

**Powertech Technology Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

POWERTECH TECHNOLOGY INC.

By:

TSAI DUH-KUNG
Chairman

March 11, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Powertech Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of Powertech Technology Inc. and its subsidiaries (the "Corporation"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information collectively referred to as the "consolidated financial statements".

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements of the Corporation for the year ended December 31, 2025, are described as follows:

Recognition of Contract Revenue

1. The amount of sales revenue is material to the Corporation. Refer to Note 24 to the accompanying consolidated financial statements for details of sales revenue. The major type of revenue is subcontracting revenue. The types of subcontracting transactions are as follows:
 - 1) Wafer level testing;
 - 2) Wafer level packaging;
 - 3) IC packaging; and
 - 4) IC testing.

2. Packaging services: Since the customers have ownership of the assets, assume significant risks and rewards of ownership of the assets, have the right to dispose of the assets and prevent the Corporation from obtaining the benefits of the assets, revenue should be recognized over time in accordance with the requirements of paragraph 35(b) of International Financial Reporting Standards No. 15.
3. Testing services: In accordance with the requirements of paragraph 35(a) of International Financial Reporting Standards No. 15, the Corporation recognizes revenue over time since the customers simultaneously receive and consume the benefits provided by the Corporation's testing services.
4. The Corporation recognizes the contract assets and revenue of packaging and testing services at the end of each month based on the completion schedule. Since the abovementioned process involves estimates and manual controls, there is a risk that contract assets and revenue may not be recognized correctly as a result of human error.
5. We reviewed the Corporation's revenue recognition policy, understood the Corporation cost carry-forward process, assessed the reasonableness of its contract revenue recognition, confirmed against relevant supporting documents and accounting records, and verified the accuracy of the monetary amounts of contract revenue recognized.

Other Matter

We have also audited the financial statements of Powertech Technology Inc. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Cheng Chih Lin and Su Li Fang.

Cheng Chih Lin Su Li Fang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2026

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars)

ASSETS	2025		2024		LIABILITIES AND EQUITY	2025		2024	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Notes 4 and 7)	\$ 16,375,118	13	\$ 22,238,335	21	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 12,545	-	\$ 36,965	-
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	29	-	286	-	Contract liabilities - current (Note 24)	259,320	-	145,836	-
Financial assets at amortized cost - current (Notes 4, 9 and 31)	-	-	32,781	-	Notes and accounts payable	7,570,242	6	4,966,910	5
Contract assets - current (Notes 4, 24 and 30)	3,223,604	3	2,270,869	2	Accounts payable to related parties (Note 30)	146,719	-	113,909	-
Notes and accounts receivable (Notes 4, 10 and 24)	13,363,193	11	10,168,823	9	Bonus to employees and remuneration to directors (Note 25)	1,084,146	1	1,132,586	1
Receivables from related parties (Notes 4, 24 and 30)	5,173,965	4	5,716,392	5	Payables to equipment suppliers (Note 30)	3,296,916	3	3,049,495	3
Other receivables (Note 4)	438,927	-	213,298	-	Other payables - related parties (Note 30)	50,437	-	56,500	-
Other receivables from related parties (Notes 4 and 30)	24,537	-	68,832	-	Current income tax liabilities (Notes 4 and 26)	578,035	-	953,568	1
Inventories (Notes 4 and 11)	6,565,731	5	5,446,174	5	Provisions - current (Notes 4 and 21)	31,122	-	-	-
Prepaid expenses (Note 18)	704,875	1	346,948	-	Lease liabilities - current (Notes 4 and 15)	60,954	-	42,570	-
Other current assets (Notes 4, 18 and 32)	494,955	1	483,646	1	Accrued expenses and other current liabilities (Notes 4 and 20)	5,982,611	5	6,016,788	5
					Current portion of long-term debts (Notes 19 and 31)	4,703,164	4	1,840,910	2
Total current assets	46,364,934	38	46,986,384	43	Total current liabilities	23,776,211	19	18,356,037	17
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	16,524	-	17,324	-	Long-term debt (Notes 19 and 31)	25,413,199	21	16,887,429	15
Financial assets at amortized cost - non-current (Notes 4, 9 and 31)	1,195,479	1	1,181,975	1	Deferred income tax liabilities (Notes 4 and 26)	452,675	-	316,319	-
Investments accounted for using the equity method (Notes 4 and 13)	1,335,263	1	1,180,240	1	Lease liabilities - non-current (Notes 4 and 15)	1,715,674	1	1,287,776	1
Property, plant and equipment (Notes 4, 14, 30 and 31)	70,411,788	57	56,588,276	52	Net defined benefit liability - non-current (Notes 4 and 22)	40,250	-	44,322	-
Right-of-use assets (Notes 4 and 15)	1,626,642	1	1,271,946	1	Other non-current liabilities (Note 20)	490,879	1	606,457	1
Investment property (Notes 4 and 16)	380,700	-	-	-	Total non-current liabilities	28,112,677	23	19,142,303	17
Intangible assets (Notes 4 and 17)	1,121,483	1	1,104,434	1	Total liabilities	51,888,888	42	37,498,340	34
Deferred income tax assets (Notes 4 and 25)	70,315	-	121,413	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 4 and 23)				
Net defined benefit assets - non-current (Notes 4 and 22)	33,593	-	37,778	-	Capital stock				
Other non-current assets (Notes 4, 18 and 32)	606,671	1	701,121	1	Ordinary shares	7,591,466	6	7,591,466	7
					Capital surplus	462,395	1	319,869	-
Total non-current assets	76,798,458	62	62,204,507	57	Retained earnings				
					Legal reserve	11,535,023	10	10,852,212	10
					Special reserve	372,090	-	732,267	1
					Unappropriated earnings	38,053,976	31	38,171,664	35
					Total retained earnings	49,961,089	41	49,756,143	46
					Other equity	(801,332)	(1)	(372,090)	-
					Treasury stock	(922,841)	(1)	(533,313)	(1)
					Equity attributable to shareholders of the Parent	56,290,777	46	56,762,075	52
TOTAL	\$ 123,163,392	100	\$ 109,190,891	100	NON-CONTROLLING INTERESTS (Notes 12 and 23)	14,983,727	12	14,930,476	14
					Total equity	71,274,504	58	71,692,551	66
					TOTAL	\$ 123,163,392	100	\$ 109,190,891	100

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
NET SALES (Notes 4, 24 and 30)	\$ 74,929,320	100	\$ 73,315,042	100
COST OF REVENUE (Notes 4, 11, 25 and 30)	<u>62,200,129</u>	<u>83</u>	<u>59,323,602</u>	<u>81</u>
GROSS PROFIT	<u>12,729,191</u>	<u>17</u>	<u>13,991,440</u>	<u>19</u>
OPERATING EXPENSES (Notes 25 and 30)				
Marketing	217,898	-	232,611	-
General and administrative	1,572,204	2	1,567,684	2
Research and development	<u>2,807,250</u>	<u>4</u>	<u>2,808,879</u>	<u>4</u>
Total operating expenses	<u>4,597,352</u>	<u>6</u>	<u>4,609,174</u>	<u>6</u>
OPERATING INCOME	<u>8,131,839</u>	<u>11</u>	<u>9,382,266</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 25)	322,107	-	361,468	1
Other gains and losses (Notes 4, 25, 27 and 30)	610,087	1	296,113	-
Other income (Notes 4 and 25)	19,270	-	14,241	-
Financial costs (Notes 4 and 25)	(258,730)	-	(251,318)	-
Share of loss of associates for using the equity method (Notes 4 and 13)	50,041	-	(36,651)	-
Foreign exchange (loss) gains, net (Notes 4 and 25)	<u>(82,462)</u>	<u>-</u>	<u>911,167</u>	<u>1</u>
Total non-operating income and expenses	<u>660,313</u>	<u>1</u>	<u>1,295,020</u>	<u>2</u>
INCOME BEFORE INCOME TAX	8,792,152	12	10,677,286	15
INCOME TAX EXPENSE (Notes 4 and 26)	<u>1,571,610</u>	<u>2</u>	<u>2,177,879</u>	<u>3</u>
NET INCOME	<u>7,220,542</u>	<u>10</u>	<u>8,499,407</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	(14,683)	-	43,935	-
Unrealized (losses) gain on investments in equity instruments designated as at fair value through other comprehensive income	(800)	-	(16,170)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>(483,761)</u>	<u>(1)</u>	<u>335,070</u>	<u>-</u>
Total other comprehensive income	<u>(499,244)</u>	<u>(1)</u>	<u>362,835</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 6,721,298</u>	<u>9</u>	<u>\$ 8,862,242</u>	<u>12</u>

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POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 5,535,968	8	\$ 6,788,607	9
Non-controlling interests	<u>1,684,574</u>	<u>2</u>	<u>1,710,800</u>	<u>3</u>
	<u>\$ 7,220,542</u>	<u>10</u>	<u>\$ 8,499,407</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 5,089,730	7	\$ 7,188,285	10
Non-controlling interests	<u>1,631,568</u>	<u>2</u>	<u>1,673,957</u>	<u>2</u>
	<u>\$ 6,721,298</u>	<u>9</u>	<u>\$ 8,862,242</u>	<u>12</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 7.48</u>		<u>\$ 9.09</u>	
Diluted	<u>\$ 7.45</u>		<u>\$ 9.03</u>	

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

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Corporation											Noncontrolling Interests	Total Equity
	Capital Stock		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total		
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings							
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 year ended December 31, 2024	-	-	-	-	-	6,788,607	-	-	-	-	6,788,607	1,710,800	8,499,407
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	40,131	375,717	(16,170)	359,547	-	399,678	(36,843)	362,835
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	6,828,738	375,717	(16,170)	359,547	-	7,188,285	1,673,957	8,862,242
Donations from shareholders	-	-	55	-	-	-	-	-	-	-	55	72	127
The Parent's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	-	-	(64,511)	(64,511)	(85,829)	(150,340)
Adjustment of capital surplus due to arise from dividends distributed paid to subsidiaries	-	-	82,600	-	-	-	-	-	-	-	82,600	-	82,600
Changes in percentage of ownership interests in subsidiaries	-	-	143	-	-	-	-	-	-	-	143	(230)	(87)
BALANCE, DECEMBER 31, 2024	759,147	7,591,466	319,869	10,852,212	732,267	38,171,664	(341,414)	(30,676)	(372,090)	(533,313)	56,762,075	14,930,476	71,692,551
Appropriation of 2024 earnings													
Legal reserve	-	-	-	682,811	-	(682,811)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(360,177)	360,177	-	-	-	-	-	-	-
Cash dividends distributed by the Parent	-	-	-	-	-	(5,314,026)	-	-	-	-	(5,314,026)	-	(5,314,026)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,060,067)	(1,060,067)
Net income for the year ended December 31, 2025	-	-	-	-	-	5,535,968	-	-	-	-	5,535,968	1,684,574	7,220,542
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	(16,996)	(428,442)	(800)	(429,242)	-	(446,238)	(53,006)	(499,244)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	5,518,972	(428,442)	(800)	(429,242)	-	5,089,730	1,631,568	6,721,298
Donations from shareholders	-	-	47	-	-	-	-	-	-	-	47	62	109
The Parent's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	-	-	(389,528)	(389,528)	(518,251)	(907,779)
Adjustment of capital surplus due to arise from dividends distributed paid to subsidiaries	-	-	142,450	-	-	-	-	-	-	-	142,450	-	142,450
Changes in percentage of ownership interests in subsidiaries	-	-	29	-	-	-	-	-	-	-	29	(61)	(32)
BALANCE, DECEMBER 31, 2025	759,147	7,591,466	462,395	11,535,023	372,090	38,053,976	(769,856)	(31,476)	(801,332)	(922,841)	56,290,777	14,983,727	71,274,504

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 8,792,152	\$ 10,677,286
Adjustments for:		
Depreciation	12,229,335	12,630,320
Amortization	27,285	25,227
Net loss (gain) on fair value change of financial assets designated as at fair value through profit or loss	(39,169)	192,578
Financial costs	258,730	251,318
Interest revenue	(322,107)	(361,468)
Share of loss of associate	(50,041)	36,651
Net (gain) loss on disposal of property, plant and equipment	(236,869)	(233,878)
Property, plant and equipment transfer to expenses	34	5,322
Impairment loss on non-financial assets	37,918	10,924
Net (gain) loss on foreign currency exchange	332,301	(1,051,992)
Recognition of provisions	31,122	-
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	79,601	143,708
Contract assets	(952,735)	92,847
Notes and accounts receivable	(3,136,927)	1,744,681
Accounts receivable from related parties	523,015	(248,046)
Other receivables	(146,091)	188,419
Other receivables from related parties	42,921	36,857
Inventories	(1,119,557)	1,234,380
Prepayments	(357,927)	(74,829)
Other current assets	(25,575)	(47,672)
Net defined benefit assets	4,185	(1,010)
Financial liabilities held for trading	(64,595)	(271,452)
Contract liabilities	113,484	14,730
Notes and accounts payable	2,580,367	(137,744)
Accounts payable to related parties	33,001	(15,185)
Bonus to employees and remuneration of directors	(48,440)	(57,127)
Other payables to related parties	(6,063)	(70,214)
Accrued expenses and other current liabilities	(69,141)	(596,054)
Net defined benefit liabilities	(4,072)	(38,282)
Other payables	2,669	1,912
Cash generated from operations	18,508,811	24,082,207
Interest received	252,938	373,749
Interest paid	(304,187)	(284,423)
Income tax paid	(1,759,689)	(2,605,707)
Net cash generated from operating activities	<u>16,697,873</u>	<u>21,565,826</u>

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POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
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	(644,661)	(669,581)
Proceeds from sale of financial assets at amortized cost	678,056	441,630
Acquisition of associate	(100,000)	-
Increase in prepayments for investments of subsidiaries	(133,416)	-
Acquisition of property, plant and equipment	(25,941,276)	(11,379,004)
Acquisition of investment properties	(297,089)	-
Disposal of property, plant and equipment	235,157	1,122,957
Decrease in refundable deposits	210,765	197,966
Increase in intangible assets	(44,727)	(19,892)
Decrease in finance lease receivable	45,634	35,218
Increase (decrease) in prepayments for equipment	<u>(31,727)</u>	<u>404,894</u>
Net cash used in investing activities	<u>(26,023,284)</u>	<u>(9,864,644)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term bank loans	-	(65,190)
Increase in long-term debt	14,451,640	4,988,491
Decrease in long-term debt	(2,972,384)	(9,915,888)
Decrease in guarantee deposits	(100,129)	(42,927)
Repayment of the principal portion of lease liabilities	(42,434)	(39,627)
Dividends paid to shareholders of the Corporation	(5,171,576)	(5,231,426)
Payments for buy-back of treasury shares	(907,811)	(150,427)
Dividends paid to non-controlling interests	(1,060,067)	(894,448)
Donations from shareholders	<u>109</u>	<u>127</u>
Net cash used in financing activities	<u>4,197,348</u>	<u>(11,351,315)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(735,154)</u>	<u>808,719</u>
NET INCREASE IN CASH	(5,863,217)	1,158,586
CASH, BEGINNING OF THE YEAR	<u>22,238,335</u>	<u>21,079,749</u>
CASH, END OF THE YEAR	<u>\$ 16,375,118</u>	<u>\$ 22,238,335</u>

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

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (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) on April 3, 2003, after which PTI's share was transferred for listing and started trading on the Taiwan Stock Exchange (TWSE) on November 8, 2004. PTI also issued Global Depositary 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 GDS was de-listed on December 16, 2024.

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 March 11, 2026.

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)

Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group'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</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

(Concluded)

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation has assessed that the application of other standards and interpretations will not have a material impact on the Corporation’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Corporation shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 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 Corporation 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 Corporations 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 Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation 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 Corporation as a whole, the Corporation 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.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Corporation shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Corporation shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Corporation has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and

- 3) 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:

- 1) Liabilities held primarily for the purpose of trading;
- 2) 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
- 3) 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.

d. 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 interest 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 12 and 34h for detailed information on subsidiaries (including the percentage of ownership and main business).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Corporation's foreign operations (including the subsidiaries and associates in other countries or subsidiaries that use currencies different from PTI) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of PTI and non-controlling interests as appropriate).

In a partial disposal of a subsidiary that results in the Company losing control over the subsidiary, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials and supplies and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate the weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The corporation uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the corporation's share of the profit or loss and other comprehensive income of the associate.

Any excess of the cost of acquisition over the corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

When the corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the corporation's net investment in the associate), the corporation discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the corporation's consolidated financial statements only to the extent of interests in the associate that are not related to the corporation.

i. Property, plant, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction for production are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases are initially measured at cost, which comprises the initial measurement of lease liabilities. These investment properties are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

For a transfer of classification from property, plant and equipment and right-of-use assets to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Corporation's cash-generating units (referred to as cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

3) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation if corporate assets could be allocated to the individual cash-generating units, otherwise, corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

A financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value. The net gain or loss recognized in profit or loss. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, debt investments, time deposits with original maturities of more than 3 months, notes and accounts receivable (included related parties), other receivables (included related parties), pledged time deposits and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) and contract assets.

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Corporation determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Corporation):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 90 days past due unless the Corporation has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Equity instruments issued by the Corporation are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for the following situation, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL

A financial liability is classified as at FVTPL when such a financial liability is held for trading.

Financial liabilities held for trading are stated at fair value. The net gain or loss recognized in profit or loss. Fair value is determined in the manner described in Note 29.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Corporation enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of a derivative financial

instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

o. Provisions

The amount recognized as a provision reflects the risks and uncertainties related to the obligation and represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year.

p. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date the Corporation transfers a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the Corporation does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the rendering of services

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. Contract assets are recognized during the process of semiconductor assembling and testing, and are reclassified to accounts receivable at the point the bills were issued. If the payment exceeds the revenue recognized to date, the Corporation recognizes the difference as a contract liability. It is recognized as contract asset before the Corporation satisfies its performance obligations.

The Corporation does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

q. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as

to reflect a constant, periodic rate of return on the Corporation's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

r. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than that stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan amendment, curtailment or settlement occurs. Rereasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation can no longer withdraw the offer of the termination benefit and when the Corporation recognizes any related restructuring costs.

t. Treasury shares

When the Corporation buys back the issued shares as treasury shares, the cost paid will be debited to the treasury shares and listed as a deduction of shareholders equity.

The parent company's shares held by its subsidiaries are reclassified to treasury shares from investments accounted for using the equity method and are recognized based on the original investment cost. Cash dividends earned by subsidiaries are written-off from investment income and adjusted to capital surplus - treasury shares transactions.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Corporation considers the other impacts of inflation interest rate fluctuations, and US reciprocal tariffs on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH

	<u>December 31</u>	
	2025	2024
Checking accounts and demand deposits	\$ 16,373,911	\$ 22,238,092
Cash on hand	<u>1,207</u>	<u>243</u>
	<u>\$ 16,375,118</u>	<u>\$ 22,238,335</u>

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

	<u>December 31</u>	
	2025	2024
Bank deposits	0%-3.65%	0%-4.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2025	2024
<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>\$ 29</u>	<u>\$ 286</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>\$ 12,545</u>	<u>\$ 36,965</u>

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

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2025</u>			
Sell forward exchange contracts	USD to NTD	2026.01.05-2026.02.12	USD 10,000
	USD to JPY	2026.01.07-2026.07.24	USD 9,635
<u>December 31, 2024</u>			
Sell forward exchange contracts	USD to NTD	2025.01.03-2025.04.02	USD 41,870
	USD to JPY	2025.01.31-2025.04.30	USD 5,780
Buy forward exchange contracts	JPY to USD	2025.02.28	USD 540

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Non-current</u>		
Domestic investments		
Listed shares		
Ordinary shares - Solid State System Co., Ltd.	\$ <u>16,524</u>	\$ <u>17,324</u>

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Domestic investments		
Restricted deposit (Note 31)	\$ <u>-</u>	\$ <u>32,781</u>
<u>Non-current</u>		
Domestic investments		
Corporate bonds - P13 Taiwan Power Company 2A Bond	\$ 200,001	\$ 200,001
Corporate bonds - P14 Taiwan Power Company 1B Bond	200,001	-
Corporate bonds - P13 CPC Corporation 2A Bond	100,000	100,000
Time deposits with original maturities of more than 3 months	441,760	629,400
Pledged time deposits (Note 31)	<u>253,717</u>	<u>252,574</u>
	<u>\$ 1,195,479</u>	<u>\$ 1,181,975</u>

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.

On April 30, 2025, the Corporation bought corporate green bonds issued by Taiwan Power Company with an effective interest rate of 1.96% at par value \$200,000 thousands, and maturity dates of April 30, 2032.

The ranges of interest rates for time deposits with original maturities of more than 3 months was 0.25%-0.615% and 0.21%-0.23% per annum as of December 31, 2025 and 2024.

Refer to Note 29 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Notes receivable</u>		
Notes receivable - operating	\$ 36,909	\$ 35,648
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	13,387,093	10,198,479
Less: Allowance for impairment loss	<u>(60,809)</u>	<u>(65,304)</u>
	<u>13,326,284</u>	<u>10,133,175</u>
	<u>\$ 13,363,193</u>	<u>\$ 10,168,823</u>

At amortized cost

The average credit period of sales of goods is 30 days to 150 days. No interest was charged on accounts receivable. The Corporation was other publicly available financial information or its own trading records to rate its major customers. 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.

December 31, 2025

	Not Past Due	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$13,308,467	\$ 73,476	\$ 2,261	\$ 412	\$ 2,477	\$13,387,093
Loss allowance (Lifetime ECLs)	<u>(6,509)</u>	<u>(49,167)</u>	<u>(2,261)</u>	<u>(412)</u>	<u>(2,460)</u>	<u>(60,809)</u>
Amortized cost	<u>\$13,301,958</u>	<u>\$ 24,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$13,326,284</u>

December 31, 2024

	Not Past Due	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$10,136,583	\$ 56,166	\$ 965	\$ 211	\$ 4,554	\$10,198,479
Loss allowance (Lifetime ECLs)	<u>(10,853)</u>	<u>(48,721)</u>	<u>(965)</u>	<u>(211)</u>	<u>(4,554)</u>	<u>(65,304)</u>
Amortized cost	<u>\$10,125,730</u>	<u>\$ 7,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,133,175</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 65,304	\$ 65,304
Less: Amounts written off	<u>(4,495)</u>	<u>-</u>
Balance at December 31	<u>\$ 60,809</u>	<u>\$ 65,304</u>

11. INVENTORIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Raw materials	\$ 5,823,361	\$ 4,811,092
Supplies	<u>742,370</u>	<u>635,082</u>
	<u>\$ 6,565,731</u>	<u>\$ 5,446,174</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Cost of inventories sold	<u>\$ 62,200,129</u>	<u>\$ 59,323,602</u>
(Reversed) write-downs of inventories	<u>\$ (42,992)</u>	<u>\$ 43,045</u>
Sales of scrap	<u>\$ 294,449</u>	<u>\$ 238,559</u>

Inventory write-downs were reversed because of the disposal of aged inventories during the current period.

12. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2025	2024	
Powertech Technology Inc.	Powertech Holding (BVI) Inc.	Investment business	100	100	-
	Greatek Electronics Inc. ("GEI")	Semiconductor assembly and testing services	43	43	Notes 1 and 2
	Powertech Technology (Singapore) Pte. Ltd.	Investment business	100	100	-
	Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	Note 3
	Powertech Technology Japan Ltd.	Investment business	100	100	-
	Tera Probe, Inc.	Wafer probing test services	12	12	Note 2
	TeraPower Technology Inc.	Wafer probing test services	49	49	-
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Investment business	100	100	-
Powertech Technology (Singapore) Pte. Ltd.	Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	Note 3
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Wafer probing test services	49	49	Note 2
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	-
Greatek Electronics Inc. ("GEI")	Get-Team Tech Corporation	Metal surface treatment semiconductor wire frame	97.46	97.46	-

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: Subsidiaries that have material non-controlling interests.

Note 3: On June 27, 2023, the Company's board of directors resolved to sell the fixed assets and inventory of Powertech Semiconductor (Xian) Ltd. to Micron Technology Co., Ltd. The disposal procedure was completed on June 28, 2024, and operations will cease.

Note 4: Due to the adjustment of operational needs, the liquidation procedure of Powertech Technology Akita Inc. was completed on September 30, 2024.

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	
		December 31	
		2025	2024
Greatek Electronics Inc.	Zhunan Township, Miaoli County	57%	57%
Tera Probe, Inc.	Japan	39%	39%

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2025	2024	2025	2024
	Greatek Electronics Inc. (Excluding non-controlling interests in subsidiary)	<u>\$ 1,392,195</u>	<u>\$ 1,417,938</u>	<u>\$ 11,876,882</u>
Tera Probe, Inc.	<u>\$ 292,724</u>	<u>\$ 293,322</u>	<u>\$ 3,105,010</u>	<u>\$ 2,957,477</u>

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. and subsidiary

	December 31	
	2025	2024
Current assets	\$ 11,474,881	\$ 11,599,623
Non-current assets	16,554,121	14,471,227
Current liabilities	(3,589,259)	(3,377,680)
Non-current liabilities	<u>(285,715)</u>	<u>(309,678)</u>
Equity	<u>\$ 24,154,028</u>	<u>\$ 22,383,492</u>
Equity attributable to:		
Owners of the Parent	\$ 10,362,543	\$ 9,602,743
Non-controlling interests	13,789,651	12,778,570
Non-controlling interests from subsidiary	<u>1,834</u>	<u>2,179</u>
	<u>\$ 24,154,028</u>	<u>\$ 22,383,492</u>
	For the Year Ended December 31	
	2025	2024
Operating revenue	<u>\$ 16,764,213</u>	<u>\$ 15,213,240</u>
Net income for the year	\$ 2,448,677	\$ 2,495,808
Other comprehensive (loss) income for the year	<u>1,028,288</u>	<u>(223,133)</u>
Total comprehensive income for the year	<u>\$ 3,476,965</u>	<u>\$ 2,272,675</u>
Net income attributable to:		
Owners of the Parent	\$ 1,050,757	\$ 1,071,028
Non-controlling interests	1,398,265	1,425,240
Non-controlling interests from subsidiary	<u>(345)</u>	<u>(460)</u>
	<u>\$ 2,448,677</u>	<u>\$ 2,495,808</u>

(Continued)

	For the Year Ended December 31	
	2025	2024
Total comprehensive income attributable to:		
Owners of the Parent	\$ 1,491,947	\$ 975,293
Non-controlling interests	1,985,363	1,297,842
Non-controlling interests from subsidiary	<u>(345)</u>	<u>(460)</u>
	<u>\$ 3,476,965</u>	<u>\$ 2,272,675</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 4,888,391	\$ 5,729,115
Investing activities	(3,850,700)	(2,440,887)
Financing activities	<u>(1,718,607)</u>	<u>(1,445,097)</u>
Net cash inflow (outflow)	<u>\$ (680,916)</u>	<u>\$ 1,843,131</u>
Dividends paid to non-controlling interests		
Greatek Electronics Inc.	<u>\$ 974,345</u>	<u>\$ 811,954</u>
		(Concluded)
<u>Tera Probe, Inc.</u>		

	December 31	
	2025	2024
Current assets	\$ 2,366,730	\$ 1,846,325
Non-current assets	7,705,329	7,253,950
Current liabilities	(985,406)	(824,246)
Non-current liabilities	<u>(1,491,060)</u>	<u>(1,054,122)</u>
Equity	<u>\$ 7,595,593</u>	<u>\$ 7,221,907</u>
Equity attributable to:		
Owners of the Parent	\$ 4,606,728	\$ 4,380,117
Non-controlling interests	<u>2,988,865</u>	<u>2,841,790</u>
	<u>\$ 7,595,593</u>	<u>\$ 7,221,907</u>

	For the Year Ended December 31	
	2025	2024
Operating revenue	<u>\$ 1,854,298</u>	<u>\$ 2,022,954</u>
Net income for the year	\$ 735,770	\$ 708,138
Other comprehensive income for the year	<u>75,237</u>	<u>130,634</u>
Total comprehensive income for the year	<u>\$ 811,007</u>	<u>\$ 838,772</u>
Net income attributable to:		
Owners of the Parent	\$ 446,251	\$ 429,487
Non-controlling interests	<u>289,519</u>	<u>278,651</u>
	<u>\$ 735,770</u>	<u>\$ 708,138</u>

(Continued)

	For the Year Ended December 31	
	2025	2024
Total comprehensive income attributable to:		
Owners of the Parent	\$ 491,882	\$ 508,717
Non-controlling interests	<u>319,125</u>	<u>330,055</u>
	<u>\$ 811,007</u>	<u>\$ 838,772</u>
Cash flow inflow (outflow) from:		
Operating activities	\$ 956,538	\$ 751,546
Investing activities	(873,349)	(1,442,285)
Financing activities	<u>288,886</u>	<u>388,866</u>
Net cash outflow	<u>\$ 372,075</u>	<u>\$ (301,873)</u>
Dividends paid to non-controlling interests		
Tera Probe, Inc.	<u>\$ 85,722</u>	<u>\$ 82,494</u>
		(Concluded)

The share of profit or loss and other comprehensive income of those subsidiaries for the years ended December 31, 2025 and 2024 was based on the subsidiaries' financial statements audited by the auditors for the same years.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2025	2024
Associates that are not individually material		
Longforce Technology (Suzhou) Ltd.	\$ 1,229,868	\$ 1,180,240
Daypower energy Co., Ltd.	<u>105,395</u>	<u>-</u>
	<u>\$ 1,335,263</u>	<u>\$ 1,180,240</u>

- a. Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2025	2024
The Group's share of:		
Loss from continuing operations	<u>\$ 50,041</u>	<u>\$ (36,651)</u>

The goodwill arising from the acquisition of Longforce Technology (Suzhou) Ltd. and Daypower Energy Co., Ltd., amounting to NT\$333,955 thousand and NT\$24,956 thousand respectively, was included in the cost of investments in associates.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2025	2024
Assets used by the Corporation	<u>\$ 70,411,788</u>	<u>\$ 56,588,276</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, 2025	\$ 5,090,276	\$ 36,904,312	\$ 97,63,638	\$ 1,810,863	\$ 77,517	\$ 3,245,696	\$ 468,966	\$ 5,421,158	\$ 310,859	\$ 150,993,285
Additions	152,444	70,738	1,466,771	28,941	-	56,262	8,219,919	15,825,224	426,916	26,247,215
Disposals	-	(34,707)	(4,189,507)	(167,216)	-	(166,936)	(6,543)	-	(432,352)	(4,997,261)
Reclassified	575,745	2,572,352	13,088,951	112,250	168	308,472	(2,876,187)	(13,716,701)	(76,387)	(11,337)
Effect of foreign currency exchange differences	(585)	(64,131)	(327,730)	(20,847)	(3,074)	(192)	(5,423)	(6,759)	-	(428,741)
Balance at December 31, 2025	<u>5,817,880</u>	<u>39,448,564</u>	<u>107,702,123</u>	<u>1,763,991</u>	<u>74,611</u>	<u>3,443,302</u>	<u>5,800,732</u>	<u>7,522,922</u>	<u>229,036</u>	<u>171,803,161</u>
Accumulated depreciation										
Balance at January 1, 2025	-	16,281,008	73,494,830	1,551,987	3,327	2,776,965	-	-	-	94,108,117
Depreciation expense	-	1,965,609	9,466,563	101,375	256	212,779	-	-	(432,352)	(12,178,934)
Disposals	-	(32,106)	(4,154,746)	(166,288)	-	(166,241)	-	-	(432,352)	(4,951,733)
Reclassified	-	-	(9,262)	-	-	-	-	-	-	(9,262)
Effect of foreign currency exchange differences	-	(20,713)	(216,328)	(17,508)	(755)	(89)	-	-	-	(255,413)
Balance at December 31, 2025	-	<u>18,193,798</u>	<u>78,581,057</u>	<u>1,469,566</u>	<u>2,808</u>	<u>2,823,414</u>	-	-	-	<u>101,070,643</u>
Accumulated impairment										
Balance at January 1, 2025	1,329	38,564	114,857	29,553	50,730	-	-	61,859	-	296,892
Recognition of impairment losses	-	-	36,656	-	-	-	-	1,262	-	37,918
Effect of foreign currency exchange differences	(57)	(1,654)	(6,247)	(1,247)	(2,176)	-	-	(2,699)	-	(14,080)
Balance at December 31, 2025	<u>1,272</u>	<u>36,910</u>	<u>145,266</u>	<u>28,306</u>	<u>48,554</u>	-	-	<u>(60,422)</u>	-	<u>320,730</u>
Carrying amount at December 31, 2025	<u>\$ 5,816,608</u>	<u>\$ 21,217,856</u>	<u>\$ 28,975,800</u>	<u>\$ 266,119</u>	<u>\$ 23,249</u>	<u>\$ 619,888</u>	<u>\$ 5,800,732</u>	<u>\$ 7,462,500</u>	<u>\$ 229,036</u>	<u>\$ 70,411,788</u>
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	-	139,719	850,930	17,322	-	70,744	2,222,409	9,600,261	365,282	13,266,667
Disposals	(28,140)	(513,136)	(14,784,950)	(202,866)	(4,383)	(474,550)	(4,735)	-	(388,680)	(16,401,440)
Reclassified	371,101	2,710,572	6,684,422	68,608	-	186,944	(3,121,170)	(6,787,696)	-	112,781
Effect of foreign currency exchange differences	(487)	(49,786)	(128,218)	(13,292)	(2,177)	12,132	(3,317)	(4,499)	-	(189,644)
Balance at December 31, 2024	<u>5,090,276</u>	<u>36,904,312</u>	<u>97,663,638</u>	<u>1,810,863</u>	<u>77,517</u>	<u>3,245,696</u>	<u>468,966</u>	<u>5,421,158</u>	<u>310,859</u>	<u>150,993,285</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 expense	-	1,844,062	10,043,828	130,485	273	174,961	-	-	388,680	12,582,289
Disposals	-	(415,034)	(13,306,607)	(191,339)	(4,383)	(428,366)	-	-	(388,680)	(14,734,409)
Reclassified	-	-	80,737	-	-	-	-	-	-	80,737
Effect of foreign currency exchange differences	-	(18,694)	(71,825)	(11,251)	(252)	11,313	-	-	-	(90,709)
Balance at December 31, 2024	-	<u>16,281,008</u>	<u>73,494,830</u>	<u>1,551,987</u>	<u>3,327</u>	<u>2,776,965</u>	-	-	-	<u>94,108,117</u>
Accumulated impairment										
Balance at January 1, 2024	1,376	240,823	617,298	39,739	52,544	-	-	59,229	-	1,011,009
Recognition of impairment losses	-	-	6,201	-	-	-	-	4,723	-	10,924
Disposals	-	(192,703)	(484,146)	(9,763)	-	-	-	-	-	(686,612)
Effect of foreign currency exchange differences	(47)	(9,556)	(24,496)	(423)	(1,814)	-	-	(2,093)	-	(38,429)
Balance at December 31, 2024	<u>1,329</u>	<u>38,564</u>	<u>114,857</u>	<u>29,553</u>	<u>50,730</u>	-	-	<u>61,859</u>	-	<u>296,892</u>
Carrying amount at December 31, 2024	<u>\$ 5,088,947</u>	<u>\$ 20,584,740</u>	<u>\$ 24,053,951</u>	<u>\$ 229,323</u>	<u>\$ 23,460</u>	<u>\$ 468,731</u>	<u>\$ 468,966</u>	<u>\$ 5,359,299</u>	<u>\$ 310,859</u>	<u>\$ 56,588,276</u>

To met future capacity requirements, on November 14, 2025, the Corporation's board of directors approved the acquisition of buildings, clean rooms and related facilities located in the Hsinchu Science Park from AUO Corporation. The total transaction amount was \$6,898,000 thousand.

Tera Probe, Inc. expected a decrease in the future cash flows of machinery and equipment, office equipment, construction in progress and advance payments, assessed that the book value of some assets cannot be recovered. Therefore, impairment losses of \$37,918 thousand and \$10,924 thousand were recognized in other gains and losses for the years ended December 31, 2025 and 2024, respectively.

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	26-51 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	0.5-2 years

Property, plant and equipment pledged as collateral for bank borrowings is set out in Note 31.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
<u>Carrying amount</u>		
Land	\$ 1,596,527	\$ 1,230,610
Buildings	17,181	26,999
Machinery and equipment	7,930	9,203
Transportation equipment	<u>5,004</u>	<u>5,134</u>
	<u>\$ 1,626,642</u>	<u>\$ 1,271,946</u>
	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 457,186</u>	<u>\$ 18,007</u>
Depreciation charge for right-of-use assets		
Land	\$ 36,918	\$ 36,865
Buildings	9,818	7,707
Machinery and equipment	1,273	1,557
Transportation equipment	<u>2,392</u>	<u>1,902</u>
	<u>\$ 50,401</u>	<u>\$ 48,031</u>

b. Lease liabilities

	December 31	
	2025	2024
<u>Carrying amount</u>		
Current	<u>\$ 60,954</u>	<u>\$ 42,570</u>
Non-current	<u>\$ 1,715,674</u>	<u>\$ 1,287,776</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Land	0.93%-1.69%	0.93%-1.69%
Buildings	2.40%-2.53%	2.40%-2.53%
Machinery and equipment	1.70%-2.30%	1.70%-2.30%
Transportation equipment	1.59%-2.30%	1.59%-2.30%

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	<u>\$ 38,575</u>	<u>\$ 15,009</u>
Total cash outflow for leases	<u>\$ (81,009)</u>	<u>\$ (54,636)</u>

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.

16. INVESTMENT PROPERTIES

	Completed Investment Properties	Investment Properties under Construction	Right-of-use Assets	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ -	\$ -	\$ -	\$ -
Additions	297,089	-	-	297,089
Transfers from right-of-use assets	<u>-</u>	<u>-</u>	<u>83,611</u>	<u>83,611</u>
Balance at December 31, 2025	<u>\$ 297,089</u>	<u>\$ -</u>	<u>\$ 83,611</u>	<u>\$ 380,700</u>

The abovementioned investment properties are leased out for 3 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease of investment properties was as follows:

	December 31, 2025
Year 1	\$ 44,376
Year 2	44,376
Year 3	<u>38,400</u>
	<u>\$ 127,152</u>

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings - main buildings 24 years

The determination of fair value was performed by independent qualified professional valuers, Honest Specialty Appraiser Corporation and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to a discounted cash flow analysis. The significant unobservable inputs used include discount rates and estimated income capitalization rates. The fair value as appraised was as follows:

	December 31, 2025
Fair value hierarchy	<u>\$ 406,600</u>

17. INTANGIBLE ASSETS

	Computer Software	Goodwill	Trade Secrets	Core Techniques	Client Relationships	Royalty	Technical Services	Total
<u>Cost</u>								
Balance at January 1, 2025	\$ 508,130	\$ 997,715	\$ 41,383	\$ 212,684	\$ 220,775	\$ 9,283	\$ 88,894	\$ 2,078,864
Additions	44,727	-	-	-	-	-	-	44,727
Disposals	(13,237)	-	-	(212,684)	(220,775)	-	(59,004)	(505,700)
Reclassified	2,039	-	-	-	-	-	-	2,039
Effect of foreign currency exchange differences	(10,735)	-	-	-	-	(42)	-	(10,777)
Balance at December 31, 2025	<u>530,924</u>	<u>997,715</u>	<u>41,383</u>	<u>-</u>	<u>-</u>	<u>9,241</u>	<u>29,890</u>	<u>1,609,153</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2025	423,678	-	9,313	212,684	220,775	9,242	88,894	964,586
Amortization expense	23,149	-	4,136	-	-	-	-	27,285
Disposals	(13,237)	-	-	(212,684)	(220,775)	-	(59,004)	(505,700)
Effect of foreign currency exchange differences	(7,884)	-	-	-	-	(39)	-	(7,923)
Balance at December 31, 2025	<u>425,706</u>	<u>-</u>	<u>13,449</u>	<u>-</u>	<u>-</u>	<u>9,203</u>	<u>29,890</u>	<u>478,248</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2025	9,844	-	-	-	-	-	-	9,844
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	(422)	-	-	-	-	-	-	(422)
Balance at December 31, 2025	<u>9,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,422</u>
Carrying amount at December 31, 2025	<u>\$ 95,796</u>	<u>\$ 997,715</u>	<u>\$ 27,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 1,121,483</u>
<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	19,892	-	-	-	-	-	-	19,892
Disposals	(133,739)	-	-	(37,294)	-	-	-	(171,033)
Reclassified	4,308	-	-	-	-	-	-	4,308
Effect of foreign currency exchange differences	(8,046)	-	-	843	-	(34)	-	(7,237)
Balance at December 31, 2024	<u>508,130</u>	<u>997,715</u>	<u>41,383</u>	<u>212,684</u>	<u>220,775</u>	<u>9,283</u>	<u>88,894</u>	<u>2,078,864</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 expense	21,088	-	4,139	-	-	-	-	25,227
Disposals	(116,548)	-	-	(37,294)	-	-	-	(153,842)
Effect of foreign currency exchange differences	(6,082)	-	-	843	-	(33)	-	(5,272)
Balance at December 31, 2024	<u>423,678</u>	<u>-</u>	<u>9,313</u>	<u>212,684</u>	<u>220,775</u>	<u>9,242</u>	<u>88,894</u>	<u>964,586</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	(352)	-	-	-	-	-	-	(352)
Balance at December 31, 2024	<u>9,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,844</u>
Carrying amount at December 31, 2024	<u>\$ 74,608</u>	<u>\$ 997,715</u>	<u>\$ 32,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 1,104,434</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
Business Secrets	10 years
Royalty	10 years
Technical services	4 years

	<u>For the Year Ended December 31</u>	
	2025	2024
An analysis of amortization by function		
Cost of revenue	\$ 20,234	\$ 19,498
Selling and marketing expenses	11	15
General and administrative expenses	4,132	2,978
Research and development expenses	<u>2,908</u>	<u>2,736</u>
	<u>\$ 27,285</u>	<u>\$ 25,227</u>

18. OTHER ASSETS

	<u>December 31</u>	
	2025	2024
<u>Current</u>		
Refundable deposits (Note 32)	\$ 226,354	\$ 240,620
Payment on behalf of others	154,706	57,227
Tax refund receivables	104,613	132,769
Temporary payments	4,507	45,323
Others	<u>4,775</u>	<u>7,707</u>
	<u>\$ 494,955</u>	<u>\$ 483,646</u>
<u>Prepayments</u>		
Excess business tax paid	\$ 457,320	\$ 91,848
Prepayments for insurance premiums	72,816	84,348
Inventory of supplies	45,376	43,624
Prepayment for repairs	21,961	28,099
Prepayments to electricity	6,992	42,614
Prepayments for suppliers	2,409	13,549
Others	<u>98,001</u>	<u>42,866</u>
	<u>\$ 704,875</u>	<u>\$ 346,948</u>
<u>Non-current</u>		
Refundable deposits (Note 32)	\$ 251,041	\$ 502,687
Financial lease receivable	166,583	174,546
Prepaid investments	133,416	-
Prepayments for land and equipment	55,615	23,888
Others	<u>16</u>	<u>-</u>
	<u>\$ 606,671</u>	<u>\$ 701,121</u>

19. BORROWINGS

Long-term debts

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
1) Secured borrowings (Note 31)	\$ 11,795,515	\$ 12,361,587
2) Unsecured borrowings	<u>18,320,848</u>	<u>6,366,752</u>
	30,116,363	18,728,339
Less: Current portion	<u>(4,703,164)</u>	<u>(1,840,910)</u>
	<u>\$ 25,413,199</u>	<u>\$ 16,887,429</u>

1) Repayable continually from January 2026 to August 2031; interest rates at 1.275%-1.840% on December 31, 2025, 1.275%-1.685% on December 31, 2024.

2) Repayable continually from January 2026 to September 2030; interest rates at 0.600%-1.809% on December 31, 2025, 0.600%-1.857% on December 31, 2024.

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 December 31, 2025, PTI was in compliance with these ratio requirements.

20. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Accrued expenses and other current liabilities		
Salaries and bonus	\$ 2,200,095	\$ 2,535,592
Payable for utilities	395,395	338,835
Payable for insurance	280,314	278,815
Agency receipts	240,365	194,855
Temporary payments	225,361	222,843
Guarantee deposits (a)	166,580	140,968
Indemnification payable (b)	56,122	57,298
Payable for annual leave	19,979	17,915
Others	<u>2,398,400</u>	<u>2,229,667</u>
	<u>\$ 5,982,611</u>	<u>\$ 6,016,788</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits (a)	\$ 479,026	\$ 597,273
Others	<u>11,853</u>	<u>9,184</u>
	<u>\$ 490,879</u>	<u>\$ 606,457</u>

- 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. PROVISIONS

	December 31	
	2025	2024
<u>Current</u>		
Carbon fees (Note)	<u>\$ 31,122</u>	<u>\$ -</u>

Note: Starting from 2025, the Company recognizes a provision for carbon fee liabilities in accordance with Taiwan’s Carbon Fee Charging Regulations and other relevant laws. The Company has assessed that certain plants are highly likely to obtain approval from the competent authority for their voluntary reduction plans and are also highly likely to obtain approval from the competent authority for their voluntary reduction plans and has to meet the designated target for 2025. Furthermore, the Company expects to submit the implementation progress report for the 2025 voluntary reduction plan by April 30, 2026. Accordingly, the provision for carbon fee liabilities is calculated based on the applicable preferential rate.

22. RETIREMENT BENEFIT PLANS

- a. Defined contribution plan

PTI, GEI, TeraPower Technology Inc. and Get-Team Tech Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

- b. Defined benefit plan

The defined benefit plan adopted by the Corporation’s subsidiaries PTI, GEI, TeraPower Technology Inc. and Get-Team Tech Corporation in accordance with the Labor Standards Law belongs to the defined benefit plan administered by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. PTI, GEI and TeraPower Technology Inc. contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Corporation's defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	\$ 422,736	\$ 396,104
Fair value of plan assets	<u>(416,079)</u>	<u>(389,560)</u>
Net defined benefit liabilities	<u>\$ 6,657</u>	<u>\$ 6,544</u>
Net defined benefit assets	\$ (33,593)	\$ (37,778)
Net defined benefit liabilities	<u>40,250</u>	<u>44,322</u>
	<u>\$ 6,657</u>	<u>\$ 6,544</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2024	<u>\$ 422,594</u>	<u>\$ (332,823)</u>	<u>\$ 89,771</u>
Service cost			
Current service cost	5,543	-	5,543
Net interest expense (income)	<u>5,179</u>	<u>(4,179)</u>	<u>1,000</u>
Recognized in profit or loss	<u>10,722</u>	<u>(4,179)</u>	<u>6,543</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(29,400)	(29,400)
Actuarial loss - changes in financial assumptions	(16,243)	-	(16,243)
Actuarial loss - experience adjustments	6,495	(4,439)	2,056
Others	<u>(348)</u>	<u>-</u>	<u>(348)</u>
Recognized in other comprehensive income	<u>(10,096)</u>	<u>(33,839)</u>	<u>(43,935)</u>
Contributions from the employer	<u>-</u>	<u>(31,162)</u>	<u>(31,162)</u>
Benefits paid	<u>(15,739)</u>	<u>12,443</u>	<u>(3,296)</u>
Liabilities extinguished on settlement	<u>(9,790)</u>	<u>-</u>	<u>(9,790)</u>
Effects of foreign currency exchange differences	<u>(1,587)</u>	<u>-</u>	<u>(1,587)</u>
Balance at December 31, 2024	<u>396,104</u>	<u>(389,560)</u>	<u>6,544</u>
Service cost			
Current service cost	5,715	-	5,715
Net interest expense (income)	<u>6,464</u>	<u>(6,432)</u>	<u>32</u>
Recognized in profit or loss	<u>12,179</u>	<u>(6,432)</u>	<u>5,747</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(24,708)	(24,708)
Actuarial loss - changes in demographics assumptions	(11)	-	(11)
Actuarial loss - changes in financial assumptions	6,378	-	6,378

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial loss - experience adjustments	\$ 34,867	\$ (1,772)	\$ 33,095
Others	<u>(71)</u>	<u>-</u>	<u>(71)</u>
Recognized in other comprehensive income	<u>41,163</u>	<u>26,480</u>	<u>14,683</u>
Contributions from the employer	<u>-</u>	<u>(12,176)</u>	<u>(12,176)</u>
Benefits paid	<u>(22,331)</u>	<u>18,569</u>	<u>(3,762)</u>
Liabilities extinguished on settlement	<u>(2,498)</u>	<u>-</u>	<u>(2,498)</u>
Effects of foreign currency exchange differences	<u>(1,881)</u>	<u>-</u>	<u>(1,881)</u>
Balance at December 31, 2025	<u>\$ 422,736</u>	<u>\$ (416,079)</u>	<u>\$ 6,657</u> (Concluded)

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rates	1.30%-2.69%	1.50%-1.70%
Expected rates of salary increase	2.05%-4.00%	2.05%-4.00%
Return on plan assets	1.30%-1.40%	1.50%-1.65%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate		
0.50% increase	<u>\$ (19,087)</u>	<u>\$ (17,245)</u>
0.50% decrease	<u>\$ 20,619</u>	<u>\$ 18,563</u>
Expected rate of salary increase/decrease		
0.50% increase	<u>\$ 20,273</u>	<u>\$ 18,293</u>
0.50% decrease	<u>\$ (18,959)</u>	<u>\$ (17,163)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	2024
Expected contributions to the plan for the next year	<u>\$ 12,311</u>	<u>\$ 12,176</u>
Average duration of the defined benefit obligation	3-11 years	2-13 years

23. EQUITY

a. Capital stock

1) Ordinary shares

	December 31	
	2025	2024
Shares authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>
Shares authorized (in thousands of dollars)	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>759,147</u>	<u>759,147</u>
Shares issued (in thousands of dollars)	<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.

GDS of PTI were trading on the Luxembourg Stock Exchange. On November 8, 2024, the company's board of directors resolved, based on considerations of cost and operational simplification, to terminate the listing of its Global Depository Receipts (GDRs) on the Luxembourg Stock Exchange. The delisting process had been completed by December 16, 2024.

b. Capital surplus

	December 31	
	2025	2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)</u>		
Share premium	\$ 1,879	\$ 1,879
From treasury shares transactions	383,538	241,088
<u>May be used to offset a deficit only</u>		
Changes in percentage of ownership interests in subsidiaries (2)	72,157	72,081
Unclaimed dividends after effective period	<u>4,821</u>	<u>4,821</u>
	<u>\$ 462,395</u>	<u>\$ 319,869</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 after the amendment, refer to compensation of employees and remuneration of directors in Note 25(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 has exceeded 25% of PTI's capital surplus, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from the prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2024 and 2023 were approved in the shareholders' meetings on May 28, 2025 and May 30, 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 682,811	\$ 800,489
Special reserve	\$ (360,177)	\$ 130,039
Cash dividends	\$ 5,314,026	\$ 5,314,026
Cash dividends per share (NT\$)	\$ 7	\$ 7

The appropriation of earnings for 2025, which were proposed by PTI's board of directors on May 11, 2026, were as follows:

	For the Year Ended December 31, 2025
Legal reserve	<u>\$ 551,897</u>
Special reserve	<u>\$ 429,242</u>
Cash dividends	<u>\$ 3,416,160</u>
Cash dividends per share (NT\$)	\$ 4.5

The appropriation of earnings for 2025 will be resolved by the shareholders in their meeting to be held on May 27, 2026.

d. Others equity items

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

	For the Year Ended December 31	
	2025	2024
Balance at January 1	\$ (341,414)	\$ (717,131)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	<u>(428,442)</u>	<u>375,717</u>
Balance at December 31	<u>\$ (769,856)</u>	<u>\$ (341,414)</u>

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

	For the Year Ended December 31	
	2025	2024
Balance at January 1	\$ (30,676)	\$ (15,136)
Recognized for the year		
Unrealized (loss) gain - equity instruments	(800)	(16,170)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>630</u>
Balance at December 31	<u>\$ (31,476)</u>	<u>\$ (30,676)</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance at January 1	\$ 14,930,476	\$ 14,236,954
Share in profit for the year	1,684,574	1,710,800
Other comprehensive (loss) income for the year		
Exchange differences on translation of the financial statements of foreign entities	(55,319)	(40,647)
Remeasurement on defined benefit plans	2,313	3,804

(Continued)

	For the Year Ended December 31	
	2025	2024
Donations from shareholders	\$ 62	\$ 72
Subsidiaries purchase treasury shares	(61)	(230)
The Parent's shares held by its subsidiaries treated as treasury shares	(518,251)	(85,829)
Cash dividends to shareholders from subsidiaries	<u>(1,060,067)</u>	<u>(894,448)</u>
Balance at December 31	<u>\$ 14,983,727</u>	<u>\$ 14,930,476</u> (Concluded)

f. Treasury shares

Purpose of Buy-Back	Shares Held by Subsidiary (In Thousands of Shares)
Number of shares at January 1, 2024	11,800
Addition	<u>1,200</u>
Number of shares at December 31, 2024	<u>13,000</u>
Number of shares at January 1, 2025	13,000
Addition	<u>7,350</u>
Number of shares at December 31, 2025	<u>20,350</u>

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2025</u>			
Greatek Electronics Inc.	20,350	\$3,520,550/173	\$3,520,550/173
<u>December 31, 2024</u>			
Greatek Electronics Inc.	13,000	\$1,586,000/122	\$1,586,000/122

The number of shares of PTI held by the subsidiaries listed in the table above was based on the number of shares actually held by the subsidiaries. PTI's shares held by its subsidiary are treated as treasury shares.

24. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from packaging services	\$ 50,199,869	\$ 49,646,249
Revenue from testing services	16,638,780	16,224,903
Revenue from module services	8,066,923	7,418,546
Others	<u>23,748</u>	<u>25,344</u>
	<u>\$ 74,929,320</u>	<u>\$ 73,315,042</u>

a. Contact 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

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable (including related parties) (Notes 10 and 30)	<u>\$ 18,537,158</u>	<u>\$ 15,885,215</u>	<u>\$ 16,678,796</u>
Contract assets			
Revenue from processing services	<u>\$ 3,223,604</u>	<u>\$ 2,270,869</u>	<u>\$ 2,363,716</u>
Contract liabilities			
Revenue from processing services	<u>\$ 259,320</u>	<u>\$ 145,836</u>	<u>\$ 131,106</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 Year Ended December 31	
	2025	2024
From the contract liabilities at the beginning of the year		
Revenue from processing services	<u>\$ 97,862</u>	<u>\$ 55,827</u>

c. Disaggregation of revenue

	For the Year Ended December 31	
	2025	2024
<u>Primary geographical markets</u>		
Taiwan (the principal place of business of the Corporation)	\$ 30,729,287	\$ 14,072,499
Japan	20,693,320	22,691,850
America	13,445,864	13,269,647
Europe	3,236,847	1,718,756
Singapore	2,763,950	18,360,461
China, Hong Kong and Macao	2,420,191	1,571,006
Others	<u>1,639,861</u>	<u>1,630,823</u>
	<u>\$ 74,929,320</u>	<u>\$ 73,315,042</u>

25. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	\$ 304,930	\$ 345,409
Net investment in leases presented	9,344	9,763
Financial assets measured at amortized cost	7,795	3,620
Commercial paper	-	2,646
Others	<u>38</u>	<u>30</u>
	<u>\$ 322,107</u>	<u>\$ 361,468</u>

b. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 79,344	\$ 115,335
Financial liabilities classified as held for trading	(40,175)	(307,913)
Impairment loss of non-financial assets	(37,918)	(10,924)
Others	<u>608,836</u>	<u>499,615</u>
	<u>\$ 610,087</u>	<u>\$ 296,113</u>

c. Other income

	For the Year Ended December 31	
	2025	2024
Rental income		
Operating lease rental income	<u>\$ 19,270</u>	<u>\$ 14,241</u>

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest on bank loans	\$ 304,706	\$ 261,376
Interest on lease liabilities	22,229	22,851
Capitalized interest	<u>(68,205)</u>	<u>(32,909)</u>
	<u>\$ 258,730</u>	<u>\$ 251,318</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2025	2024
Capitalized interest	\$ 68,205	\$ 32,909
Capitalization rate	1.555%-1.693%	1.430%-1.583%

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	\$ 12,178,934	\$ 12,582,289
Right-of-use assets	50,401	48,031
Intangible assets	<u>27,285</u>	<u>25,227</u>
Total	<u>\$ 12,256,620</u>	<u>\$ 12,655,547</u>
An analysis of depreciation by function		
Cost of revenue	\$ 11,196,752	\$ 11,633,532
Operating expenses	<u>1,032,583</u>	<u>996,788</u>
	<u>\$ 12,229,335</u>	<u>\$ 12,630,320</u>
An analysis of amortization by function		
Cost of revenue	\$ 20,234	\$ 19,498
Operating expenses	<u>7,051</u>	<u>5,729</u>
	<u>\$ 27,285</u>	<u>\$ 25,227</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 Year Ended December 31	
	2025	2024
Post-employment benefits (Note 22)		
Defined contribution plans	\$ 542,696	\$ 554,217
Defined benefit plans	<u>5,747</u>	<u>6,543</u>
	548,443	560,760

(Continued)

	For the Year Ended December 31	
	2025	2024
Termination benefits	\$ 3,303	\$ 1,607
Other employee benefits	<u>17,701,023</u>	<u>17,311,285</u>
Total employee benefits expense	<u>\$ 18,252,769</u>	<u>\$ 17,873,652</u>
An analysis of employee benefits expense by function		
Cost of revenue	\$ 15,827,688	\$ 15,312,094
Operating expenses	<u>2,425,081</u>	<u>2,561,558</u>
	<u>\$ 18,252,769</u>	<u>\$ 17,873,652</u>

(Concluded)

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. In accordance with the amendment to the Securities and Exchange Act in August 2024, PTI has passed a resolution at the 2025 shareholders' meeting to amend its Articles of Incorporation, specifying that no less than 60% of the annual employee remuneration allocated shall be distributed to rank-and-file employees.. The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024 which were approved by PTI's board of directors on May 11, 2026 and February 21, 2025, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	5.79%	5.44%
Remuneration of directors	1.16%	1.09%

Amount

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	\$ 373,678	\$ 458,231
Remuneration of directors	74,736	91,646

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.

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, 2024 and 2023.

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 Year Ended December 31	
	2025	2024
Foreign exchange gains	\$ 1,853,073	\$ 1,423,641
Foreign exchange losses	<u>(1,935,535)</u>	<u>(512,474)</u>
Net gains	<u>\$ (82,462)</u>	<u>\$ 911,167</u>

26. INCOME TAXES

a. Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 1,481,948	\$ 2,081,187
Income tax on unappropriated earnings	56,736	46,892
Adjustments for prior years	<u>(154,528)</u>	<u>(109,660)</u>
	1,384,156	2,018,419
Deferred tax		
In respect of the current year	<u>187,454</u>	<u>159,460</u>
Income tax expense recognized in profit or loss	<u>\$ 1,571,610</u>	<u>\$ 2,177,879</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2025	2024
Profit before income tax	<u>\$ 8,792,152</u>	<u>\$ 10,677,286</u>
Income tax expense calculated at the statutory rate	\$ 2,290,706	\$ 2,727,013
Items that should be reduce	(639,136)	(495,229)
Nondeductible expenses in determining taxable income	2,196	14,597
Tax - exempt income	(25,842)	(12,998)
Income tax on unappropriated earnings	56,736	46,892
Generation of temporary differences	5,646	2,279
Unrecognized loss carryforwards	-	(41,087)
Adjustments for prior years' tax	(154,528)	(109,660)
Others	<u>35,832</u>	<u>46,072</u>
Income tax expense recognized in profit or loss	<u>\$ 1,571,610</u>	<u>\$ 2,177,879</u>

Tera Probe was incorporated in Japan, where the Pillar Two income tax legislation had been in effect. Under the legislation, Tera Probe will be required to pay, in Japan, a top-up tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. Taiwan is the main jurisdiction subject to this tax. The effective tax rate is over 15% for the year ended December 31, 2024. The Group's current tax expense related to Pillar Two income taxes for the years ended December 31, 2024 was \$0.

b. Current tax liabilities

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Current tax liabilities		
Tax payable	<u>\$ 578,035</u>	<u>\$ 953,568</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were follows:

For the year ended December 31, 2025

	Balance, Beginning of Year	Movements in the Year	Balance, End of Year
<u>Deferred tax assets</u>			
Temporary differences	<u>\$ 121,413</u>	<u>\$ (51,098)</u>	<u>\$ 70,315</u>
<u>Deferred tax liabilities</u>			
Temporary differences	<u>\$ 316,319</u>	<u>\$ 136,356</u>	<u>\$ 452,675</u>

For the year ended December 31, 2024

	Balance, Beginning of Year	Movements in the Year	Balance, End of Year
<u>Deferred tax assets</u>			
Temporary differences	<u>\$ 318,920</u>	<u>\$ (197,507)</u>	<u>\$ 121,413</u>
<u>Deferred tax liabilities</u>			
Temporary differences	<u>\$ 354,366</u>	<u>\$ (38,047)</u>	<u>\$ 316,319</u>

d. Income tax assessments

Income tax returns through 2023 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Basic earnings per share	\$ <u>7.48</u>	\$ <u>9.09</u>
Diluted earnings per share	\$ <u>7.45</u>	\$ <u>9.03</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 Year

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Profit for the year attributable to the owner of the Parent	\$ 5,535,968	\$ 6,788,607
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u> -</u>	<u> -</u>
Earnings used in the computation of diluted earnings per share	\$ <u>5,535,968</u>	\$ <u>6,788,607</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	740,560	747,208
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u> 2,645</u>	<u> 4,345</u>
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	<u> 743,205</u>	<u> 751,553</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.

28. 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 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).

29. FINANCIAL INSTRUMENTS

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

December 31, 2025

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 500,002	\$ -	\$ 500,204	\$ -	\$ 500,204

December 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 300,001	\$ -	\$ 299,991	\$ -	\$ 299,991

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

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 29	\$ -	\$ 29
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ -	\$ 16,524	\$ -	\$ 16,524
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 12,545	\$ -	\$ 12,545

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 286	\$ -	\$ 286
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ -	\$ 17,324	\$ -	\$ 17,324
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 36,965	\$ -	\$ 36,965

There were no transfers between Level 1 and 2 in 2025 and 2024.

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 29	\$ 286
Financial assets at amortized cost (Note 1)	37,215,197	40,538,289
Financial assets at FVTOCI		
Equity instruments	16,524	17,324
<u>Financial liabilities</u>		
FVTPL		
Held for trading	12,545	36,965
Amortized cost (Note 2)	43,479,718	28,958,056

Note 1: The balances include financial assets measured at amortized cost, which comprise cash, 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, finance lease receivable 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), 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, 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 Year Ended		For the Year Ended	
	December 31		December 31	
	2025	2024	2025	2024
Profit or loss	\$ (318,646)	\$ (498,612)	\$ 18,609	\$ 4,679

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.

	December 31	
	2025	2024
Fair value interest rate risk		
Financial assets	\$ 8,126,414	\$ 8,648,466
Financial liabilities	3,336,844	2,385,640
Cash flow interest rate risk		
Financial assets	8,940,601	14,501,720
Financial liabilities	28,556,147	17,673,044

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 years ended December 31, 2025 and 2024 would decrease/increase by \$19,616 thousand and \$3,171 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.

If equity prices had been 5% higher/lower, the Corporation's pre-tax profit for the years ended December 31, 2025 and 2024 would increase/decrease by \$826 thousand and \$866 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the

post-tax other comprehensive income for the year ended December 31, 2025 and 2024 would have increase/decrease by \$826 thousand and \$866 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 for the years ended December 31, 2025 and 2024. The three largest customers are creditworthy counterparties; 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 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 December 31, 2025 and 2024, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$591,623 thousand and \$882,788 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 repayment periods. The tables had been drawn up based on the undiscounted 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.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 4,459,729	\$ 6,855,858	\$ 1,402,161	\$ -	\$ -
Lease liabilities	7,560	15,121	67,817	377,086	1,828,199
Fixed interest rate liabilities	-	107,930	323,790	1,128,496	-
Variable interest rate liabilities	60,058	1,007,803	3,203,583	23,979,941	304,762
Guarantee deposits	<u>25,927</u>	<u>15,719</u>	<u>124,935</u>	<u>476,610</u>	<u>2,416</u>
	<u>\$ 4,553,274</u>	<u>\$ 8,002,431</u>	<u>\$ 5,122,286</u>	<u>\$25,962,133</u>	<u>\$ 2,135,377</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>\$ 90,498</u>	<u>\$ 377,086</u>	<u>\$ 362,337</u>	<u>\$ 359,337</u>	<u>\$ 359,057</u>	<u>\$ 747,468</u>
Variable interest rate liabilities	<u>\$ 4,271,444</u>	<u>\$ 23,979,941</u>	<u>\$ 304,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 166,581</u>	<u>\$ 476,610</u>	<u>\$ 2,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

December 31, 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	\$ 3,553,621	\$ 4,880,409	\$ 1,057,446	\$ -	\$ -
Lease liabilities	5,398	10,795	48,585	220,863	1,482,382
Fixed interest rate liabilities	-	71,857	202,982	780,456	-
Variable interest rate liabilities	-	-	1,566,071	15,345,068	761,905
Guarantee deposits	<u>18,851</u>	<u>-</u>	<u>122,117</u>	<u>595,499</u>	<u>1,774</u>
	<u>\$ 3,577,870</u>	<u>\$ 4,963,061</u>	<u>\$ 2,997,201</u>	<u>\$16,941,886</u>	<u>\$ 2,246,061</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	\$ 64,778	\$ 220,863	\$ 238,051	\$ 235,051	\$ 234,291	\$ 774,989
Variable interest rate liabilities	\$ 1,566,071	\$ 15,345,068	\$ 761,905	\$ -	\$ -	\$ -
Guarantee deposits	\$ 140,968	\$ 595,499	\$ 1,758	\$ -	\$ -	\$ 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.

December 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 219,081	\$ 252,989	\$ 129,351
Outflows	<u>(224,120)</u>	<u>(259,142)</u>	<u>(130,675)</u>
	\$ <u>(5,039)</u>	\$ <u>(6,153)</u>	\$ <u>(1,324)</u>

December 31, 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	\$ 209,396	\$ 1,249,864	\$ 79,385
Outflows	<u>(216,849)</u>	<u>(1,277,197)</u>	<u>(81,278)</u>
	\$ <u>(7,453)</u>	\$ <u>(27,333)</u>	\$ <u>(1,893)</u>

c) Financing facilities

	<u>December 31</u>	
	2025	2024
Secured bank loan facilities which may be mutually extended		
Amount used	\$ 30,116,363	\$ 12,361,587
Amount unused	<u>9,900,000</u>	<u>5,500,000</u>
	\$ <u>40,016,363</u>	\$ <u>17,861,587</u>

30. 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 party
Toshiba Electronic Devices & Storage Corporation	Substantial related party
Kingston Technology International Ltd.	Substantial related party
Kingston Digital International Ltd.	Substantial related party
Longforce Technology (Suzhou) Ltd.	Associate
Daypower Energy Co., Ltd.	Associate
Kingston Solution, Inc.	Substantial related party
Kingston Technology Far East Corp.	Substantial related party
Solid State Storage Technology Corporation	Substantial related party
Realtek Singapore Private Limited	Substantial related party
Realtek Semiconductor Corp.	Substantial related party
Raymx Microelectronic Corp.	Substantial related party
KIOXIA Semiconductor Taiwan Corporation	Substantial related party
PTI Education Foundation	Substantial related party

b. Sales of goods

Line Item	Related Party Category/Name	<u>For the Year Ended December 31</u>	
		2025	2024
Sales of goods	Substantial related parties		
	Kioxia Corporation	\$ 14,896,326	\$ 16,111,879
	Others	<u>2,067,965</u>	<u>1,984,200</u>
		16,964,291	18,096,079
	Associates	<u>1,543</u>	<u>1,173</u>
		<u>\$ 16,965,834</u>	<u>\$ 18,097,252</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	<u>For the Year Ended December 31</u>	
		2025	2024
	Substantial related parties	\$ 759,320	\$ 718,902
	Associates	<u>-</u>	<u>168</u>
		<u>\$ 759,320</u>	<u>\$ 719,070</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	For the Year Ended December 31	
	2025	2024
Associates	<u>\$ 76,848</u>	<u>\$ 135,358</u>

Cost of revenue mainly was subcontract costs.

e. Operation expense

Related Party Category	For the Year Ended December 31	
	2025	2024
Substantial related parties	<u>\$ 1,000</u>	<u>\$ 3,000</u>

Mainly was donation.

f. Other gains and losses

Related Party Category	For the Year Ended December 31	
	2025	2024
Substantial related parties		
Kioxia Corporation	\$ 5,294	\$ 25,180
Others	<u>50</u>	<u>2,008</u>
	5,344	27,188
Associates	<u>3,786</u>	<u>3,902</u>
	<u>\$ 9,130</u>	<u>\$ 31,090</u>

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

g. Contract assets

Related Party Category/Name	December 31	
	2025	2024
Substantial related parties		
Kioxia Corporation	\$ 884,382	\$ 599,350
Others	<u>89,000</u>	<u>89,659</u>
	<u>\$ 973,382</u>	<u>\$ 689,009</u>

For the years ended December 31, 2025 and 2024, no impairment loss was recognized for contract assets from related parties.

h. Accounts receivable from related parties (excluding loans to related parties and contract assets)

Line Item	Related Party Category/Name	December 31	
		2025	2024
Accounts receivable from related parties	Substantial related parties		
	Kioxia Corporation	\$ 4,779,738	\$ 5,299,648
	Others	<u>394,227</u>	<u>416,744</u>
		<u>\$ 5,173,965</u>	<u>\$ 5,716,392</u>

The outstanding accounts receivable from related parties are unsecured. For the years ended December 31, 2025 and 2024, no impairment loss was recognized for accounts receivable from related parties.

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

Line Item	Related Party Category/Name	December 31	
		2025	2024
Accounts payable from related parties	Substantial related parties Solid State Storage Technology Corporation	<u>\$ 146,719</u>	<u>\$ 113,909</u>

The outstanding accounts payable from related parties are unsecured.

j. Other receivables from related parties

Related Party Category/Name	December 31	
	2025	2024
Substantial related parties		
Realtek Semiconductor Corp.	\$ 12,662	\$ -
Kioxia Corporation	11,218	65,891
Others	<u>7</u>	<u>1,135</u>
	23,887	67,026
Associates		
Longforce Technology (Suzhou) Ltd.	<u>650</u>	<u>1,806</u>
	<u>\$ 24,537</u>	<u>\$ 68,832</u>

k. Other payables to related parties

Related Party Category	December 31	
	2025	2024
Substantial related parties		
Kioxia Corporation	\$ 39,202	\$ 48,288
Associates		
Longforce Technology (Suzhou) Ltd.	<u>11,235</u>	<u>8,212</u>
	<u>\$ 50,437</u>	<u>\$ 56,500</u>

l. Payable to equipment suppliers

Related Party Category/Name	For the Year Ended December 31	
	2025	2024
Substantial related party	<u>\$ 2,879</u>	<u>\$ -</u>

m. Acquisition of property, plant and equipment

Related Party Category/Name	Acquisition Price	
	For the Year Ended December 31	
	2025	2024
Substantial related party	<u>\$ 53,273</u>	<u>\$ 16</u>

n. Prepayments for Investments

Related Party Category/Name	For the Year Ended December 31 2025
Associates	
Daypower Energy Co., Ltd.	<u>\$ 133,416</u>

In October 2025, the Corporation entered into a share purchase agreement with Daypower Energy Co., Ltd. with a total contract amount of NT\$938,158 thousand. The first installment of NT\$133,416 thousand was paid in November 2025. The contract price was mutually agreed upon by both parties, and no other comparable transactions were available as reference.

o. Compensation of key management personnel

Related Party Category/Name	For the Year Ended December 31	
	2025	2024
Short-term benefits	\$ 368,189	\$ 460,320
Post-employment benefits	<u>2,481</u>	<u>2,546</u>
	<u>\$ 370,670</u>	<u>\$ 462,866</u>

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

31. 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:

Related Party Category/Name	December 31	
	2025	2024
Property, plant and equipment	\$ 11,098,477	\$ 13,633,175
Restricted deposits (classified as financial assets at amortized cost - current)	-	32,781
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>253,717</u>	<u>252,574</u>
	<u>\$ 11,352,194</u>	<u>\$ 13,918,530</u>

32. 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:

- a. From March 2023 to February 2024, January to March 2025, March 2025 and March to October 2025, PTI signed the purchase agreements of equipment worth \$560,735 thousand, \$655,271 thousand, \$561,962 thousand and \$664,003 thousand with Disco Hi-Tec Taiwan Co., Ltd., respectively. As of December 31, 2025, PTI has paid a total of \$536,928 thousand, \$563,578 thousand, \$377,092 thousand and \$13,403 thousand, respectively.

- b. From February to April 2024, PTI signed a purchase agreement for equipment worth \$547,973 thousand with Applied Materials South East Asia. As of the end of December 31, 2025, PTI has paid a total of \$538,062 thousand.
- c. From March to December 2024, PTI signed a purchase agreement for equipment worth \$530,538 thousand with Tokyo Electron Limited. As of the end of December 31, 2025, PTI has paid a total of \$517,433 thousand.
- d. From November to December 2025, PTI signed a purchase agreement for plant and wafer fab worth \$969,600 thousand with Jiu Han System Technology Co., Ltd. As of the end of December 31, 2025, no payment has been paid.
- e. From February 2025 to February 2026, PTI signed a purchase agreement for equipment worth \$512,815 thousand with ASMPT Technology Limited Taiwan Branch. As of the end of December 31, 2025, PTI has paid a total of \$128,222 thousand.
- f. From August 2025 to February 2026, PTI signed a purchase agreement for equipment worth \$509,740 thousand with Lam Research International Sdn. Bhd. As of the end of December 31, 2025, no payment has been paid.
- g. From October 2025 to February 2026, PTI signed a purchase agreement for equipment worth \$795,104 thousand with Onto Innovation Inc. As of the end of December 31, 2025, no payment has been paid.
- h. From March 2025 to February 2026, PTI signed a purchase agreement for equipment worth \$754,240 thousand with Jetinn Global Equipment Ltd., Taiwan Branch. As of the end of December 31, 2025, PTI has paid a total of \$334,907 thousand.
- i. From February 2025 to February 2026, PTI signed a purchase agreement for equipment worth \$751,723 thousand with TOWA CORPORATION. As of the end of December 31, 2025, PTI has paid a total of \$160,492 thousand.
- j. From February 2025 to February 2026, PTI signed a purchase agreement for equipment worth \$599,270 thousand with Marketech International Corp. As of the end of December 31, 2025, PTI has paid a total of \$2,810 thousand.
- k. As of December 31, 2025, PTI unused letters of credit for purchases of machinery and equipment amounted to approximately JPY\$9,200 thousand and US\$1,254 thousand.
- l. 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 December 31, 2025, the Corporation has paid a total of recovered US\$20,400 thousand.
- m. From March to May 2025, June 2025, June to August 2025, August to December 2025 and December 2025 to January 2026, TeraPower Technology Inc. signed the purchase agreements of equipment worth \$784,441 thousand, \$709,123 thousand, \$1,274,235 thousand, \$889,961 thousand and \$772,009 thousand with Advantest Corporation respectively. As of December 31, 2025, TeraPower Technology Inc. has paid a total of \$784,411 thousand, \$709,123 thousand, \$583,667 thousand, \$325,567 thousand and \$14,171 thousand, respectively.

- n. From June 2024 to June 2025, TeraPower Technology Inc. signed the purchase agreements of equipment worth \$522,050 thousand with Hon. Precision, Inc. respectively. As of the end December 31, 2025, TeraPower Technology Inc. has paid a total of \$512,530 thousand, respectively.
- o. From June to December 2025, TeraPower Technology Inc. signed the purchase agreements of equipment worth \$828,000 thousand with Hon. Precision, Inc. respectively. As of the end December 31, 2025, no payment has been paid.
- p. From July 2024 to June 2025, TeraPower Technology Inc. signed a purchase agreement for equipment worth \$501,549 thousand with TERADYNE (ASIA) PTE LTD. As of the end of December 31, 2025, TeraPower Technology Inc. has paid a total of \$218,716 thousand.
- q. On January 13, 2026, TeraPower Technology Inc. passed a resolution at its Board of Directors meeting authorizing the Chairman to execute contracts and handle all related matters pertaining to the acquisition of operational real estate within a limit of \$2 billion. Subsequently, on January 27, 2026, the Company entered into a real estate purchase agreement with Darwin Precisions Corporation to acquire land and buildings located in the Zhongxing Section of Hukou Township, Hsinchu County. The total contract amount is \$1,780,000 thousand.
- r. From July 2021 to July 2022, Tera Probe, Inc. signed a purchase agreement for equipment worth \$640,534 thousand with Teradyne, Inc. As of the end of December 31, 2025, Tera Probe, Inc. has paid a total of \$609,928 thousand.
- s. From March 2024 to March 2025 and March to September 2025, Tera Probe, Inc. signed the purchase agreements of equipment worth \$592,414 thousand and \$592,894 thousand with Advantest Corporation respectively. As of the end of December 31, 2025, Tera Probe, Inc. has paid a total of \$592,414 and \$40,499 thousand, respectively.

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:

	December 31, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 640,144	31.4380 (USD:NTD)	\$ 20,124,847
USD	10,414	156.5700 (USD:JPY)	327,395
JPY	2,536,827	0.2008 (JPY:NTD)	509,395
SGD	150	0.7775 (SGD:USD)	3,667
RMB	922	0.1431 (RMB:USD)	<u>4,147</u>
			<u>\$ 20,969,451</u>
Non-monetary items			
USD	1	31.4380 (USD:NTD)	<u>\$ 29</u>

(Continued)

December 31, 2025			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 445,199	31.4380 (USD:NTD)	\$ 13,996,166
USD	2,645	156.5700 (USD:JPY)	83,154
EUR	1,104	36.8988 (EUR:NTD)	40,736
JPY	4,390,273	0.2008 (JPY:NTD)	<u>881,567</u>
			<u>\$ 15,001,623</u>
Non-monetary items			
USD	52	31.4380 (USD:NTD)	\$ 1,623
JPY	54,393	0.2008 (JPY:NTD)	<u>10,922</u>
			<u>\$ 12,545</u> (Concluded)

December 31, 2024			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 561,199	32.781 (USD:NTD)	\$ 18,396,664
USD	4,793	156.2150 (USD:JPY)	157,119
JPY	1,940,977	0.2098 (JPY:NTD)	407,217
SGD	155	0.7359 (SGD:USD)	3,739
RMB	6,188	0.1370 (RMB:USD)	<u>27,792</u>
			<u>\$ 18,992,531</u>
Non-monetary items			
JPY	1,365	0.2098 (JPY:NTD)	<u>\$ 286</u>
<u>Financial liabilities</u>			
Monetary items			
USD	261,627	32.7810 (USD:NTD)	\$ 8,576,395
USD	157	156.2150 (USD:JPY)	5,147
EUR	9,267	34.1316 (EUR:NTD)	316,298
JPY	2,387,052	0.2098 (JPY:NTD)	<u>500,804</u>
			<u>\$ 9,398,644</u>
Non-monetary items			
USD	802	32.7810 (USD:NTD)	\$ 26,296
JPY	50,804	0.2098 (JPY:NTD)	<u>10,669</u>
			<u>\$ 36,965</u>

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange (loss) gains were \$(82,462) thousand and \$911,167 thousand, respectively. It is impractical to disclose net foreign exchange gains 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. Significant marketable securities held: Table 2 (attached).
- d. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached).
- e. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached).
- f. Derivative transactions: Note 7.
- g. Intercompany relationships and significant intercompany transactions: Table 5 (attached).
- h. Information of investees: Table 6 (attached).
- i. 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 (g).

35. SEGMENT INFORMATION

- a. 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 years ended December 31, 2025 and 2024 are shown in the consolidated income statements for the years ended December 31, 2025 and 2024. The segment assets as of December 31, 2025 and 2024 are shown in the consolidated balance sheets as of December 31, 2025 and 2024.

b. Geographical information

The Corporation's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below.

	Revenue		Non-current Assets	
	For the Year Ended December 31		December 31	
	2025	2024	2025	2024
Taiwan (the principal place of business of PTI)	\$ 30,729,287	\$ 14,072,499	\$ 69,994,824	\$ 55,547,996
Japan	20,693,320	22,691,850	3,545,789	3,416,660
America	13,445,864	13,269,647	-	-
Europe	3,236,847	1,718,756	-	-
Singapore	2,763,950	18,360,461	-	-
China, Hong Kong and Macao	2,420,191	1,571,006	-	-
Others	1,639,861	1,630,823	-	-
	\$ 74,929,320	\$ 73,315,042	\$ 73,540,613	\$ 58,964,656

Non-current assets exclude financial instruments, deferred tax assets, and other assets.

c. Major customers

Sales to customers amounting to at least 10% of total gross sales:

Customer	For the Year Ended December 31			
	2025		2024	
	Amount	% of Total	Amount	% of Total
A	\$ 15,791,669	21	\$ 15,208,796	21
B	14,896,326	20	16,111,879	22
C	7,526,344	10	8,921,762	12

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

DECEMBER 31, 2025

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Powertech Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other receivables	Y	\$ 3,080,924	\$ 3,080,924	\$ 3,089,924	2.0	Short-term Financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,558,117	\$ 3,558,117	Note 1
2	PTI Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other receivables	Y	2,357,850	2,357,850	2,357,850	2.0	Short-term Financing	-	Operating capital	-	-	-	3,739,229	3,739,229	Note 1
3	Powertech Technology Japan Ltd.	Powertech Technology Inc.	Other receivables	Y	377,256	377,256	377,256	1.45	Short-term Financing	-	Operating capital	-	-	-	3,035,147	3,035,147	Note 1

Note 1: Foreign subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company as a lender, the aggregate lending amount and the amount lending to a single company shall not exceed 100% of the Company's net worth as stated in its latest financial statement.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

(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, 2025				Note
				Number of Shares (In Thousands)	Carrying Value	% of Ownership	Fair Value	
Powertech Technology Inc.	<u>Shares</u> Solid state system Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,333	\$ 16,524	2	\$ 16,524	Note 3
Greatek Electronics Inc.	<u>Bond</u> P13 Taipower 2A	-	Financial assets at amortized cost - non-current	200	200,001	-	200,050	Note 2
	P14 (Taipower 1B)	-	Financial assets at amortized cost - non-current	200	200,001	-	199,992	Note 2
	P13 CPC Corporation, Taiwan ZA	-	Financial assets at amortized cost - non-current	100	100,000	-	100,162	Note 2
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	20,350	3,520,550	3	3,520,550	Note 1
	Daypower Energy Co., Ltd	-	Financial assets at fair value through other comprehensive income - non-current	2,000	40,000	8	40,000	Note 4
	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 the closing price of the shares as of December 31, 2025.

Note 2: The fair value was based on trading market in hundreds of new Taiwan dollars as of December 31, 2025.

Note 3: The fair value of privately placed shares was determined using valuation techniques as of December 31, 2025.

Note 4: The fair value was based on the carrying value as of December 31, 2025.

Note 5: As of December 31, 2025, the above marketable securities had not been pledged or mortgaged.

Note 6: The securities listed in this table are disclosed based on the Company's assessment of materiality.

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 YEAR ENDED DECEMBER 31, 2025
(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 Solution, Inc.	Corporate director's parent company	Sale	\$ 14,644,139	29.34	Note 1	-	-	\$ 4,718,268	36.86	-
		The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	350,638	0.70	Note 1	-	-	34,215	0.27	-
	Kingston Technology International Ltd.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	203,968	0.41	Note 1	-	-	12,029	0.09	-
	Kingston Digital International Ltd.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	271,220	0.54	Note 1	-	-	40,739	0.32	-
Greatek Electronics Inc.	Solid State Storage Technology Corporation	Corporate director's subsidiaries.	Purchase	759,320	3.69	Note 1	-	-	(146,719)	(2.21)	-
	Realtek Semiconductor Corp.	Parent company of Greatek Electronics Inc.'s corporate director.	Sale	876,968	5	Net 60 days from monthly closing date	Note 2	Equivalent	223,546	6	-
	Realtek Singapore Private Limited	Same parent company with Greatek Electronics Inc.'s corporate director.	Sale	349,052	2	Net 60 days from monthly closing date	Note 2	Equivalent	83,316	2	-
	Powertech Technology Inc.	Parent company of Greatek Electronics Inc.'s corporate director.	Sale	126,878	1	Net 90 days from monthly closing date	Note 2	Equivalent	39,228	1	-
TeraPower Technology Inc.	Kioxia Corporation	Parent company of corporate director of TeraPower Technology Inc.'s ultimate parent company.	Sale	252,186	3.72	Net 90 days from monthly closing date	-	-	61,470	3.95	-

Note 1: 35 to 90 days after the end of the month of the invoice date.

Note 2: The prices of goods Greatek Electronics Inc. sold to related parties is determined based on general transactions.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2025

(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	\$ 4,718,268	2.94	\$ -	-	\$ 3,001,389	\$ -
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent Company of Greatek Electronics Ino's corporate director	223,546	4.08	-	-	147,529	-

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR YEAR ENDED DECEMBER 31, 2025
(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	\$ 308	Note 3	-
	TeraPower Technology Inc.	1	Sales	7,761	Note 3	-
	Greatek Electronics Inc.	1	Sales	45,891	Note 3	-
	TeraPower Technology Inc.	1	Subcontract costs	200,189	Note 2	-
	Greatek Electronics Inc.	1	Subcontract costs	125,668	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Operating expenses	359	Note 2	-
	TeraPower Technology Inc.	1	Rent	2,029	Note 2	-
	TeraPower Technology Inc.	1	Other gains and losses	76,761	Note 2	-
	Greatek Electronics Inc.	1	Other gains and losses	59,143	Note 2	-
	Greatek Electronics Inc.	1	Disposal of property, plant and equipment	571	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Short-term bank loans	3,080,924	Note 2	3%
	PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Short-term bank loans	2,357,850	Note 2	2%
	Powertech Technology (Japan) Ltd.	1	Short-term bank loans	377,256	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Net interest expense	55,112	Note 2	-
	PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	1	Net interest expense	35,803	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Net interest expense	4,639	Note 2	-
	TeraPower Technology Inc.	1	Other receivables from related parties	8,538	Note 2	-
	TeraPower Technology Inc.	1	Accounts receivable from related parties	644	Note 3	-
	Greatek Electronics Inc.	1	Accounts receivable from related parties	1,947	Note 3	-
	TeraPower Technology Inc.	1	Contract assets	18	Note 2	-
	Greatek Electronics Inc.	1	Contract assets	43	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Other payables to related parties	23,449	Note 2	-
	TeraPower Technology Inc.	1	Other payables to related parties	58,980	Note 2	-
	Greatek Electronics Inc.	1	Other payables to related parties	39,421	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Other payables to related parties	7,480	Note 2	-
	PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Other payables to related parties	9,431	Note 2	-
	TeraPower Technology Inc.	1	Payables to equipment suppliers	495	Note 2	-
Tera Probe, Inc.	1	Other receivables from related parties	61,733	Note 2	-	
Greatek Electronics Inc.	Get-team Tech Corporation	1	Cost of revenue	176,894	Note 2	-
	Get-team Tech Corporation	1	Accounts payable to related parties	20,214	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.

Note 4: The disclosure of significant transactions in this table is subject to the Company's assessment of materiality.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION OF INVESTEES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2025	December 31, 2024	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	\$ 4,282,266	\$ 1,542,587	\$ 751,685	Notes 1 and 2
	Powertech Holding (BVI) Inc.	British Virgin Islands	Investment business	1,679,370	1,679,370	50	100	3,779,892	94,439	94,439	Note 1
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing services	6,169,948	6,169,948	244,064	43	9,847,339	2,451,180	1,045,924	Note 1
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 69,000	USD 69,000	69,000	100	3,558,117	85,971	85,971	Note 1
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	4,256,725	365,543	365,544	Notes 1 and 2
	Tera Probe, Inc.	Japan	Wafer probing test services	\$ 230,616	\$ 230,616	1,077	12	622,382	735,770	96,436	Notes 1 and 2
Greatek Electronics Inc.	Daypower Energy Co., Ltd.	New Taipei, Taiwan	Waste treatment	60,000	-	3,000	11	63,237	35,157	3,237	Note 1
	Get-Team Tech corporation	Hsinchu	Metal plating on semiconductor lead frame	171,523	171,523	7,796	97.46	114,168	(8,514)	(13,242)	Note 1
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 118,940	USD 3,028	USD 3,028	Note 1
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 117,925	USD 23,614	USD 11,526	Note 1
Tera Probe, Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	JPY4,348,056	JPY4,348,056	76,381	51	JPY4,348,056	JPY7,422,621	JPY3,785,537	Notes 1 and 2

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

Note 2: Including unrealized intercompany gains (losses).

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

DECEMBER 31, 2025

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

Equity-method Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investments from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investments from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2025 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2025	Note
					Outflow	Inflow							
Longforce Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 3,143,800 (US\$100,000)	Note 1	\$ 1,077,537 (US\$ 34,275)	\$ -	\$ -	\$ 1,077,537 (US\$ 34,275)	\$ 241,871 (US\$ 7,749)	30%	\$ 44,647 (US\$ 1,493)	\$ 1,229,868 (US\$ 39,120)	\$ -	-
Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing and assembly services	314,380 (US\$ 10,000)	Note 1	522,408 (US\$ 16,619)	-	-	522,468 (US\$ 16,619)	20,583 (US\$ 655)	100%	20,583 (US\$ 655)	787,920 (US\$ 25,063)	1,004,476 (US\$ 31,951)	-

Equity-method Investee Company	Accumulated Investments in Mainland China as of December 31, 2025 (In Thousands of USD)	Investment Amounts Authorized by the Investment Commission, MOEA (In Thousands of USD)	Ceiling Amount on of the Corporation's Investments in Mainland China
Longforce Technology (Suzhou) Ltd. Powertech Semiconductor (Xian) Co., Ltd.	US\$34,275 US\$16,619	US\$79,000 US\$70,000	\$33,774,466

Note 1: Investments in companies in mainland China were made through companies established in a third region.

Note 2: The amount was recognized on the basis of audited financial statements.

Note 3: Based on the exchange rate as of December 31, 2025.