impairment loss	<u>(65,304)</u>	<u>(65,304)</u>	<u>(65,304)</u>
	<u>12,107,003</u>	<u>11,487,187</u>	<u>9,763,564</u>
	<u>\$ 12,146,341</u>	<u>\$ 11,503,525</u>	<u>\$ 9,780,369</u> (Concluded)

At amortized cost

The average credit period of sales of goods is 30 days to 150 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation's different customer base.

The Corporation writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Corporation's provision matrix.

June 30, 2024

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$12,139,523	\$ 25,060	\$ 2,750	\$ 145	\$ 4,829	\$12,172,307
Loss allowance (Lifetime ECLs)	<u>(33,406)</u>	<u>(24,764)</u>	<u>(2,160)</u>	<u>(145)</u>	<u>(4,829)</u>	<u>(65,304)</u>
Amortized cost	<u>\$12,106,117</u>	<u>\$ 296</u>	<u>\$ 590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,107,003</u>

December 31, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$11,539,253	\$ 7,206	\$ 149	\$ 126	\$ 5,757	\$11,552,491
Loss allowance (Lifetime ECLs)	<u>(52,066)</u>	<u>(7,206)</u>	<u>(149)</u>	<u>(126)</u>	<u>(5,757)</u>	<u>(65,304)</u>
Amortized cost	<u>\$11,487,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,487,187</u>

June 30, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 9,808,364	\$ 14,118	\$ 529	\$ 114	\$ 5,743	\$ 9,828,868
Loss allowance (Lifetime ECLs)	<u>(44,923)</u>	<u>(13,995)</u>	<u>(529)</u>	<u>(114)</u>	<u>(5,743)</u>	<u>(65,304)</u>
Amortized cost	<u>\$ 9,763,441</u>	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,763,564</u>

The movements of the loss allowance of accounts receivable were as follows:

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 65,304	\$ 65,832
Less: Net remeasurement of loss allowance	<u>-</u>	<u>(528)</u>
Balance at June 30	<u>\$ 65,304</u>	<u>\$ 65,304</u>

11. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	\$ 4,848,858	\$ 6,158,770	\$ 8,146,353
Supplies	<u>572,738</u>	<u>521,784</u>	<u>542,873</u>
	<u>\$ 5,421,596</u>	<u>\$ 6,680,554</u>	<u>\$ 8,689,226</u>

The nature of the cost of goods sold were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Cost of inventories sold	<u>\$ 15,860,955</u>	<u>\$ 14,328,929</u>	<u>\$ 30,982,783</u>	<u>\$ 27,535,599</u>
(Reversed) write-downs of inventories	<u>\$ (1,617)</u>	<u>\$ (5,181)</u>	<u>\$ 20,640</u>	<u>\$ 15,809</u>
Sales of scrap	<u>\$ 57,736</u>	<u>\$ 41,818</u>	<u>\$ 109,709</u>	<u>\$ 78,269</u>

12. DISPOSAL GROUPS HELD FOR SALE

Disposal groups held for sale

On June 27, 2023, the board of directors resolved to dispose of 70% of Powertech Technology (Suzhou) Ltd. to Shenzhen Longsys Electronics Co., Ltd. Expects to complete the disposal within 6 months. The assets and liabilities attributable to that subsidiary were reclassified as disposal groups held for sale, and were presented separately in the consolidated balance sheets. The main categories of assets and liabilities of the subsidiary to be sold are as follows:

	June 30, 2024
Cash and cash equivalents	\$ 426,849
Contract assets	42,358
Receivables	263,594
Other receivables	7,264
Inventories	80,125
Other current assets	8,425
Property, plant and equipment	1,204,968
Right-of-use assets	49,421
Intangible assets	1,247
Deferred income tax assets	<u>404</u>
Total disposal groups held for sale	<u>\$ 2,084,655</u>
Short-term bank loans	\$ 64,311
Accounts payable	85,006
Payables to equipment suppliers	20,248
Accrued expenses and other current liabilities	<u>147,492</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 317,057</u>
Equity directly associated with disposal groups held for sale	<u>\$ (39,155)</u>

The sale price is expected to exceed the carrying amount of the related net assets. Hence, the Group did not recognize impairment loss when the aforementioned equipment was reclassified as disposal groups held for sale.

13. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
Powertech Technology Inc.	POWERTECH HOLDING (BVI) INC.	Investment business	100	100	100	Note 2
	Greatek Electronics Inc. ("GEI")	Semiconductor assembly and testing service	43	43	43	Notes 1 and 3
	Powertech Technology (Singapore) Pte. Ltd.	Investment business	100	100	100	Note 2
	Powertech Semiconductor (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	36	Note 6
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	-	-	9	Note 5
	Powertech Technology Japan Ltd.	Investment business	100	100	100	Note 2
	Tera Probe, Inc.	Wafer probing test services	12	12	12	Notes 2 and 3
	TeraPower Technology Inc.	Wafer probing test services	49	49	49	-
POWERTECH HOLDING (BVI) INC.	PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Investment business	100	100	100	Note 2
PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	-	-	72	Note 5
Powertech Technology (Singapore) Pte. Ltd.	Powertech Semiconductor (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	64	Note 6

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
Powertech Technology (Singapore) Pte. Ltd.	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	-	-	19	Note 5
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Wafer probing test services	49	49	49	Notes 2 and 3
	Powertech Technology Akita Inc.	Semiconductor assembly and testing service	100	100	100	Notes 2 and 4
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	51	-
Greatek Electronics Inc. ("GEL")	Get-Team Tech Corporation	Metal surface treatment of semiconductor wire frame	97.46	97.46	97.46	Note 2

(Concluded)

Note 1: On the reelection of the directors and supervisors of Greatek Electronics Inc., PTI obtained the a majority of the board seats and Greatek Electronics Inc. became a subsidiary of PTI even though PTI has only 43% ownership of Greatek Electronics Inc.

Note 2: It is a non-significant subsidiary, its financial statements for six months ended June 30, 2024 and 2023 have not been reviewed.

Note 3: Subsidiaries that have material non-controlling interests.

Note 4: Due to the adjustment of operational needs, the Corporation cease the operation of Powertech Technology Akita Inc.

Note 5: On June 27, 2023, the Company resolved by the board of directors to dispose of 70% of the equity of PTI Technology (Suzhou) Co., Ltd. to Shenzhen Longsys Electronics Co., Ltd., and completed the disposal procedure on October 1, 2023, and changed its name to Yuancheng Technology (Suzhou) Co., Ltd. LTD. holds 30% equity interest in Yuancheng Technology (Suzhou) Co., Ltd.

Note 6: On June 27, 2023, the Company resolved by the Board of Directors to sell the fixed assets and inventory of Powertech Semiconductor (Xian) Ltd. to Micron Technology Co., Ltd., and completed the disposal procedure on June 28, 2024 and will cease operations.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		June 30, 2024	December 31, 2023	June 30, 2023
Greatek Electronics Inc.	Zhunan Township, Miaoli County	57%	57%	57%
Tera Probe, Inc.	Japan	39%	39%	39%

Name of Subsidiary	Profit or Loss Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended June 30		For the Six Months Ended June 30		June 30, 2024	December 31, 2023	June 30, 2023
	2024	2023	2024	2023			
Greatek Electronics Inc. (Excluding non-controlling interest in subsidiary)	\$ 410,378	\$ 337,985	\$ 707,358	\$ 539,418	\$ 11,340,265	\$ 11,438,485	\$ 10,836,343
Tera Probe, Inc.	\$ 74,629	\$ 58,259	\$ 147,839	\$ 153,002	\$ 2,755,980	\$ 2,795,830	\$ 2,572,656

Summarized financial information in respect of each of the Corporation's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Greatek Electronics Inc.

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 11,357,680	\$ 9,472,652	\$ 10,174,159
Non-current assets	15,286,131	15,040,004	15,387,808
Current liabilities	(4,431,857)	(2,644,685)	(5,035,960)
Non-current liabilities	<u>(301,560)</u>	<u>(335,166)</u>	<u>(466,288)</u>
Equity	<u>\$ 21,910,394</u>	<u>\$ 21,532,805</u>	<u>\$ 20,059,719</u>
Equity attributable to:			
Owners of the Parent	\$ 9,399,652	\$ 9,237,557	\$ 8,605,389
Non-controlling interests	12,508,311	12,292,609	11,451,371
Non-controlling interests from subsidiary	<u>2,431</u>	<u>2,639</u>	<u>2,959</u>
	<u>\$ 21,910,394</u>	<u>\$ 21,532,805</u>	<u>\$ 20,059,719</u>
	For the Three Months Ended June 30	For the Six Months Ended June 30	
	2024	2023	2024
	2023	2024	2023
Operating revenue	<u>\$ 3,985,796</u>	<u>\$ 3,515,618</u>	<u>\$ 7,465,517</u>
Net income for the period	\$ 721,861	\$ 595,094	\$ 1,245,104
Other comprehensive income (loss) for the period	<u>(147,500)</u>	<u>165,200</u>	<u>554,600</u>
Total comprehensive income for the period	<u>\$ 574,361</u>	<u>\$ 760,294</u>	<u>\$ 1,799,704</u>
Net income attributable to:			
Owners of the Parent	\$ 309,759	\$ 255,358	\$ 534,303
Non-controlling interests	412,204	339,811	711,009
Non-controlling interests from subsidiary	<u>(102)</u>	<u>(75)</u>	<u>(208)</u>
	<u>\$ 721,861</u>	<u>\$ 595,094</u>	<u>\$ 1,245,104</u>
Total comprehensive income attributable to:			
Owners of the Parent	\$ 246,475	\$ 326,237	\$ 772,256
Non-controlling interests	327,988	434,132	1,027,656
Non-controlling interests from subsidiary	<u>(102)</u>	<u>(75)</u>	<u>(208)</u>
	<u>\$ 574,361</u>	<u>\$ 760,294</u>	<u>\$ 1,799,704</u>
Net cash inflow (outflow) from:			
Operating activities	\$ 1,568,896	\$ 1,212,904	\$ 2,762,871
Investing activities	(882,256)	(576,036)	(1,291,130)
financing activities	<u>(2,122)</u>	<u>(18,830)</u>	<u>(17,719)</u>
Net cash inflow	<u>\$ 684,518</u>	<u>\$ 618,038</u>	<u>\$ 1,454,022</u>

Tera Probe, Inc.

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 2,055,597	\$ 1,944,557	\$ 2,252,447
Non-current assets	6,046,464	6,000,288	5,288,034
Current liabilities	(939,194)	(585,856)	(671,870)
Non-current liabilities	<u>(434,566)</u>	<u>(525,330)</u>	<u>(548,290)</u>
Equity	<u>\$ 6,728,301</u>	<u>\$ 6,833,659</u>	<u>\$ 6,320,321</u>
Equity attributable to:			
Owners of the Parent	\$ 4,080,726	\$ 4,144,615	\$ 3,833,276
Non-controlling interests	<u>2,647,575</u>	<u>2,689,044</u>	<u>2,487,045</u>
	<u>\$ 6,728,301</u>	<u>\$ 6,833,659</u>	<u>\$ 6,320,321</u>
	For the Three Months Ended June 30	For the Six Months Ended June 30	
	2024	2023	2024
	2023	2024	2023
Operating revenue for the period	<u>\$ 556,106</u>	<u>\$ 538,966</u>	<u>\$ 1,031,588</u>
Net income	\$ 180,537	\$ 173,023	\$ 353,928
Other comprehensive income (loss) for the period	<u>157,235</u>	<u>188,971</u>	<u>250,047</u>
Total comprehensive income for the period	<u>\$ 337,772</u>	<u>\$ 361,994</u>	<u>\$ 603,975</u>
Net income attributable to:			
Owners of the Parent	\$ 109,496	\$ 104,936	\$ 214,658
Non-controlling interests	<u>71,041</u>	<u>68,087</u>	<u>139,270</u>
	<u>\$ 180,537</u>	<u>\$ 173,023</u>	<u>\$ 353,928</u>
Total comprehensive income attributable to:			
Owners of the Parent	\$ 204,859	\$ 219,545	\$ 366,312
Non-controlling interests	<u>132,913</u>	<u>142,449</u>	<u>237,663</u>
	<u>\$ 337,772</u>	<u>\$ 361,994</u>	<u>\$ 603,975</u>
Net cash inflow (outflow) from:			
Operating activities	\$ 86,863	\$ 655,367	\$ 304,549
Investing activities	36,827	(506,273)	49,938
financing activities	<u>(98,639)</u>	<u>(295,981)</u>	<u>(352,746)</u>
Net cash inflow (outflow)	<u>\$ 25,051</u>	<u>\$ (146,887)</u>	<u>\$ 1,741</u>
	<u>\$ (25,779)</u>		

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2024	December 31, 2023	June 30, 2023
Associates that are not individually material			
Longforce Technology (Suzhou) Ltd.	<u>\$ 1,202,874</u>	<u>\$ 1,174,347</u>	<u>\$ _____</u> -

a. Aggregate information of associates that are not individually material

	For the Six Months Ended	
	June 30	
	<u>2024</u>	<u>2023</u>
The Group's share of:		
Loss from continuing operations	<u>\$ (7,164)</u>	<u>\$ _____</u> -

On June 27, 2023, the board of directors of the Corporation approved the disposal of 70% shares of Powertech Technology (Suzhou) Ltd. to Shenzhen Longsys Electronics Co., Ltd. On October 1, 2023, the transfer of shares was completed, and the name of Powertech Technology (Suzhou) Ltd. was changed to Longforce Technology (Suzhou) Ltd. After the disposal, PTI TECHNOLOGY (SINGAPORE) PTE. LTD. held a 30% equity interest in Longforce Technology (Suzhou) Ltd.

Included in the cost of investments in those associates is goodwill of \$333,955 thousand.

15. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2024		December 31, 2023		June 30, 2023					
Assets used by the Corporation	<u>\$ 54,718,239</u>		<u>\$ 56,923,703</u>		<u>\$ 60,516,925</u>					
	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
Cost										
Balance at January 1, 2024	\$ 4,747,802	\$ 34,616,943	\$ 105,041,454	\$ 1,941,091	\$ 84,077	\$ 3,450,426	\$ 1,375,779	\$ 2,613,092	\$ 334,257	\$ 154,204,921
Additions	-	85,525	243,952	7,030	-	24,947	190,679	4,416,619	183,970	5,152,722
Disposals	-	(350,664)	(7,659,038)	(142,690)	(4,383)	(360,149)	-	(2,316)	(195,517)	(8,714,757)
Reclassified	371,101	1,350,431	2,825,679	12,421	-	132,716	(772,925)	(3,798,835)	-	120,588
Effects of foreign currency exchange differences	(1,020)	(95,528)	(390,254)	(31,178)	(4,972)	12,015	-	(12,025)	-	(522,962)
Balance at June 30, 2024	<u>5,117,883</u>	<u>35,606,707</u>	<u>100,061,793</u>	<u>1,786,674</u>	<u>74,722</u>	<u>3,259,955</u>	<u>793,533</u>	<u>3,216,535</u>	<u>322,710</u>	<u>150,240,512</u>
Accumulated depreciation										
Balance at January 1, 2024	-	14,870,674	76,748,697	1,624,092	7,689	3,019,057	-	-	-	96,270,209
Depreciation expenses	-	895,240	5,106,166	66,493	132	93,064	-	-	195,517	6,356,612
Disposals	-	(157,569)	(6,350,485)	(131,260)	(4,383)	(316,894)	-	-	(195,517)	(7,156,108)
Reclassified	-	-	88,259	-	-	-	-	-	-	88,259
Effects of foreign currency exchange differences	-	(33,367)	(262,255)	(26,609)	(943)	11,264	-	-	-	(311,910)
Balance at June 30, 2024	<u>-</u>	<u>15,574,978</u>	<u>75,330,382</u>	<u>1,532,716</u>	<u>2,495</u>	<u>2,806,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,247,062</u>
Accumulated impairment										
Balance at January 1, 2024	1,376	240,823	617,298	39,739	52,544	-	-	59,229	-	1,011,009
Disposals	-	(192,703)	(484,146)	(9,763)	-	-	-	-	-	(686,612)
Reclassified	-	-	-	-	-	-	-	-	-	-
Effects of foreign currency exchange differences	(99)	(11,063)	(28,681)	(1,268)	(3,796)	-	-	(4,279)	-	(49,186)
Balance at June 30, 2024	<u>1,277</u>	<u>37,057</u>	<u>104,471</u>	<u>28,708</u>	<u>48,748</u>	<u>-</u>	<u>-</u>	<u>54,950</u>	<u>-</u>	<u>275,211</u>
Carrying amount at June 30, 2024	<u>\$ 5,116,606</u>	<u>\$ 19,994,672</u>	<u>\$ 24,626,940</u>	<u>\$ 225,250</u>	<u>\$ 23,479</u>	<u>\$ 453,464</u>	<u>\$ 793,533</u>	<u>\$ 3,161,585</u>	<u>\$ 322,710</u>	<u>\$ 54,718,239</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 4,746,426</u>	<u>\$ 19,505,446</u>	<u>\$ 27,675,459</u>	<u>\$ 277,260</u>	<u>\$ 23,844</u>	<u>\$ 431,369</u>	<u>\$ 1,375,779</u>	<u>\$ 2,553,863</u>	<u>\$ 334,257</u>	<u>\$ 56,923,703</u>

(Continued)

	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
Cost										
Balance at January 1, 2023	\$ 4,413,047	\$ 33,893,248	\$ 108,666,245	\$ 2,525,225	\$ 89,217	\$ 3,609,960	\$ 3,029,234	\$ 6,864,129	\$ 334,900	\$ 163,425,205
Additions	-	227,485	39,631	9,661	-	46,255	541,437	3,011,088	157,338	4,032,895
Disposals	-	(9,620)	(647,191)	(17,324)	-	(45,510)	-	(8,358)	(157,418)	(885,421)
Reclassified	-	2,370,401	5,255,483	33,420	-	77,972	(2,175,589)	(5,563,153)	-	(1,466)
Reclassified as held for sale	-	(2,215,272)	(2,475,671)	(508,217)	-	-	-	(15,147)	-	(5,214,307)
Effects of foreign currency exchange differences	(979)	(137,057)	(491,299)	(51,102)	(5,794)	4,355	-	(31,612)	-	(713,488)
Balance at June 30, 2023	<u>4,412,068</u>	<u>34,129,185</u>	<u>110,347,198</u>	<u>1,991,663</u>	<u>83,423</u>	<u>3,693,032</u>	<u>1,395,082</u>	<u>4,256,947</u>	<u>334,820</u>	<u>160,643,418</u>
Accumulated depreciation										
Balance at January 1, 2023	-	14,718,850	77,437,263	2,019,828	7,528	3,180,834	-	-	-	97,364,303
Depreciation expenses	-	900,073	5,563,093	88,944	1,187	90,211	-	-	157,418	6,800,926
Disposals	-	(9,087)	(548,505)	(16,142)	-	(45,437)	-	-	(157,418)	(776,589)
Reclassified	-	-	(86)	-	-	-	-	-	-	(86)
Reclassified as held for sale	-	(1,320,749)	(1,993,449)	(434,073)	-	-	-	-	-	(3,748,271)
Effects of foreign currency exchange differences	-	(66,317)	(369,752)	(42,672)	(1,302)	4,123	-	-	-	(475,920)
Balance at June 30, 2023	<u>-</u>	<u>14,222,770</u>	<u>80,088,564</u>	<u>1,615,885</u>	<u>7,413</u>	<u>3,229,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,164,363</u>
Accumulated impairment										
Balance at January 1, 2023	1,472	433,962	622,603	87,227	56,195	-	1,965	39,242	-	1,242,666
Disposals	-	-	(2)	-	-	-	-	-	-	(2)
Reclassified	-	-	-	-	-	-	(1,914)	1,914	-	-
Reclassified as held for sale	-	(194,181)	(21,631)	(45,256)	-	-	-	-	-	(261,068)
Effects of foreign currency exchange differences	(110)	(6,434)	(2,965)	(2,665)	(4,207)	-	(51)	(3,034)	-	(19,466)
Balance at June 30, 2023	<u>1,362</u>	<u>233,347</u>	<u>598,005</u>	<u>39,306</u>	<u>51,988</u>	<u>-</u>	<u>-</u>	<u>38,122</u>	<u>-</u>	<u>962,130</u>
Carrying amount at June 30, 2023	<u>\$ 4,410,706</u>	<u>\$ 19,673,068</u>	<u>\$ 29,660,629</u>	<u>\$ 336,472</u>	<u>\$ 24,022</u>	<u>\$ 463,301</u>	<u>\$ 1,395,082</u>	<u>\$ 4,218,825</u>	<u>\$ 334,820</u>	<u>\$ 60,516,925</u>

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Main plants	3-51 years
Mechanical and electrical power equipment	2-20 years
Wafer Fab	2-16 years
Fire control equipment	2-20 years
Others	2-51 years
Machinery and equipment	1-15 years
Office equipment	1-15 years
Leasehold improvements	1-50 years
Other equipment	1-16 years
Spare parts	0.5 years

Property, plant and equipment pledged as collateral for bank borrowings is set out in Note 30.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Land	\$ 1,243,591	\$ 1,261,971	\$ 1,280,395
Buildings	22,760	26,262	29,763
Machinery and equipment	9,960	57,924	67,724
Transportation equipment	<u>3,648</u>	<u>2,508</u>	<u>536</u>
	<u>\$ 1,279,959</u>	<u>\$ 1,348,665</u>	<u>\$ 1,378,418</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Additions to right-of-use assets			\$ 1,457	\$ 5,523
Depreciation charge for right-of-use assets				
Land	\$ 9,221	\$ 10,015	\$ 18,433	\$ 19,859
Buildings	1,751	1,750	3,502	3,501
Machinery and equipment	379	5,330	800	10,800
Transportation equipment	<u>371</u>	<u>352</u>	<u>718</u>	<u>703</u>
	\$ 11,722	\$ 17,447	\$ 23,453	\$ 34,863

Except for the aforementioned addition and recognized depreciation, the Corporation did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amount</u>			
Current	\$ 37,729	\$ 38,005	\$ 49,657
Non-current	\$ 1,296,482	\$ 1,313,961	\$ 1,330,916

Range of discount rates for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	0.93%-1.69%	0.93%-1.69%	0.93%-1.69%
Buildings	2.53%	2.53%	2.53%
Machinery and equipment	1.70%-2.30%	0.80%-2.30%	0.80%-2.30%
Transportation equipment	1.59%-1.68%	0.92%-1.59%	0.92%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 2,341	\$ 3,469	\$ 4,728	\$ 7,517
Total cash outflow for leases			\$ (23,940)	\$ (43,931)

The Corporation leases certain office, machines and vehicles which qualify as short-term leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INTANGIBLE ASSETS

	Computer Software	Goodwill	Business Secrets	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 625,715	\$ 997,715	\$ 41,383	\$ 249,135	\$ 220,775	\$ 9,317	\$ 88,894	\$ 2,232,934
Additions	10,178	-	-	-	-	-	-	10,178
Disposals	(42,465)	-	-	(37,294)	-	-	-	(79,759)
Reclassified	4,307	-	-	-	-	-	-	4,307
Effects of foreign currency exchange differences	(16,764)	-	-	843	-	(71)	-	(15,992)
Balance at June 30, 2024	<u>580,971</u>	<u>997,715</u>	<u>41,383</u>	<u>212,684</u>	<u>220,775</u>	<u>9,246</u>	<u>88,894</u>	<u>2,151,668</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2024	525,220	-	5,174	249,135	220,775	9,275	88,894	1,098,473
Amortization expenses	10,519	-	2,068	-	-	-	-	12,587
Disposals	(25,274)	-	-	(37,294)	-	-	-	(62,568)
Effect of foreign currency exchange differences	(12,706)	-	-	843	-	(68)	-	(11,931)
Balance at June 30, 2024	<u>497,759</u>	<u>-</u>	<u>7,242</u>	<u>212,684</u>	<u>220,775</u>	<u>9,207</u>	<u>88,894</u>	<u>1,036,561</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2024	27,387	-	-	-	-	-	-	27,387
Disposals	(17,191)	-	-	-	-	-	-	(17,191)
Effect of foreign currency exchange differences	(737)	-	-	-	-	-	-	(737)
Balance at June 30, 2024	<u>9,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,459</u>
Carrying amount at June 30, 2024	<u>\$ 73,753</u>	<u>\$ 997,715</u>	<u>\$ 34,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 1,105,648</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 73,108</u>	<u>\$ 997,715</u>	<u>\$ 36,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 1,107,074</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 694,659	\$ 997,715	\$ 41,383	\$ 249,103	\$ 220,775	\$ 9,386	\$ 88,894	\$ 2,301,915
Additions	8,882	-	-	-	-	-	-	8,882
Disposals	(2,598)	-	-	-	-	-	-	(2,598)
Reclassified as held for sale	(35,388)	-	-	-	-	-	-	(35,388)
Effects of foreign currency exchange differences	(18,395)	-	-	506	-	(79)	-	(17,968)
Balance at June 30, 2023	<u>647,160</u>	<u>997,715</u>	<u>41,383</u>	<u>249,609</u>	<u>220,775</u>	<u>9,307</u>	<u>88,894</u>	<u>2,254,843</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2023	579,874	-	1,035	249,103	220,775	9,338	88,894	1,149,019
Amortization expenses	13,555	-	2,069	-	-	1	-	15,625
Disposals	(1,957)	-	-	-	-	-	-	(1,957)
Reclassified as held for sale	(34,141)	-	-	-	-	-	-	(34,141)
Effect of foreign currency exchange differences	(14,176)	-	-	506	-	(75)	-	(13,745)
Balance at June 30, 2023	<u>543,155</u>	<u>-</u>	<u>3,104</u>	<u>249,609</u>	<u>220,775</u>	<u>9,264</u>	<u>88,894</u>	<u>1,114,801</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2023	27,264	-	-	-	-	-	-	27,264
Effect of foreign currency exchange differences	(588)	-	-	-	-	-	-	(588)
Balance at June 30, 2023	<u>26,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,676</u>
Carrying amount at June 30, 2023	<u>\$ 77,329</u>	<u>\$ 997,715</u>	<u>\$ 38,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ 1,113,366</u>

The amortization of the Business secret acquired through a business combination was recognized over its useful life based on the standard appraisal practices.

The above items of intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-10 years
Core techniques	5 years
Client relationships	9 years
Royalty	3-10 years
Technique services	2-4 years
Business Secrets	10 years

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
An analysis of amortization by function				
Cost of revenue	\$ 4,989	\$ 5,407	\$ 10,061	\$ 10,989
Selling and marketing expenses	3	1	7	2
General and administrative expenses	718	779	1,363	1,524
Research and development expenses	<u>562</u>	<u>1,555</u>	<u>1,156</u>	<u>3,110</u>
	<u>\$ 6,272</u>	<u>\$ 7,742</u>	<u>\$ 12,587</u>	<u>\$ 15,625</u>

18. OTHER ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Refundable deposits (Note 31)	\$ 238,230	\$ 221,783	\$ 234,000
Tax refund receivables	145,065	88,565	81,640
Payment on behalf of others	99,471	87,084	133,638
Others	<u>38,141</u>	<u>19,705</u>	<u>36,268</u>
	<u>\$ 520,907</u>	<u>\$ 417,137</u>	<u>\$ 485,546</u>
<u>Prepayments</u>			
Prepayments for purchase	\$ 49,243	\$ 33,671	\$ -
Prepayments for utilities	45,114	32,595	-
Inventory of supplies	37,127	38,295	37,463
Prepayments for repairs	31,456	22,328	21,047
Excess business tax paid	23,534	62,992	136,026
Prepayments for insurance premiums	21,510	58,375	17,046
Others	<u>29,485</u>	<u>23,863</u>	<u>62,411</u>
	<u>\$ 237,469</u>	<u>\$ 272,119</u>	<u>\$ 273,993</u>
<u>Non-current</u>			
Refundable deposits (Note 31)	\$ 614,566	\$ 695,695	\$ 821,671
Financial lease receivables	156,229	131,632	-
Prepayment for land and equipment	128,191	428,782	142,912
Others	<u>10</u>	<u>5</u>	<u>35,980</u>
	<u>\$ 898,996</u>	<u>\$ 1,256,114</u>	<u>\$ 1,000,563</u>

19. BORROWINGS

a. Short-term bank loans

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Unsecured borrowings</u>			
Working capital loan	\$ <u> -</u>	\$ <u>65,190</u>	\$ <u>64,500</u>

The effective interest rate ranges on the working capital loan were 0.53% and 0.53%-3.20% as of December 31, 2023 and June 30, 2023, respectively.

b. Long-term debts

	June 30, 2024	December 31, 2023	June 30, 2023
1) Secured Borrowings (Note 30)	\$ 12,361,586	\$ 18,128,714	\$ 19,666,448
2) Unsecured Borrowings	<u>2,108,549</u>	<u>5,637,182</u>	<u>8,757,625</u>
	14,470,135	23,765,896	28,424,073
Less: Current portion	<u>(139,912)</u>	<u>(567,909)</u>	<u>(214,496)</u>
	<u>\$ 14,330,223</u>	<u>\$ 23,197,987</u>	<u>\$ 28,209,577</u>

1) Repayable continually from June 2025 to September 2031; interest rates at 1.28%-1.69% on June 30, 2024, 1.15%-1.60% on December 31, 2023 and 1.15%-1.80% on June 30, 2023.

2) Repayable continually from July 2024 to December 2028; interest rates at 0.60%-1.53% on June 30, 2024, 0.53%-1.65% on December 31, 2023 and 0.60%-1.67% on June 30, 2023.

For PTI's long-term debt, the financing banks required PTI to show compliance with requirements to maintain the current ratio, fixed ratio, liability ratio, financial liability ratio, equity ratio, interest coverage ratio, tangible assets and net asset value as well as the ability to repay the current portion of long-term liabilities in its annual and semiannual consolidated financial statements. As of June 30, 2024, PTI was in compliance with these ratio requirements.

20. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Accrued expenses and other current liabilities			
Salaries and bonus	\$ 2,455,404	\$ 2,634,466	\$ 2,398,996
Provisional receipts	479,849	162,343	199,860
Payable for utilities	375,913	250,290	328,241
Agency receipts	203,556	172,518	241,489
Payable for insurance	106,524	251,730	228,294
Guarantee deposits (a)	90,860	162,870	164,912
Payable for annual leave	48,990	15,990	43,399
Indemnification payable (b)	35,664	35,664	76,356
Others	<u>2,668,829</u>	<u>2,890,188</u>	<u>2,905,622</u>
	<u>\$ 6,465,589</u>	<u>\$ 6,576,059</u>	<u>\$ 6,587,169</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Other liabilities			
Guarantee deposits (a)	\$ 639,903	\$ 573,955	\$ 663,474
Others	<u>7,545</u>	<u>7,272</u>	<u>12,747</u>
	<u>\$ 647,448</u>	<u>\$ 581,227</u>	<u>\$ 676,221</u> (Concluded)

- a. Mainly guarantee deposits for capacity reservation.
- b. Indemnification payables are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

21. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Corporation's defined benefit retirement plans were \$1,823 thousand, \$2,485 thousand, \$3,673 thousand and \$5,010 thousand for the three months and six months ended June 30, 2024 and 2023, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023.

22. EQUITY

- a. Capital stock

- 1) Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
Share authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Share authorized (in thousands of dollars)	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Share issued and fully paid (in thousands of shares)	<u>759,147</u>	<u>759,147</u>	<u>759,147</u>
Share issued (in thousands of dollars)	<u>\$ 7,591,466</u>	<u>\$ 7,591,466</u>	<u>\$ 7,591,466</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and a right to dividends.

Out of the shares authorized, 15,000 thousand shares were reserved for the issuance of employee share options.

As of June 30, 2024, 22 units of GDRs of PTI were trading on the Luxembourg Share Exchange. The number of ordinary shares represented by the GDRs was 44 shares (one GDR represents two ordinary shares).

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Share premium	\$ 1,879	\$ 1,879	\$ 1,879
Treasury share transactions	158,488	158,488	75,888
<u>May be used to offset a deficit only</u>			
Changes in percentage of ownership interests in subsidiaries (2)	72,008	71,883	71,829
Unclaimed dividends after effective period	<u>4,821</u>	<u>4,821</u>	<u>-</u>
	<u>\$ 237,196</u>	<u>\$ 237,071</u>	<u>\$ 149,596</u>

- 1) The premium from shares issued in excess of par may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Corporation's capital surplus and once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under PTI's Articles of Incorporation, PTI should make appropriations from its net income in the following order:

- 1) Offset deficits.
- 2) Set aside as legal reserve 10% of the remaining profit.
- 3) Appropriate as special reserve.
- 4) After the above-mentioned amounts have been deducted, any remaining profit from the previous years and the current year's undistributed retained earnings shall be used by PTI's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders as to whether the amount should be distributed as dividends or retained within PTI.

Dividends are distributed in the form of cash, ordinary shares or a combination of cash and ordinary shares. In consideration of PTI being in a capital-intensive industry as well as the present and future investment environment, capital demand, market competition, capital budget, shareholders' interests, balanced dividend considerations and long-term financial plans, PTI's total cash dividends paid in any given year should be at least 20% of total dividends distributed.

For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 24(g).

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals PTI's capital surplus. The legal reserve may be used to offset deficit. If PTI has no deficit and the legal reserve exceeded 25% of PTI's total capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022 were approved in the shareholders' meeting May 30, 2024 and May 31, 2023, respectively. The appropriations and dividends per share were as follows:

	For the Year Ended December 31	
	2023	2022
Legal reserve	<u>\$ 800,489</u>	<u>\$ 870,416</u>
Special reserve	<u>\$ 130,039</u>	<u>\$ (108,395)</u>
Cash dividends	<u>\$ 5,314,026</u>	<u>\$ 5,314,026</u>
Cash dividends per share (NT\$)	<u>\$ 7</u>	<u>\$ 7</u>

d. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	<u>\$ (717,131)</u>	<u>\$ (501,790)</u>
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	<u>221,385</u>	<u>(169,907)</u>
Other comprehensive (loss) income recognized for the period	<u>221,385</u>	<u>(169,907)</u>
Reclassification adjustments		
Equity directly associated with disposal groups held for sale	<u>-</u>	<u>39,155</u>
Balance at June 30	<u>\$ (495,746)</u>	<u>\$ (632,542)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	<u>\$ (15,136)</u>	<u>\$ (32,655)</u>
Recognized for the period		
Unrealized (loss) gain - equity instruments	<u>(8,041)</u>	<u>13,625</u>
Other comprehensive income recognized for the period	<u>(8,041)</u>	<u>13,625</u>
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>630</u>	<u>-</u>
Balance at June 30	<u>\$ (22,547)</u>	<u>\$ (19,030)</u>

e. Non-controlling interests

	For the Six Months Ended June 30	
	2024	2023
Balance at January 1	\$ 14,236,954	\$ 14,034,080
Share in profit for the period	854,989	692,234
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign entities	(98,631)	39,535
Donations from shareholders	-	74
Subsidiaries purchase treasury shares	(188)	-
Cash dividends distributed by subsidiaries	<u>(894,448)</u>	<u>(1,353,965)</u>
Balance at June 30	<u>\$ 14,098,676</u>	<u>\$ 13,411,958</u>

f. Treasury share

Purpose of Buy-Back	Share Held by Subsidiary (In Thousands of Shares)
Number of shares at January 1, 2023 and June 30, 2023	<u>11,800</u>
Number of shares at January 1, 2024 and June 30, 2024	<u>11,800</u>

PTI's shares held by its subsidiary at the end of the reporting periods were as follows :

Name of Subsidiary	Number of Share Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>June 30, 2024</u>			
Greatek Electronics Inc.	11,800	\$ 2,218,400	\$ 2,218,400
<u>December 31, 2023</u>			
Greatek Electronics Inc.	11,800	\$ 1,663,800	\$ 1,663,800
<u>June 30, 2023</u>			
Greatek Electronics Inc.	11,800	\$ 1,239,000	\$ 1,239,000

PTI's shares held by its subsidiary are treated as treasury shares.

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from packaging services	\$ 13,609,317	\$ 12,088,181	\$ 25,999,385	\$ 23,008,815
Revenue from testing services	4,241,526	3,995,623	8,130,753	7,772,170
Revenue from module services	1,731,442	1,126,722	3,778,507	2,159,068
Others	<u>4,195</u>	<u>7,072</u>	<u>6,716</u>	<u>18,069</u>
	<u>\$ 19,586,480</u>	<u>\$ 17,217,598</u>	<u>\$ 37,915,361</u>	<u>\$ 32,958,122</u>

a. Contract information

As the Corporation fulfills the obligations in the contract for testing services, the customer simultaneously receives and consumes the benefits provided by the Corporation. The Corporation has the right to revenue collection for the portion of testing services that have been fulfilled, and the revenue from testing services is recognized over time. The Corporation fulfills the obligations in the contract for packaging services when the customer creates or enhances the goods they have control of. The Corporation has the right to revenue collection for the portion of packaging services that have been fulfilled, and the revenue from packaging services is recognized over time.

b. Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Notes and accounts receivable (including related parties) (Note 10)	<u>\$ 18,424,795</u>	<u>\$ 16,678,796</u>	<u>\$ 15,483,232</u>	<u>\$ 14,346,898</u>
Contract assets				
Revenue from processing services	<u>\$ 2,417,562</u>	<u>\$ 2,363,716</u>	<u>\$ 2,404,617</u>	<u>\$ 2,645,344</u>
Contract liabilities				
Revenue from processing services	<u>\$ 133,546</u>	<u>\$ 131,106</u>	<u>\$ 175,093</u>	<u>\$ 226,859</u>

The changes in the contract asset and the contract liability balances primarily result from the timing difference between the Corporation's performance and the respective customer's payment.

Revenue of the reporting period recognized from the beginning contract liabilities is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
From the contract liabilities at the beginning of the year				
Revenue from processing services	<u>\$ 13,780</u>	<u>\$ 24,928</u>	<u>\$ 38,331</u>	<u>\$ 113,464</u>

c. Disaggregation of revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Primary geographical markets</u>				
Japan	\$ 6,031,252	\$ 5,250,007	\$ 11,489,756	\$ 10,892,097
Singapore	5,316,312	2,318,615	10,132,996	4,568,883
Taiwan (The principal place of business of the Corporation)	3,817,781	6,213,183	7,335,337	11,059,320
America	3,214,460	1,994,803	6,562,734	3,605,417
Europe	434,246	445,799	860,313	881,479
China, Hong Kong and Macao	399,946	550,505	757,848	1,031,736
Others	<u>372,483</u>	<u>444,686</u>	<u>776,377</u>	<u>919,190</u>
	<u>\$ 19,586,480</u>	<u>\$ 17,217,598</u>	<u>\$ 37,915,361</u>	<u>\$ 32,958,122</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Bank deposits	\$ 68,999	\$ 86,997	\$ 177,325	\$ 134,396
Net investment in leases presented	2,429	-	4,812	-
Commercial paper	1,558	-	2,646	-
Financial assets measured at amortized cost	<u>913</u>	<u>179</u>	<u>1,001</u>	<u>357</u>
	<u>\$ 73,899</u>	<u>\$ 87,176</u>	<u>\$ 185,784</u>	<u>\$ 134,753</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 28,240	\$ (5,159)	\$ 17,901	\$ 38,884
Financial liabilities classified as held for trading	(86,478)	(146,518)	(188,634)	(199,176)
Others	<u>191,371</u>	<u>128,419</u>	<u>341,665</u>	<u>309,005</u>
	<u>\$ 133,133</u>	<u>\$ (23,258)</u>	<u>\$ 170,932</u>	<u>\$ 148,713</u>

c. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Rental income				
Operating lease rental income	<u>\$ 3,360</u>	<u>\$ 3,200</u>	<u>\$ 6,264</u>	<u>\$ 5,901</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 56,099	\$ 104,109	\$ 129,283	\$ 204,716
Interest on lease liabilities	5,715	6,050	11,467	12,112
Capitalized interest	<u>(6,535)</u>	<u>(26,355)</u>	<u>(12,852)</u>	<u>(54,497)</u>
	<u>\$ 55,279</u>	<u>\$ 83,804</u>	<u>\$ 127,898</u>	<u>\$ 162,331</u>

Information about capitalized interest was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Capitalized interest	\$ 6,535	\$ 26,355	\$ 12,852	\$ 54,497
Capitalization rate	1.43%-1.55%	1.34%-1.47%	1.43%-1.55%	1.34%-1.47%

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 3,171,985	\$ 3,442,523	\$ 6,356,612	\$ 6,800,926
Right-of-use assets	11,722	17,447	23,453	34,863
Intangible assets	<u>6,272</u>	<u>7,742</u>	<u>12,587</u>	<u>15,625</u>
	<u>\$ 3,189,979</u>	<u>\$ 3,467,712</u>	<u>\$ 6,392,652</u>	<u>\$ 6,851,414</u>
An analysis of depreciation by function				
Cost of revenue	\$ 2,934,645	\$ 3,238,938	\$ 5,891,792	\$ 6,408,636
Operating expenses	<u>249,063</u>	<u>221,032</u>	<u>488,273</u>	<u>427,153</u>
	<u>\$ 3,183,708</u>	<u>\$ 3,459,970</u>	<u>\$ 6,380,065</u>	<u>\$ 6,835,789</u>
An analysis of amortization by function				
Cost of revenue	\$ 4,989	\$ 5,407	\$ 10,061	\$ 10,989
Operating expenses	<u>1,283</u>	<u>2,335</u>	<u>2,526</u>	<u>4,636</u>
	<u>\$ 6,272</u>	<u>\$ 7,742</u>	<u>\$ 12,587</u>	<u>\$ 15,625</u>

Refer to Note 17 for information relating to the line items in which any amortization of intangible assets is included.

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 188,640	\$ 148,419	\$ 332,629	\$ 306,351
Defined benefit plans (Note 21)	<u>1,823</u>	<u>2,485</u>	<u>3,673</u>	<u>5,010</u>
	190,463	150,904	336,302	311,361
Termination benefits	727	214	895	2,100
Other employee benefits	<u>4,821,652</u>	<u>3,812,793</u>	<u>9,244,509</u>	<u>7,355,376</u>
 Total employee benefits expense	 <u>\$ 5,012,842</u>	 <u>\$ 3,963,911</u>	 <u>\$ 9,581,706</u>	 <u>\$ 7,668,837</u>
 An analysis of employee benefits expense by function				
Cost of revenue	\$ 4,360,571	\$ 3,404,726	\$ 8,249,183	\$ 6,732,435
Operating expenses	<u>652,271</u>	<u>559,185</u>	<u>1,332,523</u>	<u>936,402</u>
	<u>\$ 5,012,842</u>	<u>\$ 3,963,911</u>	<u>\$ 9,581,706</u>	<u>\$ 7,668,837</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of PTI, PTI accrues compensation of employees and remuneration of directors at the rates between 5% and 7.5% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if PTI has accumulated deficits (including adjustment of unappropriated earnings), PTI should retain the net profit in advance for deducting accumulated deficits. For the six months ended June 30, 2024 and 2023, respectively, the compensation of employees and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Compensation of employees	5.45%	5.71%	5.45%	5.71%
Remuneration of directors	1.09%	1.14%	1.09%	1.14%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
	<u>Cash</u>	<u>Cash</u>	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 123,409	\$ 90,656	\$ 240,632	\$ 166,760
Remuneration of directors	24,682	18,131	48,126	33,352

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of compensation of employees and remuneration of directors for 2023 and 2022 that were resolved by the board of directors on March 10, 2024 and March 10, 2023, respectively, are as shown below:

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 540,574	\$ 586,354
Remuneration of directors	108,115	117,271

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by PTI's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 248,355	\$ 750,846	\$ 885,483	\$ 982,267
Foreign exchange losses	<u>(56,553)</u>	<u>(347,305)</u>	<u>(90,976)</u>	<u>(690,944)</u>
Net gains	<u>\$ 191,802</u>	<u>\$ 403,541</u>	<u>\$ 794,507</u>	<u>\$ 291,323</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 738,722	\$ 440,418	\$ 1,122,698	\$ 691,416
Income tax on unappropriated earnings	13,389	-	13,389	-
Adjustments for prior year	<u>(85,664)</u>	<u>(29,609)</u>	<u>(85,664)</u>	<u>(29,609)</u>
	666,447	410,809	1,050,423	661,807
Deferred tax				
In respect of the current period	<u>(54,983)</u>	<u>77,903</u>	<u>173,768</u>	<u>146,389</u>
Income tax expense recognized in profit or loss	<u>\$ 611,464</u>	<u>\$ 488,712</u>	<u>\$ 1,224,191</u>	<u>\$ 808,196</u>

b. Income tax assessments

Income tax returns through 2022 have been assessed by the tax authorities.

c. Pillar 2 Income Tax Act

In March 2023, the Pillar Two Income Tax Act was substantively legislated by the local government of the country where Tera Probe is registered, effective from 1 April 2024.

Under the legislation above subsidiaries will be required to pay top-up tax on profit of Tera Probe and its subsidiaries that are taxed at an effective tax rate of less than 15% in their registration. The main jurisdictions in which exposures to this tax may exist in Japan. Approximately 6.32% of the Company's annual profits which are currently taxed at the average effective tax rate applicable to those profits of 19.8% may be subject to the tax. This information is based on the profits and tax expense determined as part of the preparation of the Company's consolidated financial statements. The Company is continuing to assess the impact of the pillar two income taxes legislation on its future financial performance.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Basic earnings per share	<u>\$ 2.45</u>	<u>\$ 1.80</u>	<u>\$ 4.77</u>	<u>\$ 3.31</u>
Diluted earnings per share	<u>\$ 2.44</u>	<u>\$ 1.79</u>	<u>\$ 4.75</u>	<u>\$ 3.29</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Periods

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Profit of the period attributable to owner of the Parent	\$ 1,828,283	\$ 1,343,043	\$ 3,564,919	\$ 2,470,514
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,828,283</u>	<u>\$ 1,343,043</u>	<u>\$ 3,564,919</u>	<u>\$ 2,470,514</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	747,347	747,347	747,347	747,347
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>1,280</u>	<u>1,588</u>	<u>2,461</u>	<u>4,071</u>
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	<u>748,627</u>	<u>748,935</u>	<u>749,808</u>	<u>751,418</u>

PTI may settle compensation paid to employees in cash or shares; therefore, PTI assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure its ability to continue as a going concern while maximizing the return to stakeholders. The Corporation's overall strategy remains unchanged from the previous year.

The capital structure of the Corporation consists of net debt (borrowings offset by cash and cash equivalents) and equity (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

June 30, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 350,001	\$ -	\$ 349,994	\$ -	\$ 349,994

December 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000

June 30, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 100,000	\$ -	\$ 100,048	\$ -	\$ 100,048

The above-mentioned level 2 fair value measurement was based on the quoted price from the Taipei Exchange.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

<u>June 30, 2024</u>	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> -</u>	\$ <u> 25,453</u>	\$ <u> -</u>	\$ <u> 25,453</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 31,907</u>	\$ <u> -</u>	\$ <u> 31,907</u>
 <u>December 31, 2023</u>				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 28,659</u>	\$ <u> -</u>	\$ <u> 28,659</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> 1,662</u>	\$ <u> 33,000</u>	\$ <u> -</u>	\$ <u> 34,662</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 504</u>	\$ <u> -</u>	\$ <u> 504</u>
 <u>June 30, 2023</u>				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 1,146</u>	\$ <u> -</u>	\$ <u> 1,146</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> 1,468</u>	\$ <u> 29,300</u>	\$ <u> -</u>	\$ <u> 30,768</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 91,985</u>	\$ <u> -</u>	\$ <u> 91,985</u>

There were no transfers between Level 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign currency forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Unlisted securities	Using the market approach and the binomial option pricing model to calculate the fair value.

c. Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ -	\$ 28,659	\$ 1,146
Financial assets at amortized cost (Note 1)	39,736,175	40,275,362	39,219,021
Financial assets at FVTOCI			
Equity instruments	25,453	34,662	30,768
<u>Financial liabilities</u>			
FVTPL			
Held for trading	31,907	504	91,985
Amortized cost (Note 2)	29,872,450	31,415,378	43,230,510

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, time deposits with original maturities of more than 3 months, notes and accounts receivable (including related parties), other receivables (including related parties), pledged time deposits and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes and accounts payable (including related parties), other payables (including related parties), dividend payable, accrued expenses, other current liabilities and long-term debt (including current portion) and guarantee deposit.

d. Financial risk management objectives and policies

The Corporation's major financial instruments included equity investments, accounts receivable, accounts payable, borrowings and lease liabilities. The Corporation's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Corporation's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Corporation did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate treasury function, an independent body that monitors risks and policies implemented to mitigate risk exposures reports quarterly to the Corporation's board of directors.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Corporation entered into a variety of derivative financial instruments (included forward exchange contracts) to manage its exposure to foreign currency risk.

There had been no change to the Corporation's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation's operating activities are partially denominated in foreign currencies and apply natural hedge. The purpose of the Corporation's management of the foreign currency risk is to hedge against the risk instead of making a profit.

The strategy of foreign currency risk management is to review the net position exposed to foreign currency risk and manage the risk of the net position. The Corporation selects the instruments to hedge against currency exposure taking into consideration the hedging cost and period. The Corporation currently utilizes derivative financial instruments, including buy/sell foreign exchange forward contracts, to hedge against foreign currency exchange risk.

For the carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 33.

The Corporation uses forward exchange contracts to reduce foreign currency risk exposure. It is the Corporation's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

As net investments in foreign operations are for strategic purposes, they are not hedged by the Corporation.

Sensitivity analysis

The Corporation was mainly exposed to the USD and JPY.

The following table details the Corporation's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusted their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis included cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), accounts payable (including related parties), other payables (including related parties), short-term bank loans and long-term debt. The number below indicates the decrease/increase in pre-tax profit when the functional currency strengthens 5% against the relevant currency.

	USD Impact		JPY Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Profit or loss	\$ (484,203)	\$ (737,767)	\$ 19,546	\$ 18,852

b) Interest rate risk

As the Corporation owns assets at both fixed and floating interest rates, the Corporation is exposed to interest rate risk. The Corporation's interest rate risk also comes from borrowings at floating interest rates. Since the Corporation's bank borrowings are at floating interest rates, fluctuations in interest rates will affect cash flow in the future but will not affect the fair value.

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows.

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
Financial assets	\$ 8,050,254	\$ 12,677,621	\$ 8,196,713
Financial liabilities	305,424	456,330	596,436
Cash flow interest rate risk			
Financial assets	10,768,509	9,353,831	13,090,265
Financial liabilities	14,164,711	23,374,756	27,956,448

Sensitivity analysis

The sensitivity analysis below was determined based on the Corporation's exposure to interest rate risk for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of both the assets and the liabilities outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the six months ended June 30, 2024 and 2023 would decrease/increase by \$1,698 thousand and \$7,433 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rate risk on its variable-rate net liabilities.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments. The Corporation's equity price risk was mainly concentrated on equity instruments in the electronics industry sector quoted in the Taipei Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5% higher/lower, the Corporation's pre-tax profit for the six months ended June 30, 2024 and 2023 would increase/decrease by \$1,273 thousand and \$1,538 thousand, respectively, as a result of the changes in fair value of financial instruments classified as FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which will cause a financial loss to the Corporation due to failure of the counterparty to discharge an obligation arises from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

In order to minimize credit risk, the management of the Corporation has set up an approach for credit and accounts receivable management to ensure that follow-up action is taken to recover overdue debt. In addition, the Corporation reviews the recoverable amount of each individual trade

debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

In this regard, the directors of the Corporation consider that the Corporation's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with good credit ratings.

The counterparties of trade receivables cover a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Corporation's concentration of credit risk was related to the three largest customers within the Corporation. Besides the aforementioned customers, there was no other customer that accounted for 10% of total gross accounts receivable at any time during the period. The three largest customers are creditworthy counterparts, therefore, the Corporation believes the concentration of credit risk is insignificant for the remaining accounts receivable.

Credit risk management for investments in debt instruments

The Corporation only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Corporation's exposure and the external credit ratings are continuously monitored. The Corporation reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

The Corporation considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecasts to estimate 12-month or lifetime expected credit losses. The Corporation's current credit risk grading framework comprises the following categories:

Category	Description	Basis for Recognizing Expected Credit Losses	Expected Loss Rate
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECL	-

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows.

The Corporation relies on bank borrowings as a significant source of liquidity. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$3,316,238 thousand, \$3,600,826 thousand and \$4,586,766 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been

drawn up based on the cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables include both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 2,636,312	\$ 10,771,865	\$ 1,263,375	\$ -	\$ -
Lease liabilities	5,093	10,186	44,748	216,372	1,506,292
Fixed interest rate liabilities	-	28,728	86,184	190,512	-
Variable interest rate liabilities	-	-	25,000	13,149,235	990,476
Guarantee deposits	<u>18,659</u>	<u>-</u>	<u>72,201</u>	<u>638,129</u>	<u>1,774</u>
	<u>\$ 2,660,064</u>	<u>\$ 10,810,779</u>	<u>\$ 1,491,508</u>	<u>\$ 14,194,248</u>	<u>\$ 2,498,542</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 60,027</u>	<u>\$ 216,372</u>	<u>\$ 238,292</u>	<u>\$ 235,291</u>	<u>\$ 234,291</u>	<u>\$ 798,418</u>
Variable interest rate	<u>\$ 25,000</u>	<u>\$ 13,149,235</u>	<u>\$ 990,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 90,860</u>	<u>\$ 638,129</u>	<u>\$ 1,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 2,356,743	\$ 3,698,173	\$ 792,551	\$ -	\$ -
Lease liabilities	5,098	10,196	45,321	220,958	1,530,201
Fixed interest rate liabilities	-	96,155	92,896	267,279	-
Variable interest rate liabilities	-	-	444,048	20,989,096	1,941,612
Guarantee deposits	<u>25,339</u>	<u>15,367</u>	<u>122,164</u>	<u>572,181</u>	<u>1,774</u>
	<u>\$ 2,387,180</u>	<u>\$ 3,819,891</u>	<u>\$ 1,496,980</u>	<u>\$ 22,049,514</u>	<u>\$ 3,473,587</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 60,615</u>	<u>\$ 220,958</u>	<u>\$ 238,532</u>	<u>\$ 235,531</u>	<u>\$ 234,291</u>	<u>\$ 821,847</u>
Variable interest rate liabilities	<u>\$ 444,048</u>	<u>\$ 20,989,096</u>	<u>\$ 1,570,885</u>	<u>\$ 370,727</u>	<u>\$ -</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 162,870</u>	<u>\$ 572,181</u>	<u>\$ 1,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 2,728,944	\$ 10,229,888	\$ 862,990	\$ 27,418	\$ -
Lease liabilities	7,659	15,319	49,627	225,176	1,554,125
Fixed interest rate liabilities	-	105,350	165,361	325,725	-
Variable interest rate liabilities	-	-	72,596	23,919,614	3,964,238
Guarantee deposits	<u>25,660</u>	<u>15,568</u>	<u>123,726</u>	<u>644,081</u>	<u>19,351</u>
	<u>\$ 2,762,263</u>	<u>\$ 10,366,125</u>	<u>\$ 1,274,300</u>	<u>\$ 25,142,014</u>	<u>\$ 5,537,714</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ 72,605	\$ 225,176	\$ 238,787	\$ 235,771	\$ 234,291	\$ 845,276
Variable interest rate	\$ 72,596	\$ 23,919,614	\$ 3,557,497	\$ 368,787	\$ 37,954	\$ -
Guarantee deposits	\$ 164,954	\$ 664,081	\$ 19,335	\$ -	\$ -	\$ 16

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Corporation's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,660,349	\$ 1,102,779	\$ 42,349
Outflows	(1,677,304)	(1,116,602)	(43,478)
	\$ (16,955)	\$ (13,823)	\$ (1,129)

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 675,241	\$ 635,803	\$ 166,712
Outflows	(662,824)	(624,032)	(162,745)
	\$ 12,417	\$ 11,771	\$ 3,967

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 2,679,962	\$ 1,887,662	\$ 97,722
Outflows	(2,731,810)	(1,922,050)	(102,325)
	\$ (51,848)	\$ (34,388)	\$ (4,603)

c) Financing facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bank loan facilities which may be mutually extended			
Amount used	\$ 12,361,586	\$ 18,128,714	\$ 19,666,448
Amount unused	<u>5,500,000</u>	<u>6,500,000</u>	<u>6,500,000</u>
	<u>\$ 17,861,586</u>	<u>\$ 24,628,714</u>	<u>\$ 26,166,448</u>

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between PTI and its subsidiaries, which were related parties of PTI, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between PTI and other related parties are disclosed below.

a. Related Party Name and Relationship

<u>Related Party Name</u>	<u>Relationship with the Corporation</u>
Kioxia Corporation	Substantial related parties
Toshiba International Procurement Hong Kong, Ltd.	Substantial related parties
Toshiba Information Systems (Japan) Corporation	Substantial related parties
Toshiba Electronic Devices & Storage Corporation	Substantial related parties
Kingston Technology International Ltd.	Substantial related parties
Kingston Digital International Ltd.	Substantial related parties
Kingston Solution, Inc.	Substantial related parties
Longforce Technology (Suzhou) Ltd. (Note)	Associate
Kingston Technology Far East Corp.	Substantial related parties
Solid State Storage Technology Corporation	Substantial related parties
Realtek Singapore Private Limited	Substantial related parties
Realtek Semiconductor Corp.	Substantial related parties
Raymx Microelectronic Corp.	Substantial related parties
KIOXIA Semiconductor Taiwan Corporation	Substantial related parties

Note: With effect from October 1, 2023, the Company lost control of PTI Technology (Suzhou) Co., Ltd., changed from a subsidiary to an affiliated enterprise, and changed its name to Yuancheng Technology (Suzhou) Co., Ltd.

b. Sales of goods

Line Item	Related Party Category/Name	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
		<u>June 30</u>	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>
		2024	2023	2024	2023
Sales of goods	Substantial related parties				
	Kioxia Corporation	\$ 4,229,480	\$ 3,554,988	\$ 8,240,842	\$ 7,311,350
	Others	<u>484,817</u>	<u>551,291</u>	<u>1,016,904</u>	<u>989,842</u>
		4,714,297	4,106,279	9,257,746	8,301,192
	Associate	<u>810</u>	<u>-</u>	<u>1,152</u>	<u>-</u>
		<u>\$ 4,715,107</u>	<u>\$ 4,106,279</u>	<u>\$ 9,258,898</u>	<u>\$ 8,301,192</u>

Sales transactions with related parties were based on normal commercial prices and terms. In general, the payment terms for the sales of the Corporation is from 30 days to 150 days starting from the first day of the month following the invoice date.

c. Purchases

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Substantial related parties	\$ 224,822	\$ 5,703	\$ 406,968	\$ 28,909
Associate	<u>27</u>	<u>-</u>	<u>168</u>	<u>-</u>
	<u>\$ 224,849</u>	<u>\$ 5,703</u>	<u>\$ 407,136</u>	<u>\$ 28,909</u>

The purchase prices and payment terms were based on negotiations for which there are no comparable transactions in the market.

d. Cost of revenue

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Substantial related party	<u>\$ 46,115</u>	<u>\$ -</u>	<u>\$ 102,456</u>	<u>\$ -</u>

Operating costs mainly was subcontract costs.

e. Other gains and losses

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Substantial related parties				
Kioxia Corporation	\$ 4,205	\$ 16,813	\$ 14,197	\$ 24,667
Others	<u>-</u>	<u>49</u>	<u>-</u>	<u>61</u>
	4,205	16,862	14,197	24,728
Associates	<u>1,915</u>	<u>-</u>	<u>1,924</u>	<u>-</u>
	<u>\$ 6,120</u>	<u>\$ 16,862</u>	<u>\$ 16,121</u>	<u>\$ 24,728</u>

Other gains and losses mainly include the purchase and sales of raw materials, the difference between collections and payment transfers and the service revenue. The purchase and sales of raw materials were based on conditions agreed by both parties for which there are no comparable transactions in the market.

f. Contract assets

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Substantial related parties			
Kioxia Corporation	\$ 802,299	\$ 696,550	\$ 724,775
Others	<u>81,838</u>	<u>79,121</u>	<u>91,376</u>
	<u>\$ 884,137</u>	<u>\$ 775,671</u>	<u>\$ 816,151</u>

For the six months ended June 30, 2024 and 2023, no impairment loss was recognized for contract assets from related parties.

g. Accounts receivables from related parties (excluding loans to related parties and contract assets)

Line Item	Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable from related parties	Substantial related parties			
	Kioxia Corporation	\$ 5,856,508	\$ 4,645,748	\$ 5,169,079
	Others	<u>421,946</u>	<u>529,523</u>	<u>533,784</u>
		<u>\$ 6,278,454</u>	<u>\$ 5,175,271</u>	<u>\$ 5,702,863</u>

The outstanding accounts receivable from related parties are unsecured. For the six months ended June 30, 2024 and 2023, no impairment loss was recognized for accounts receivables from related parties.

h. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payables from related parties	Substantial related parties			
	Solid State Storage Technology Corporation	\$ 137,524	\$ 124,068	\$ 5,759
	Others	<u>-</u>	<u>-</u>	<u>39</u>
		<u>137,524</u>	<u>124,068</u>	<u>5,798</u>
	Associates	<u>27</u>	<u>43</u>	<u>-</u>
		<u>\$ 137,551</u>	<u>\$ 124,111</u>	<u>\$ 5,798</u>

The outstanding accounts payable from related parties are unsecured.

i. Other receivables from related parties

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Substantial related parties			
Kioxia Corporation	\$ 29,738	\$ 26,525	\$ 92,250
Others	<u>1,735</u>	<u>-</u>	<u>1,155</u>
	<u>31,473</u>	<u>26,525</u>	<u>93,405</u>
Associates			
Longforce Technology (Suzhou) Ltd.	<u>15,345</u>	<u>73,813</u>	<u>-</u>
	<u>\$ 46,818</u>	<u>\$ 100,338</u>	<u>\$ 93,405</u>

j. Other payables to related parties

Related Party Category/Name	June 30, 2024	December 31, 2023	June 30, 2023
Substantial related parties			
Kioxia Corporation	\$ 58,736	\$ 39,262	\$ 19,479
Associates			
Longforce Technology (Suzhou) Ltd.	<u>45,213</u>	<u>87,452</u>	<u>-</u>
	<u>\$ 103,949</u>	<u>\$ 126,714</u>	<u>\$ 19,479</u>

k. Acquisition of property, plant and equipment

Related Party Type	For the Six Months Ended June 30	
	2024	2023
Substantial related party	\$ <u>16</u>	\$ <u>21,362</u>

l. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Short-term benefits	\$ 129,002	\$ 109,279	\$ 229,231	\$ 166,405
Post-employment benefits	<u>637</u>	<u>507</u>	<u>1,272</u>	<u>1,014</u>
	<u>\$ 129,639</u>	<u>\$ 109,786</u>	<u>\$ 230,503</u>	<u>\$ 167,419</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were mainly provided for long-term bank loans, customs surety bonds, bank guarantees, bonded warehouse guarantee deposits and lease deposits:

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	\$ 16,355,024	\$ 20,335,828	\$ 22,985,994
Pledge deposits (classified as financial assets at amortized cost - current)	-	-	18,510
Restricted deposits (classified as financial assets at amortized cost - current)	32,450	160,744	31,135
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>252,575</u>	<u>207,444</u>	<u>129,334</u>
	<u>\$ 16,640,049</u>	<u>\$ 20,704,016</u>	<u>\$ 23,164,973</u>

31. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

In addition to the contents disclosed in other notes, the Corporation has the following significant commitments and contingencies in the balance sheet:

- From March 2023 to February 2024, PTI signed the purchase agreements of equipment worth \$560,735 thousand with Disco Hi-Tec Taiwan Co., Ltd. As of June 30, 2024, PTI has paid a total of \$70,501 thousand.

- b. From July 2021 to July 2022, PTI signed a contract worth \$728,248 thousand with Jian Ming Construction Co. Ltd. to set up new plant construction and factory engineering. As of June 30, 2024, PTI has paid a total of \$621,648 thousand.
- c. PTI signed contracts with Applied Materials South East Asia for the purchase of machinery and equipment for a total amount of \$547,973 thousand between February 2024 and April 2024, and has paid \$131,492 thousand as of June 2024.
- d. As of June 30, 2024, PTI unused letters of credit for purchases of machinery and equipment amounted to approximately JPY\$64,400 thousand, US\$6,031 thousand and EUR\$224 thousand.
- e. In November 2021, PTI entered into capacity reservation agreements with Zhen Ding Technology Co., Ltd. The deposits in a required aggregate amount of US\$35,000 thousand were paid to suppliers in compliance with the agreements and refunded to PTI when terms set forth in the agreements have been satisfied. According to the agreements, the deposits will be refunded in 58 installments starting from March 2023. As of June 30, 2024, the Corporation has paid a total of US\$35,000 thousand, and recovered US \$9,600 thousand.
- f. From April, 2023 to June, 2023, and June, 2023 to June, 2024, the TeraPower Technology Inc. signed a purchase agreement of equipment worth \$546,904 thousand and \$906,142 thousand with Advantest Taiwan Inc., As of June 30, 2024, the TeraPower Technology Inc. has paid a total of \$546,904 thousand and \$398,646 thousand, respectively.
- g. From July 2021 to July 2022, Tera Probe, Inc. signed a purchase agreement of equipment worth \$640,534 thousand with Teradyne Inc. As of June 30, 2024, Tera Probe, Inc. has paid \$609,928 thousand.
- h. Between April 2023 and March 2024, Tera Probe, Inc. signed contracts with Advantest Corporation for the purchase of machinery and equipment for a total amount of \$558,325 thousand, and \$127,113 thousand had been paid as of the end of June 2024.
- i. In July 2022, Greatek Electronics Inc. signed a contract worth \$418,000 thousand with Jiu Han System Technology Co., Ltd. for electromechanical air conditioning and fire engineering for staff dorm. As of June 30, 2024, Greatek Electronics Inc. has paid a total of \$376,200 thousand.

32. OTHER EVENTS

On February 15, 2023, the President announced the amendment to the Climate Change Response Act to add provisions on the collection of carbon fees, and on April 29, 2024, the Ministry of Environment announced the carbon fee charging method, the management measures for the voluntary reduction plan, and the draft greenhouse gas reduction target for carbon fee collection. According to the draft carbon fee charging method, the carbon fee is levied on the power industry and large-scale manufacturing industry that meet the emission sources announced by the Ministry of Environment that should be checked, registered and inspected, and the total annual greenhouse gas emissions generated by the direct emission of the whole plant (field) and the indirect emission of electricity are 25,000 metric tons of carbon dioxide equivalent.

Based on the emissions of the Group in 2023, PTI, Greatek Electronics Inc. and TeraPower Technology Inc. expects that the aforementioned threshold will be reached in 2024. However, because the aforementioned drafts are still in the stage of draft preview and the rates of the carbon fee have not yet been announced, the Group is not able to reasonably estimate the impact of carbon fees.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and respective functional currencies were as follows:

	June 30, 2024		
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 567,222	32.45 (USD:NTD)	\$ 18,406,354
USD	5,903	160.93 (USD:JPY)	191,552
JPY	713,167	0.2016 (JPY:NTD)	143,774
JPY	127,571	0.0062 (JPY:USD)	25,718
SGD	784	0.7369 (SGD:USD)	18,747
RMB	9,601	0.1376 (RMB:USD)	42,879
RMB	2	4.4661 (RMB:NTD)	<u>9</u>
			<u>\$ 18,829,033</u>
<u>Financial liabilities</u>			
Monetary items			
USD	274,456	32.45 (USD:NTD)	\$ 8,906,097
USD	238	160.93 (USD:JPY)	7,723
EUR	1,893	34.7118 (EUR:NTD)	65,709
JPY	2,779,258	0.2016 (JPY:NTD)	560,298
JPY	595	0.0062 (JPY:USD)	<u>120</u>
			<u>\$ 9,539,947</u>
Non-monetary items			
USD	633	32.45 (USD:NTD)	\$ 20,531
JPY	56,428	0.2016 (JPY:NTD)	<u>11,376</u>
			<u>\$ 31,907</u>
	December 31, 2023		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 705,904	30.7350 (USD:NTD)	\$ 21,695,959
USD	6,745	141.4100 (USD:RMB)	207,308
JPY	173,565	0.2173 (JPY:NTD)	37,716
JPY	189,966	0.0071 (JPY:USD)	41,280
SGD	645	0.7584 (SGD:USD)	15,035
RMB	45,094	0.141(RMB:USD)	195,428
RMB	12,114	4.3338 (RMB:NTD)	<u>52,500</u>
			<u>\$ 22,245,226</u>

(Continued)

December 31, 2023			
	Foreign Currency	Exchange Rate	Carrying Amount
Non-monetary items			
USD	\$ 607	30.7350 (USD:NTD)	\$ 18,651
JPY	43,219	0.2173 (JPY:NTD)	9,392
RMB	142	4.3338 (RMB:NTD)	<u>616</u>
			<u>\$ 28,659</u>
<u>Financial liabilities</u>			
Monetary items			
USD	143,379	30.7350 (USD:NTD)	\$ 4,406,754
USD	349	141.4100(USD:JPY)	10,727
EUR	41	34.0114 (EUR:NTD)	1,394
JPY	1,958,664	0.2173 (JPY:NTD)	425,618
JPY	368,038	0.0071 (JPY:USD)	79,975
RMB	12,081	4.3338 (RMB:USD)	<u>52,357</u>
			<u>\$ 4,976,825</u>
Non-monetary items			
USD	16	30.7350 (USD:NTD)	<u>\$ 504</u> (Concluded)

June 30, 2023			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 585,371	31.135 (USD:NTD)	\$ 18,225,526
USD	9,588	7.262 (USD:RMB)	298,522
USD	6,288	144.84 (USD:JPY)	195,777
JPY	785,518	0.2150 (JPY:NTD)	168,886
JPY	3,611	0.0501 (JPY:RMB)	776
JPY	187,360	0.0069 (JPY:USD)	40,282
SGD	640	0.7372 (SGD:USD)	14,690
RMB	45,537	0.1377 (RMB:USD)	195,235
RMB	7,348	4.2874 (RMB:NTD)	<u>31,504</u>
			<u>\$ 19,171,198</u>
Non-monetary items			
JYP	5,307	0.2150 (JPY:NTD)	\$ 1,141
RMB	1	4.2874 (RMB:NTD)	<u>5</u>
			<u>\$ 1,146</u> (Continued)

	June 30, 2023		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 120,951	31.135 (USD:NTD)	\$ 3,765,809
USD	4,743	7.262 (USD:RMB)	147,673
USD	1,638	144.84 (USD:JPY)	50,999
EUR	64	33.8033 (EUR:NTD)	2,163
JPY	2,246,411	0.2150 (JPY:NTD)	482,978
JPY	96,703	0.0501 (JPY:RMB)	20,791
JPY	387,042	0.0069 (JPY:USD)	83,214
RMB	11,920	0.1377 (RMB:USD)	<u>51,106</u>
			<u>\$ 4,604,733</u>
Non-monetary items			
USD	2,299	31.135 (USD:NTD)	\$ 71,594
JPY	94,283	0.2150 (JPY:NTD)	20,271
RMB	28	4.2874 (RMB:NTD)	<u>120</u>
			<u>\$ 91,985</u>
			(Concluded)

Realized and unrealized net foreign exchange (losses) gains were \$191,802 thousand, \$403,541 thousand, \$794,507 thousand and \$291,323 thousand for the three and six months ended June 30, 2024 and 2023, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and currencies of the entities in the Corporation.

34. SEPARATELY DISCLOSED ITEMS

Except for the following, the Corporation has no other significant transactions, investees and investments in mainland China that need to be disclosed as required by the Securities and Futures Bureau.

- a. Financing provided to others: Table 1 (attached).
- b. Endorsements/guarantees provided: None.
- c. Marketable securities held: Table 2 (attached).
- d. Marketable securities acquired or disposed of at costs or prices amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached).

- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached).
- i. Derivative transactions: Note 7.
- j. Intercompany relationships and significant intercompany transactions: Table 5 (attached).
- k. Information of investees: Table 6 (attached).
- l. Information on investment in mainland China: Table 7 (attached).

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investments at the end of the period, repatriations of investment income, and limit on the amount of investments in the mainland China area: Note 34 (j).

- m. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder:

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Capital Tip Customized Taiwan Select High Dividend ETF	53,780,000	7.08
Taipei Fubon Commercial Bank Co., Ltd. is entrusted with the special account of Fuhua Taiwan Technology Premium Interest ETF Securities Investment Trust	47,680,000	6.28

Note: The information on major shareholders in this table is calculated by CHEP on the last business day at the end of the quarter as the total number of ordinary shares and special shares held by shareholders who have completed the non-physical registration delivery (including treasury shares) of the company with a total of more than 5% of shares held. The share capital recorded in the Corporation's consolidated financial reports and the number of shares that had actually completed non-physical registration may differ depending on the basis of preparation and calculation.

35. SEGMENT INFORMATION

The revenues, operating results and financial information of each plant presented to the chief operating decision maker are consistent with the information in the consolidated financial statements. The segment revenues and operating results for the six months ended June 30, 2024 and 2023 are shown in the consolidated income statements for the six months ended June 30, 2024 and 2023. The segment assets as of June 30, 2024, December 31, 2023 and June 30, 2023 are shown in the consolidated balance sheets as of June 30, 2024, December 31, 2023 and June 30, 2023.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

LOAN OF FUNDS TO OTHERS

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Lending Company	Loan Recipients	Items	Relationship with the Holding Company	Maximum Balance for the Period	Closing Balance	Closing Balan Actual Expenditurece	Interest Rate (%)	Types of Funding	Amount of Transactions	Reasons for Short-term Funding	Allowance for Doubtful Accounts	Guarantees		Limit on Funding for Individual Targets (Notes 1 and 2)	Capital Loan and Aggregate Limit (Notes 1 and 2)	Notes
												Name	Value			
Powertech Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other trade receivables	Parent company	\$ 1,395,350	\$ 1,395,350	\$ 1,395,350	2.5	Short-term financing	\$ -	Operating turnover	\$ -	-	\$ -	\$ 3,558,465	\$ 3,558,465	1
PTI Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other trade receivables	Ultimate parent company	2,433,750	2,433,750	2,433,750	2.5	Short-term financing	-	Operating turnover	-	-	-	3,711,672	3,711,672	2

Note 1: Powertech Technology (Singapore) Pte. Ltd.'s limit on counterparty financing and the aggregate limit on counterparty financing shall not exceed 100% of the net worth of Powertech Technology (Singapore) Pte. Ltd.

Note 2: PTI Technology (Singapore) Pte. Ltd.'s limit on counterparty financing and the aggregate amount of financing is limited to not more than 100% of the net worth of PTI Technology (Singapore) Pte. Ltd.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Value	% of Ownership	Fair Value	
Powertech Technology Inc.	<u>Stock</u> Solid state system Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,333	\$ 25,453	2	\$ 25,453	Note 3
Greatek Electronics Inc.	<u>Bond</u> P08 Taipower 3A	-	Financial assets at amortized cost - current	50	50,000	-	50,000	Note 2
	P13 Taipower 2A	-	Financial assets at amortized cost - non-current	200	200,001	-	199,996	Note 2
	P13 Corporation, Taiwan 2A	-	Financial assets at amortized cost - non-current	100	100,000	-	99,998	Note 2
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	11,800	2,218,400	2	2,218,400	Note 1
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - non-current	268	-	3	-	Note 4
	Terawins Inc.	-	Financial assets at fair value through profit or loss - non-current	643	-	2	-	Note 4
Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - non-current	93	-	1	-	Note 4	

Note 1: The fair value was based on stock closing price as of June 30, 2024.

Note 2: The fair value was based on trading market in hundreds of new Taiwan dollars as of June 30, 2024.

Note 3: The fair value of the private placement of common stock is estimated by the valuation method.

Note 4: The fair value was based on the carrying value as of June 30, 2024.

Note 5: As of June 30, 2024, the above marketable securities had not been pledged or mortgaged.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE SIX MONTHS ENDED JUNE 30, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Powertech Technology Inc.	Kioxia Corporation Kingston Technology International Ltd	Corporate director's parent company	Sale	\$ 8,043,546	34	Note 1	\$ -	-	\$ 5,771,069	49	-
		The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	136,373	0.58	Note 1	-	-	44,168	0.37	-
	Kingston Solution, Inc.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	240,279	1	Note 1	-	-	78,344	0.66	-
	Solid State Storage Technology Corporation	Corporate director's subsidiaries.	Purchase	406,968	5	Note 1	-	-	137,524	3	-
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of Greatek Electronics Inc.'s corporate supervisor.	Sale	403,660	5	Net 60 days from monthly closing date	Note 2	quite	197,806	6	-
	Realtek Singapore Private Limited	Same parent company as the director of Greatek Electronics Inc.	Sale	150,235	2	Net 60 days from monthly closing date	Note 2	quite	80,896	2	-
TeraPower Technology Inc.	Kioxia Corporation	Parent company of corporate director of TeraPower Technology Inc.'s ultimate parent company.	Sale	197,297	7	Net 90 days from monthly closing date	\$ -	-	85,439	7	-

Note 1: Net 35 days to 120 days from monthly closing date.

Note 2: The sales price of Greatek Electronics Inc. sold to related parties is determined based on general trading practices.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	\$ 5,771,069	3.12	\$ -	-	\$ 1,264,366	\$ -
Greatek Electronics Inc.	Realtek Semiconductor corp.	Parent company of Greatek Electronics Inc.'s corporate director	197,806	3.21	-	-	65,816	-

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Transaction Flow	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Powertech Technology Inc.	Tera Probe, Inc.	1	Sales	\$ 256		
	TeraPower Technology Inc.	1	Sales	16,070	Note 3	-
	Greatek Electronics Inc.	1	Sales	1,620	Note 3	-
	TeraPower Technology Inc.	1	Subcontract costs	102,580	Note 3	-
	Greatek Electronics Inc.	1	Subcontract costs	48,616	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Purchase	9,580	Note 2	-
	TeraPower Technology Inc.	1	Rent	1,942	Note 2	-
	Tera Probe, Inc.	1	Operating expenses	2,012	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Operating expenses	1,467	Note 2	-
	Tera Probe, Inc.	1	Other gains and losses	525	Note 2	-
	TeraPower Technology Inc.	1	Other gains and losses	5,948	Note 2	-
	Greatek Electronics Inc.	1	Other gains and losses	51,360	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Other gains and losses	81	Note 2	-
	TeraPower Technology Inc.	1	Purchase of property, plant and equipment	2,100	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Short-term borrowings	1,395,350	Note 2	1%
	PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Short-term borrowings	2,433,750	Note 2	2%
	Powertech Technology (Singapore) Pte. Ltd.	1	Interest expense	11,802	Note 2	-
	PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Interest expense	17,771	Note 2	-
	Tera Probe, Inc.	1	Other receivables from related parties	609	Note 2	-
	TeraPower Technology Inc.	1	Other receivables from related parties	363,881	Note 2	-
	Greatek Electronics Inc.	1	Other receivables from related parties	610,161	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Other receivables from related parties	1,036	Note 2	-
	TeraPower Technology Inc.	1	Accounts receivable from related parties	1,879	Note 3	-
	Greatek Electronics Inc.	1	Accounts receivable from related parties	758	Note 3	-
	TeraPower Technology Inc.	1	Contract Assets	254	Note 2	-
	Greatek Electronics Inc.	1	Contract Assets	59	Note 2	-
	Tera Probe, Inc.	1	Other payables to related parties	679	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Other payables to related parties	22,603	Note 2	-
	TeraPower Technology Inc.	1	Other payables to related parties	59,381	Note 2	-
	Greatek Electronics Inc.	1	Other payables to related parties	38,327	Note 2	-
	TeraPower Technology Inc.	1	Payable to equipment suppliers	2,105	Note 2	-
	Greatek Electronics Inc.	1	Cost of goods sold	69,127	Note 2	-
Get-Team Tech Corporation	1	Accounts payable to related parties	27,439	Note 2	-	
Tera Probe, Inc.	1	Other receivables from related parties	486,539	Note 2	-	

Note 1: No. 1 - from the parent company to the subsidiary. No. 2 - from the subsidiary to the subsidiary.

Note 2: The transactions for related parties were negotiated and thus not comparable with those in the market.

Note 3: The selling prices with subsidiaries were negotiated and thus not comparable with those in the market, and the collection period with subsidiaries was same as common customer.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION OF INVESTEEES

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				June 30, 2024	December 31, 2023	Number of Shares (In Thousands)	% of Ownership	Carrying Value			
Powertech Technology Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	\$ 1,153,964	\$ 1,153,964	73,386	49	\$ 3,533,664	\$ 583,850	\$ 296,421	Notes 1 and 2
	Powertech Holding (BVI) Inc.	British Virgin Islands	Investment business	1,679,370	1,679,370	50	100	3,751,321	36,288	36,288	Note 3
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing services	6,169,948	6,169,948	244,064	43	9,451,577	1,245,312	531,424	Note 1
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 69,000	USD 69,000	69,000	100	3,558,466	210,351	210,351	Note 3
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	3,761,238	170,712	170,465	Notes 2 and 3
Greatek Electronics Inc.	Tera Probe, Inc.	Japan	Wafer probing test services	\$ 230,616	\$ 230,616	1,077	12	506,089	353,928	57,690	Notes 2 and 3
	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	171,523	171,523	7,796	97.46	137,029	(5,056)	(7,990)	Note 3
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 114,381	USD 1,136	USD 1,136	Note 3
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 101,225	USD 11,092	USD 5,414	Notes 2 and 3
	Powertech Technology Akita Inc.	Japan	Semiconductor assembly and testing services	USD 58,329	USD 58,329	6	100	USD 8,381	USD (101)	USD (101)	Note 3
Tera Probe, Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	JPY 4,348,056	JPY 4,348,056	76,381	51	JPY 4,348,056	JPY 2,788,701	JPY 1,422,238	Notes 1 and 2

Note 1: Amount was recognized on the basis of reviewed financial statements.

Note 2: Including unrealized intercompany gains (losses).

Note 3: Amount was not recognized on the basis of reviewed financial statements.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

JUNE 30, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Accounted for Using the Equity Method	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investments from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of June 30, 2024 (Note 2)	Accumulated Inward Remittance of Earnings as of June 30, 2024	Note
					Outflow	Inflow							
Longforce Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 3,245,000 (US\$ 100,000)	Note 1	\$ 1,112,224 (US\$ 34,275)	\$ -	\$ -	\$ 1,112,224 (US\$ 34,275)	\$ 19,827 (US\$ 608)	30%	(\$ 7,164) (US\$ 228)	\$ 1,202,874 (US\$ 37,069)	\$ -	-
Powertech Semiconductor (Xian) Ltd.	Semiconductor testing and assembly services	2,271,500 (US\$ 70,000)	Note 1	1,533,198 (US\$ 47,248)	-	194,571 (US\$ 5,996)	1,338,627 (US\$ 41,252)	318,149 (US\$ 9,967)	100%	318,149 (US\$ 9,967)	2,999,046 (US\$ 92,421)	923,873 (US\$ 28,748)	-

Investee Company Accounted for Using the Equity Method	Accumulated Investment in Mainland China as of June 30, 2024 (In Thousands of USD)	Investment Amounts Authorized by the Investment Commission, MOEA (In Thousands of USD)	Ceiling Amount on of the Corporation's Investment in Mainland China
Longforce Technology (Suzhou) Ltd. Powertech Semiconductor (Xian) Ltd.	US\$ 34,275 US\$ 41,252	US\$ 79,000 US\$ 70,000	\$ 32,000,334

Note 1: Indirect investments through Powertech Holding (BVI) Inc., the Corporation's 100%-owned subsidiary.

Note 2: Amount was recognized on the basis of reviewed financial statements.

Note 3: Based on the exchange rate as of June 30, 2024.