

**Powertech Technology Inc. and
Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Powertech Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Powertech Technology Inc. and its subsidiaries (the "Corporation") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policies information (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of September 30, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT\$8,325,663 thousand and NT\$5,842,035 thousand, respectively, representing 7.76% and 5.25%, of the consolidated total assets, respectively; combined total liabilities of these non-significant subsidiaries were NT\$3,498,201 thousand and NT\$2,097,256 thousand, respectively, representing 9.33% and 4.53%, of the consolidated total liabilities, respectively. For the three months ended September 30, 2024 and 2023, the amounts of these non-significant subsidiaries' comprehensive income were NT\$186,004 thousand and NT\$48,384 thousand, respectively, representing 7.88% and 2.24%, respectively, of the consolidated total comprehensive income, respectively. For the nine months ended September 30, 2024 and 2023, the amounts of these non-significant subsidiaries' comprehensive income were NT\$166,845 thousand and NT\$180,940 thousand, respectively, representing 2.42% and 3.47%, of the consolidated total comprehensive income, respectively. And as disclosed in Note 14 to the consolidated financial

statements, the investments accounted for using equity method as of September 30, 2024 were NT\$1,201,130 thousand, and the share of loss of associates for using the equity method, for the three months and nine months ended September 30, 2024 were NT\$(13,973) thousand and NT\$(21,137) thousand, respectively, was recognition and disclosure based on the investments financial statements for the same period that have not been reviewed by Accountant, these investment amounts, as well as related information disclosed in Note 34 to the consolidated financial statements, were based on the unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries.

Qualified Conclusion

Based on our reviews, except for the consolidated financial statements of subsidiaries and Investment as well as related information disclosed referred to in preceding paragraph, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries, if those consolidated financial statements had been reviewed and any adjustments were determined to be necessary, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of the Corporation as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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



Deloitte & Touche
Taipei, Taiwan
Republic of China

November 8, 2024

Notice to Readers

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023		LIABILITIES AND EQUITY	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Note 6)	\$ 19,363,079	18	\$ 21,079,749	19	\$ 17,298,267	16	Short-term bank loans (Note 19)	\$ 66,690	-	\$ 65,190	-	\$ 64,830	-
Financial assets at fair value through profit or loss - current (Note 7)	50,857	-	28,659	-	3,482	-	Financial liabilities at fair value through profit or loss - current (Note 7)	212	-	504	-	25,874	-
Financial assets at amortized cost - current (Notes 9 and 30)	31,651	-	210,744	-	237,271	-	Contract liabilities - current (Note 23)	132,796	-	131,106	-	140,778	-
Contract assets - current (Notes 23 and 29)	2,426,685	2	2,363,716	2	2,313,199	2	Notes and accounts payable	4,970,654	5	4,952,699	5	4,836,682	5
Notes and accounts receivable (Notes 10 and 23)	11,097,261	11	11,503,525	10	11,852,721	11	Accounts payable to related parties (Note 29)	96,684	-	124,111	-	24,653	-
Receivables from related parties (Notes 23 and 29)	6,151,706	6	5,175,271	5	5,835,069	5	Bonus to employees and remuneration to directors (Note 24)	1,210,634	1	1,189,713	1	1,173,944	1
Other receivables	226,367	-	362,471	-	401,202	-	Payables to equipment suppliers	2,638,020	2	1,195,261	1	1,458,383	1
Other receivables from related parties (Note 29)	79,666	-	100,338	-	16,874	-	Other payables - related parties (Note 29)	86,744	-	126,714	-	39,366	-
Current tax assets (Notes 4 and 25)	-	-	-	-	73,286	-	Current income tax liabilities (Notes 4 and 25)	594,771	1	1,540,856	1	561,221	1
Inventories (Note 11)	5,315,846	5	6,680,554	6	7,605,459	7	Liabilities directly associated with disposal groups held for sale (Note 12)	-	-	-	-	248,252	-
Prepaid expenses (Note 18)	311,643	-	272,119	-	341,921	-	Lease liabilities - current (Note 16)	38,280	-	38,005	-	42,692	-
Disposal groups held for sale (Note 12)	-	-	-	-	2,209,991	2	Accrued expenses and other current liabilities (Note 20)	6,520,451	6	6,576,059	6	8,994,186	8
Other current assets (Notes 18 and 31)	608,818	1	417,137	1	497,256	1	Current portion of long-term debts (Notes 19 and 30)	1,185,085	1	567,909	1	271,499	-
Total current assets	45,663,579	43	48,194,283	43	48,685,998	44	Total current liabilities	17,541,021	16	16,508,127	15	17,882,360	16
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	25,453	-	34,662	-	30,722	-	Long-term debt (Notes 19 and 30)	17,673,933	17	23,197,987	21	25,895,658	23
Financial assets at amortized cost - non-current (Notes 9 and 30)	1,286,166	1	794,154	1	624,354	1	Deferred income tax liabilities (Notes 4 and 25)	301,366	-	354,366	-	422,687	1
Investments accounted for using the equity method (Note 14)	1,201,130	1	1,174,347	1	-	-	Lease liabilities - non-current (Note 16)	1,288,770	1	1,313,961	1	1,323,382	1
Property, plant and equipment (Notes 15, 29 and 30)	55,894,808	52	56,923,703	51	58,329,550	52	Net defined benefit liability - non-current (Notes 4 and 21)	62,120	-	92,414	-	171,709	-
Right-of-use assets (Note 16)	1,270,714	1	1,348,665	1	1,364,853	1	Other noncurrent liabilities (Note 20)	609,528	1	581,227	1	651,638	1
Intangible assets (Note 17)	1,106,561	1	1,107,074	1	1,110,217	1	Total non-current liabilities	19,935,717	19	25,539,955	23	28,465,074	26
Deferred income tax assets (Notes 4 and 25)	109,552	-	318,920	1	174,247	-	Total liabilities	37,476,738	35	42,048,082	38	46,347,434	42
Net defined benefit assets - non-current (Notes 4 and 21)	2,643	-	2,643	-	2,539	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 12 and 22)						
Other non-current assets (Notes 18 and 31)	792,706	1	1,256,114	1	970,121	1	Capital stock						
Total non-current assets	61,689,733	57	62,960,282	57	62,606,603	56	Common stock	7,591,466	7	7,591,466	7	7,591,466	7
							Capital surplus	319,796	-	237,071	-	232,196	-
							Retained earnings						
							Legal reserve	10,852,212	10	10,051,723	9	10,051,723	9
							Special reserve	732,267	1	602,228	-	602,228	1
							Unappropriated earnings	36,608,134	34	37,588,110	34	33,626,802	30
							Total retained earnings	48,192,613	45	48,242,061	43	44,280,753	40
							Other equity	(457,106)	-	(732,267)	(1)	(529,647)	(1)
							Treasury stock	(468,802)	(1)	(468,802)	-	(468,802)	-
							Equity attributable to shareholders of the Parent	55,177,967	51	54,869,529	49	51,105,966	46
							NON-CONTROLLING INTERESTS (Notes 13 and 22)	14,698,607	14	14,236,954	13	13,839,201	12
							Total equity	69,876,574	65	69,106,483	62	64,945,167	58
TOTAL	\$ 107,353,312	100	\$ 111,154,565	100	\$ 111,292,601	100	TOTAL	\$ 107,353,312	100	\$ 111,154,565	100	\$ 111,292,601	100

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

(With Deloitte & Touche review report dated November 8, 2024)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 23 and 29)	\$ 18,302,252	100	\$ 18,448,971	100	\$ 56,217,613	100	\$ 51,407,093	100
COST OF REVENUE(Notes 11, 24 and 29)	<u>14,378,296</u>	<u>79</u>	<u>15,172,960</u>	<u>82</u>	<u>45,361,079</u>	<u>81</u>	<u>42,708,559</u>	<u>83</u>
GROSS PROFIT	<u>3,923,956</u>	<u>21</u>	<u>3,276,011</u>	<u>18</u>	<u>10,856,534</u>	<u>19</u>	<u>8,698,534</u>	<u>17</u>
OPERATING EXPENSES (Note 24)								
Marketing	53,628	-	61,097	-	155,612	-	182,901	-
General and administrative	398,606	2	563,996	3	1,199,015	2	1,291,063	3
Research and development	704,529	4	633,832	4	2,113,040	4	1,655,427	3
Expected credit gain (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(528)</u>	<u>-</u>
Total operating expenses	<u>1,156,763</u>	<u>6</u>	<u>1,258,925</u>	<u>7</u>	<u>3,467,667</u>	<u>6</u>	<u>3,128,863</u>	<u>6</u>
OPERATING INCOME	<u>2,767,193</u>	<u>15</u>	<u>2,017,086</u>	<u>11</u>	<u>7,388,867</u>	<u>13</u>	<u>5,569,671</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 24)	79,045	1	65,149	-	264,829	-	199,902	-
Other gains and losses (Notes 24 and 29)	230,768	1	(81,317)	-	401,700	1	67,396	-
Other income (Note 24)	4,053	-	3,645	-	10,317	-	9,546	-
Financial costs (Note 24)	(58,687)	-	(87,117)	(1)	(186,585)	-	(249,448)	-
Share of loss of associates for using the equity method (Note 14)	(13,973)	-	-	-	(21,137)	-	-	-
Foreign exchange gains (loss), net (Notes 24 and 33)	<u>(303,959)</u>	<u>(2)</u>	<u>673,850</u>	<u>4</u>	<u>490,548</u>	<u>1</u>	<u>965,173</u>	<u>2</u>
Total non-operating income and expenses	<u>(62,753)</u>	<u>-</u>	<u>574,210</u>	<u>3</u>	<u>959,672</u>	<u>2</u>	<u>992,569</u>	<u>2</u>
INCOME BEFORE INCOME TAX	2,704,440	15	2,591,296	14	8,348,539	15	6,562,240	13
INCOME TAX EXPENSE (Notes 4 and 25)	<u>552,170</u>	<u>3</u>	<u>597,841</u>	<u>3</u>	<u>1,776,361</u>	<u>3</u>	<u>1,406,037</u>	<u>3</u>
NET INCOME	<u>2,152,270</u>	<u>12</u>	<u>1,993,455</u>	<u>11</u>	<u>6,572,178</u>	<u>12</u>	<u>5,156,203</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (Note 22)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (losses) on investments in equity instruments designated as at fair value through other comprehensive income	-	-	(46)	-	(8,041)	-	13,579	-

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ 209,137	1	\$ 167,980	1	\$ 331,891	-	\$ 37,608	-
Total other comprehensive (loss) income	209,137	1	167,934	1	323,850	-	51,187	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 2,361,407</u>	<u>13</u>	<u>\$ 2,161,389</u>	<u>12</u>	<u>\$ 6,896,028</u>	<u>12</u>	<u>\$ 5,207,390</u>	<u>10</u>
NET INCOME ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 1,700,289	9	\$ 1,573,066	9	\$ 5,265,208	10	\$ 4,043,580	8
Non-controlling interests	451,981	3	420,389	2	1,306,970	2	1,112,623	2
	<u>\$ 2,152,270</u>	<u>12</u>	<u>\$ 1,993,455</u>	<u>11</u>	<u>\$ 6,572,178</u>	<u>12</u>	<u>\$ 5,156,203</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 1,761,476	10	\$ 1,734,146	10	\$ 5,539,739	10	\$ 4,048,378	8
Non-controlling interests	599,931	3	427,243	2	1,356,289	2	1,159,012	2
	<u>\$ 2,361,407</u>	<u>13</u>	<u>\$ 2,161,389</u>	<u>12</u>	<u>\$ 6,896,028</u>	<u>12</u>	<u>\$ 5,207,390</u>	<u>10</u>
EARNINGS PER SHARE								
(Note 26)								
Basic	\$ 2.28		\$ 2.10		\$ 7.05		\$ 5.41	
Diluted	\$ 2.27		\$ 2.10		\$ 7.01		\$ 5.38	

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

(With Deloitte & Touche review report dated November 8, 2024)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Corporation											Non-controlling Interests	Total Equity	
	Capital Stock		Capital Surplus	Unappropriated			Equity Directly Associated with Disposal Groups Held for Sale	Other Equity		Treasury Share	Total			
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE, JANUARY 1, 2023	759,147	\$ 7,591,466	\$ 149,540	\$ 9,181,307	\$ 710,623	\$ 35,659,269	\$ -	\$ (501,790)	\$ (32,655)	\$ (534,445)	\$ (468,802)	\$ 52,288,958	\$ 14,034,080	\$ 66,323,038
Appropriation of 2022 earnings	-	-	-	870,416	-	(870,416)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	870,416	-	(870,416)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(108,395)	108,395	-	-	-	-	-	-	-	-
Cash dividends distributed by the Parent	-	-	-	-	-	(5,314,026)	-	-	-	-	-	(5,314,026)	-	(5,314,026)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,353,965)	(1,353,965)
Net income for the nine months ended September 30, 2023	-	-	-	-	-	4,043,580	-	-	-	-	-	4,043,580	1,112,623	5,156,203
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	-	(8,781)	13,579	4,798	-	4,798	46,389	51,187
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	4,043,580	-	(8,781)	13,579	4,798	-	4,048,378	1,159,012	5,207,390
Donations from shareholders	-	-	56	-	-	-	-	-	-	-	-	56	74	130
Equity directly associated with disposal groups held for sale	-	-	-	-	-	-	(44,344)	44,344	-	-	-	-	-	-
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	82,600	-	-	-	-	-	-	-	-	82,600	-	82,600
BALANCE, SEPTEMBER 30, 2023	<u>759,147</u>	<u>\$ 7,591,466</u>	<u>\$ 232,196</u>	<u>\$ 10,051,723</u>	<u>\$ 602,228</u>	<u>\$ 33,626,802</u>	<u>\$ (44,344)</u>	<u>\$ (466,227)</u>	<u>\$ (19,076)</u>	<u>\$ (529,647)</u>	<u>\$ (468,802)</u>	<u>\$ 51,105,966</u>	<u>\$ 13,839,201</u>	<u>\$ 64,945,167</u>
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	-	-	-	800,489	-	(800,489)	-	-	-	-	-	-	-	-
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 nine months ended September 30, 2024	-	-	-	-	-	5,265,208	-	-	-	-	-	5,265,208	1,306,970	6,572,178
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	282,572	(8,041)	274,531	-	274,531	49,319	323,850
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	5,265,208	-	282,572	(8,041)	274,531	-	5,539,739	1,356,289	6,896,028
Adjustment of capital surplus due to increase from dividends distributed to subsidiaries	-	-	82,600	-	-	-	-	-	-	-	-	82,600	-	82,600
Changes in percentage of ownership interests in subsidiaries	-	-	125	-	-	-	-	-	-	-	-	125	(188)	(63)
BALANCE, SEPTEMBER 30, 2024	<u>759,147</u>	<u>\$ 7,591,466</u>	<u>\$ 319,796</u>	<u>\$ 10,852,212</u>	<u>\$ 732,267</u>	<u>\$ 36,608,134</u>	<u>\$ -</u>	<u>\$ (434,559)</u>	<u>\$ (22,547)</u>	<u>\$ (457,106)</u>	<u>\$ (468,802)</u>	<u>\$ 55,177,967</u>	<u>\$ 14,698,607</u>	<u>\$ 69,876,574</u>

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

(With Deloitte & Touche review report dated November 8, 2024)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 8,348,539	\$ 6,562,240
Adjustments for:		
Depreciation	9,575,060	10,278,784
Amortization	18,906	23,049
Expected credit loss reversed	-	(528)
Net loss on fair value change of financial assets designated as at fair value through profit or loss	35,435	8,610
Financial costs	186,585	249,448
Interest revenue	(264,829)	(199,902)
Net gain on disposal of property, plant and equipment	(290,844)	(106,227)
Property, plant and equipment transfer to expenses	5,322	804
Share of loss of associate	21,137	-
Proceeds from disposal of intangible assets	-	650
Impairment loss on financial assets	-	10,000
Net gain on foreign currency exchange, net	(527,511)	(595,031)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	140,936	54,527
Contract assets	(62,969)	285,022
Notes and accounts receivable	527,345	(2,590,009)
Accounts receivable from related parties	(917,507)	(479,264)
Other receivables	174,599	(51,941)
Decrease in other receivables from related parties	22,745	51,121
Inventories	1,364,708	3,088,730
Prepayments	(39,524)	76,056
Other current assets	(181,023)	210,271
Financial liabilities held for trading	(198,861)	18,428
Contract liabilities	1,690	(86,081)
Notes and accounts payable	(12,313)	(705,014)
Accounts payable to related parties	(29,752)	(59,956)
Bonus to employees and remuneration of directors	20,921	(248,457)
Other payables to related parties	(39,970)	7,052
Accrued expenses and other current liabilities	(9,784)	(1,011,192)
Net defined benefit liabilities	(30,294)	(110,713)
Other payables	1,812	(5,740)
Cash generated from operations	17,840,559	14,674,737
Interest received	268,695	177,472
Interest paid	(207,507)	(325,880)
Income tax paid	(2,566,078)	(2,103,955)
Net cash generated from operating activities	<u>15,335,669</u>	<u>12,422,374</u>
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	(669,581)	(404,921)
Proceeds from sale of financial assets at amortized cost	375,993	50,000
Advance collection on disposal of subsidiary	-	1,894,346

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Acquisition of property, plant and equipment	\$ (7,737,095)	\$ (6,305,875)
Disposal of property, plant and equipment	1,085,315	241,613
Decrease in refundable deposits	147,415	130,131
Increase in intangible assets	(13,044)	(12,949)
Decrease in lease receivable	24,854	-
Decrease in prepayments for equipment	<u>345,546</u>	<u>22,360</u>
Net cash used in investing activities	<u>(6,439,429)</u>	<u>(4,385,295)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	1,500	(4,890)
Increase in long-term debts	4,688,491	6,800,000
Decrease in long-term debts	(9,624,222)	(11,113,336)
Increase (decrease) in guarantee deposits	10,136	(86,945)
Repayment of the principal portion of lease liabilities	(29,029)	(53,548)
Dividends paid to shareholders of the Corporation	(5,231,426)	(5,231,426)
Payments for buy-back of treasury share	(63)	-
Dividends paid to non-controlling interests	(894,448)	(1,353,965)
Donations from shareholders	<u>-</u>	<u>130</u>
Net cash used in financing activities	<u>(11,079,061)</u>	<u>(11,043,980)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>466,151</u>	<u>373,974</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,716,670)	(2,632,927)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>21,079,749</u>	<u>20,373,424</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 19,363,079</u>	<u>\$ 17,740,497</u>
	September 30	
	2023	2022
Cash and cash equivalents in the consolidated balance sheets	\$ 19,363,079	\$ 17,298,267
Cash and cash equivalents included in disposal groups held for sale	<u>-</u>	<u>442,230</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 19,363,079</u>	<u>\$ 17,740,497</u>

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

(With Deloitte & Touche review report dated November 8, 2024)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on November 8, 2024.

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

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

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

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

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

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

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

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

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

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

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

d. Other significant accounting policies

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

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

Current assets include:

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

Current liabilities include:

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

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

2) Retirement benefits

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

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Checking accounts and demand deposits	\$ 19,362,828	\$ 21,079,526	\$ 17,297,945
Cash on hand	<u>251</u>	<u>223</u>	<u>322</u>
	<u>\$ 19,363,079</u>	<u>\$ 21,079,749</u>	<u>\$ 17,298,267</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Bank deposits	0%-5.20%	0%-5.72%	0%-5.39%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 50,857</u>	<u>\$ 28,659</u>	<u>\$ 3,482</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>\$ 212</u>	<u>\$ 504</u>	<u>\$ 25,874</u>

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

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>September 30, 2024</u>			
Sell forward exchange contracts	USD to NTD	2024.10.02-2024.12.31	USD 108,600
	USD to JPY	2024.10.01-2025.01.31	USD 17,500
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD to NTD	2024.01.02-2024.04.09	USD 33,635
	USD to JPY	2024.01.15-2024.05.07	USD 9,511
	USD to CNY	2024.01.10-2024.01.29	USD 3,369

(Continued)

	Currency	Maturity Date	Contract Amounts (In Thousands)
<u>September 30, 2023</u>			
Sell forward exchange contracts	USD to NTD	2023.10.03-2023.11.13	USD 20,400
	USD to JPY	2023.10.13-2024.01.31	USD 9,081
	USD to CNY	2023.10.12-2023.10.17	USD 3,020
Buy forward exchange contracts	USD to JPY	2023.10.02-2023.10.31	USD 1,950 (Concluded)

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares			
Ordinary shares - Solid State System Co., Ltd.	\$ 25,453	\$ 34,662	\$ 30,722

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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Domestic investments			
Corporate bonds - P08 Taiwan Power Company 3A Bond	\$ -	\$ 50,000	\$ 50,000
Time deposits with original maturities of more than 3 months	-	-	136,493
Pledged time deposits	-	-	18,510
Restricted deposit	31,651	160,744	32,268
	<u>\$ 31,651</u>	<u>\$ 210,744</u>	<u>\$ 237,271</u>
			(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Corporate bonds - P13 Taiwan Power Company 2A Bond	\$ 200,001	\$ -	\$ -
Corporate bonds - P13 Corporation, Taiwan Company 2A Bond	100,000	-	-
Time deposits with original maturities of more than 3 months	733,590	586,710	475,420
Pledged time deposits	<u>252,575</u>	<u>207,444</u>	<u>148,934</u>
	<u>\$ 1,286,166</u>	<u>\$ 794,154</u>	<u>\$ 624,354</u> (Concluded)

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

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

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

The ranges of interest rates for time deposits with original maturities of more than 3 months was 0.1%-0.225%, 0.001%-0.035% and 0.001%-1.95% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

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

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

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 31,118</u>	<u>\$ 16,338</u>	<u>\$ 16,104</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	11,131,447	11,552,491	11,901,921
Less: Allowance for impairment loss	<u>(65,304)</u>	<u>(65,304)</u>	<u>(65,304)</u>
	<u>11,066,143</u>	<u>11,487,187</u>	<u>11,836,617</u>
	<u>\$ 11,097,261</u>	<u>\$ 11,503,525</u>	<u>\$ 11,852,721</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. 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.

September 30, 2024

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 11,112,804	\$ 12,561	\$ 1,122	\$ 222	\$ 4,738	\$ 11,131,447
Loss allowance (Lifetime ECLs)	<u>(47,279)</u>	<u>(12,313)</u>	<u>(752)</u>	<u>(222)</u>	<u>(4,738)</u>	<u>(65,304)</u>
Amortized cost	<u>\$ 11,065,525</u>	<u>\$ 248</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,066,143</u>

December 31, 2023

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

September 30, 2023

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 11,882,756	\$ 5,967	\$ 7,048	\$ 101	\$ 6,049	\$ 11,901,921
Loss allowance (Lifetime ECLs)	<u>(51,471)</u>	<u>(5,967)</u>	<u>(2,253)</u>	<u>(101)</u>	<u>(5,512)</u>	<u>(65,304)</u>
Amortized cost	<u>\$ 11,831,285</u>	<u>\$ -</u>	<u>\$ 4,795</u>	<u>\$ -</u>	<u>\$ 537</u>	<u>\$ 11,836,617</u>

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

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

11. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 4,769,604	\$ 6,158,770	\$ 7,058,465
Supplies	<u>546,242</u>	<u>521,784</u>	<u>546,994</u>
	<u>\$ 5,315,846</u>	<u>\$ 6,680,554</u>	<u>\$ 7,605,459</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Cost of inventories sold	<u>\$ 14,378,296</u>	<u>\$ 15,172,960</u>	<u>\$ 45,361,079</u>	<u>\$ 42,708,559</u>
Write-downs of inventories	<u>\$ 48,987</u>	<u>\$ 51,284</u>	<u>\$ 69,627</u>	<u>\$ 67,093</u>
Sales of scrap	<u>\$ 68,473</u>	<u>\$ 45,887</u>	<u>\$ 178,182</u>	<u>\$ 124,156</u>

12. DISPOSAL GROUPS HELD FOR SALE

Disposal groups held for sale

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

	September 30, 2023
Cash and cash equivalents	\$ 442,230
Contract assets	47,123
Receivables	275,974
Other receivables	13,510
Inventories	58,637
Other current assets	13,182
Property, plant and equipment	1,306,521
Right-of-use assets	51,114
Intangible assets	1,283
Deferred income tax assets	<u>417</u>
Total disposal groups held for sale	<u>\$ 2,209,991</u>

(Continued)

	September 30, 2023
Accounts payable	\$ 85,252
Payables to equipment suppliers	13,379
Accrued expenses and other current liabilities	<u>149,621</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 248,252</u>
Equity directly associated with disposal groups held for sale	<u>\$ (44,344)</u> (Concluded)

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

13. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
Powertech Technology Inc.	POWERTECH HOLDING (BVI) INC.	Investment business	100	100	100	Note 2
	Greatek Electronics Inc. ("GEL")	Semiconductor assembly and testing service	43	43	43	Notes 1 and 3
	Powertech Technology (Singapore) Pte. Ltd.	Investment business	100	100	100	Note 2
	Powertech (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	36	Note 6
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	-	-	9	Note 5
	Powertech Technology Japan Ltd.	Investment business	100	100	100	Note 2
	Tera Probe, Inc.	Wafer probing test services	12	12	12	Notes 2 and 3
	TeraPower Technology Inc.	Wafer probing test services	49	49	49	-
POWERTECH HOLDING (BVI) INC.	PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Investment business	100	100	100	Note 2
PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	-	-	72	Note 5
Powertech Technology (Singapore) Pte. Ltd.	Powertech Semiconductor (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	64	Note 6
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	-	-	19	Note 5
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Wafer probing test services	49	49	49	Notes 2 and 3
	Powertech Technology Akita Inc.	Semiconductor assembly and testing service	-	100	100	Notes 2 and 4
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	51	-
Greatek Electronics Inc. ("GEL")	Get-Team Tech Corporation	Metal surface treatment of semiconductor wire frame	97.46	97.46	97.46	Note 2

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

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

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

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

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

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

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

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

Name of Subsidiary	Profit or Loss Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended September 30		For the Nine Months Ended September 30		September 30, 2024	December 31, 2023	September 30, 2023
	2024	2023	2024	2023			
Greatek Electronics Inc. (Excluding non-controlling interest in subsidiary)	\$ 382,515	\$ 337,518	\$ 1,089,873	\$ 876,936	\$ 11,724,099	\$ 11,438,485	\$ 11,179,506
Tera Probe, Inc.	\$ 69,592	\$ 83,029	\$ 217,431	\$ 236,031	\$ 2,972,203	\$ 2,795,830	\$ 2,656,894

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.

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 10,746,527	\$ 9,472,652	\$ 8,902,974
Non-current assets	14,623,318	15,040,004	14,905,479
Current liabilities	(3,093,733)	(2,644,685)	(2,738,309)
Non-current liabilities	(294,481)	(335,166)	(457,534)
Equity	<u>\$ 21,981,631</u>	<u>\$ 21,532,805</u>	<u>\$ 20,612,610</u>
Equity attributable to:			
Owners of the Parent	\$ 9,430,270	\$ 9,237,557	\$ 8,842,676
Non-controlling interests	12,549,056	12,292,609	11,767,133
Non-controlling interests from subsidiary	<u>2,305</u>	<u>2,639</u>	<u>2,801</u>
	<u>\$ 21,981,631</u>	<u>\$ 21,532,805</u>	<u>\$ 20,612,610</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating revenue	\$ 3,860,242	\$ 3,510,939	\$ 11,325,759	\$ 10,043,292
Net income for the period	\$ 673,037	\$ 594,191	\$ 1,918,141	\$ 1,545,176
Other comprehensive income for the period	(601,800)	(41,300)	(47,200)	263,140
Total comprehensive income for the period	\$ 71,237	\$ 552,891	\$ 1,870,941	\$ 1,808,316
Net income attributable to:				
Owners of the Parent	\$ 288,822	\$ 255,007	\$ 823,125	\$ 663,108
Non-controlling interests	384,341	339,342	1,095,350	882,412
Non-controlling interests from subsidiary	(126)	(158)	(334)	(344)
	\$ 673,037	\$ 594,191	\$ 1,918,141	\$ 1,545,176
Total comprehensive income attributable to:				
Owners of the Parent	\$ 30,618	\$ 237,288	\$ 802,874	\$ 776,009
Non-controlling interests	40,745	315,761	1,068,401	1,032,651
Non-controlling interests from subsidiary	(126)	(158)	(334)	(344)
	\$ 71,237	\$ 552,891	\$ 1,870,941	\$ 1,808,316
Net cash inflow (outflow) from:				
Operating activities	\$ 1,396,229	\$ 947,631	\$ 4,159,100	\$ 3,061,513
Investing activities	(469,266)	(188,494)	(1,760,396)	(1,059,033)
financing activities	(1,424,462)	(2,123,575)	(1,442,181)	(2,161,093)
Net cash (outflow) inflow	\$ (497,499)	\$ (1,364,438)	\$ 956,523	\$ (158,613)

Tera Probe, Inc.

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 2,391,174	\$ 1,944,557	\$ 2,070,967
Non-current assets	7,414,195	6,000,288	5,753,443
Current liabilities	(1,391,529)	(585,856)	(736,948)
Non-current liabilities	(1,164,262)	(525,330)	(539,818)
Equity	\$ 7,249,578	\$ 6,833,659	\$ 6,547,644
Equity attributable to:			
Owners of the Parent	\$ 4,396,881	\$ 4,144,615	\$ 3,971,147
Non-controlling interests	2,852,697	2,689,044	2,576,497
	\$ 7,249,578	\$ 6,833,659	\$ 6,547,644

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Operating revenue for the period	<u>\$ 481,866</u>	<u>\$ 510,867</u>	<u>\$ 1,513,454</u>	<u>\$ 1,548,375</u>
Net income	\$ 171,293	\$ 211,287	\$ 525,221	\$ 641,570
Other comprehensive income (loss) for the period	<u>(319,946)</u>	<u>(12,006)</u>	<u>(69,899)</u>	<u>224,817</u>
Total comprehensive income for the period	<u>\$ (148,653)</u>	<u>\$ 199,281</u>	<u>\$ 455,322</u>	<u>\$ 866,387</u>
Net income attributable to:				
Owners of the Parent	\$ 103,889	\$ 128,142	\$ 318,547	\$ 389,102
Non-controlling interests	<u>67,404</u>	<u>83,145</u>	<u>206,674</u>	<u>252,468</u>
	<u>\$ 171,293</u>	<u>\$ 211,287</u>	<u>\$ 525,221</u>	<u>\$ 641,570</u>
Total comprehensive income attributable to:				
Owners of the Parent	\$ (90,159)	\$ 120,860	\$ 276,153	\$ 525,450
Non-controlling interests	<u>(58,494)</u>	<u>78,421</u>	<u>179,169</u>	<u>340,937</u>
	<u>\$ (148,653)</u>	<u>\$ 199,281</u>	<u>\$ 455,322</u>	<u>\$ 866,387</u>
Net cash inflow (outflow) from:				
Operating activities	\$ 542,289	\$ 410,681	\$ 846,838	\$ 1,358,231
Investing activities	(1,780,081)	(626,141)	(1,730,143)	(1,309,512)
financing activities	<u>934,863</u>	<u>(738,430)</u>	<u>582,117</u>	<u>(1,028,388)</u>
Net cash (outflow) inflow	<u>\$ (302,929)</u>	<u>\$ (953,890)</u>	<u>\$ (301,188)</u>	<u>\$ (979,669)</u>

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Associates that are not individually material			
Longforce Technology (Suzhou) Ltd.	<u>\$ 1,201,130</u>	<u>\$ 1,174,347</u>	<u>\$ -</u>

a. Aggregate information of associates that are not individually material

	For the Nine Months Ended September 30	
	2024	2023
The Group's share of:		
Loss from continuing operations	<u>\$ (21,137)</u>	<u>\$ -</u>

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

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

15. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2024		December 31, 2023		September 30, 2023					
Assets used by the Corporation	<u>\$ 55,894,808</u>		<u>\$ 56,923,703</u>		<u>\$ 58,329,550</u>					
	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
Cost										
Balance at January 1, 2024	\$ 4,747,802	\$ 34,616,943	\$ 105,041,454	\$ 1,941,091	\$ 84,077	\$ 3,450,426	\$ 1,375,779	\$ 2,613,092	\$ 334,257	\$ 154,204,921
Additions	-	110,802	563,363	14,911	-	34,800	1,844,282	6,350,451	276,163	9,194,772
Disposals	(28,140)	(253,659)	(7,675,637)	(176,033)	(4,383)	(365,066)	(2,341)	-	(292,281)	(8,797,540)
Reclassified	371,101	1,519,722	4,509,625	38,922	-	153,275	(1,648,871)	(4,830,993)	-	112,781
Effects of foreign currency exchange differences	325	27,528	285,090	14,073	2,084	12,331	29,423	4,890	-	375,744
Balance at September 30, 2024	<u>5,091,088</u>	<u>36,021,336</u>	<u>102,723,895</u>	<u>1,832,964</u>	<u>81,778</u>	<u>3,285,766</u>	<u>1,598,272</u>	<u>4,137,440</u>	<u>318,139</u>	<u>155,090,678</u>
Accumulated depreciation										
Balance at January 1, 2024	-	14,870,674	76,748,697	1,624,092	7,689	3,019,057	-	-	-	96,270,209
Depreciation expenses	-	1,370,124	7,642,385	99,444	202	135,234	-	-	292,281	9,539,670
Disposals	-	(165,773)	(6,299,593)	(164,577)	(4,383)	(321,811)	-	-	(292,281)	(7,248,418)
Reclassified	-	-	80,737	-	-	-	-	-	-	80,737
Effects of foreign currency exchange differences	-	5,730	220,825	12,784	806	11,403	-	-	-	251,548
Balance at September 30, 2024	<u>-</u>	<u>16,080,755</u>	<u>78,393,051</u>	<u>1,571,743</u>	<u>4,314</u>	<u>2,843,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,893,746</u>
Accumulated impairment										
Balance at January 1, 2024	1,376	240,823	617,298	39,739	52,544	-	-	59,229	-	1,011,009
Disposals	-	(192,703)	(484,146)	(9,763)	-	-	-	-	-	(686,612)
Effects of foreign currency exchange differences	32	(7,258)	(17,953)	334	1,209	-	-	1,363	-	(22,273)
Balance at September 30, 2024	<u>1,408</u>	<u>40,862</u>	<u>115,199</u>	<u>30,310</u>	<u>53,753</u>	<u>-</u>	<u>-</u>	<u>60,592</u>	<u>-</u>	<u>302,124</u>
Carrying amount at September 30, 2024	<u>\$ 5,089,680</u>	<u>\$ 19,899,719</u>	<u>\$ 24,215,645</u>	<u>\$ 230,911</u>	<u>\$ 23,711</u>	<u>\$ 441,883</u>	<u>\$ 1,598,272</u>	<u>\$ 4,076,848</u>	<u>\$ 318,139</u>	<u>\$ 55,894,808</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 4,746,426</u>	<u>\$ 19,505,446</u>	<u>\$ 27,675,459</u>	<u>\$ 277,260</u>	<u>\$ 23,844</u>	<u>\$ 431,369</u>	<u>\$ 1,375,779</u>	<u>\$ 2,553,863</u>	<u>\$ 334,257</u>	<u>\$ 56,923,703</u>
Cost										
Balance at January 1, 2023	\$ 4,413,047	\$ 33,893,248	\$ 108,666,245	\$ 2,525,225	\$ 89,217	\$ 3,609,960	\$ 3,029,234	\$ 6,864,129	\$ 334,900	\$ 163,425,205
Additions	-	247,853	83,680	16,077	-	54,159	705,809	3,975,263	239,866	5,322,707
Disposals	(10,951)	(26,926)	(806,600)	(20,558)	-	(99,599)	-	(8,483)	(244,590)	(1,217,707)
Reclassified	-	2,528,169	6,799,239	37,985	-	101,548	(2,175,589)	(7,303,181)	-	(11,829)
Reclassified as held for sale	-	(2,286,331)	(2,556,403)	(524,720)	-	-	-	(73,513)	-	(5,440,967)
Effects of foreign currency exchange differences	(971)	(52,037)	(155,164)	(27,795)	(5,049)	16,279	-	(29,551)	-	(254,288)
Balance at September 30, 2023	<u>4,401,125</u>	<u>34,303,976</u>	<u>112,030,997</u>	<u>2,006,214</u>	<u>84,168</u>	<u>3,682,347</u>	<u>1,559,454</u>	<u>3,424,664</u>	<u>330,176</u>	<u>161,823,121</u>
Accumulated depreciation										
Balance at January 1, 2023	-	14,718,850	77,437,263	2,019,828	7,528	3,180,834	-	-	-	97,364,303
Depreciation expenses	-	1,392,086	8,318,786	133,002	1,333	137,582	-	-	244,590	10,227,379
Disposals	-	(13,922)	(705,160)	(19,376)	-	(99,271)	-	-	(244,590)	(1,082,319)
Reclassified	-	-	(5,232)	-	-	-	-	-	-	(5,232)
Reclassified as held for sale	-	(1,390,210)	(2,023,265)	(451,819)	-	-	-	-	-	(3,865,294)
Effects of foreign currency exchange differences	-	(19,115)	(106,403)	(23,000)	(854)	15,139	-	-	-	(134,233)
Balance at September 30, 2023	<u>-</u>	<u>14,687,689</u>	<u>82,915,989</u>	<u>1,658,635</u>	<u>8,007</u>	<u>3,234,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,504,604</u>
Accumulated impairment										
Balance at January 1, 2023	1,472	433,962	622,603	87,227	56,195	-	1,965	39,242	-	1,242,666
Disposals	-	-	(2)	-	-	-	-	-	-	(2)
Reclassified	-	-	-	-	-	-	(1,892)	1,892	-	-
Reclassified as held for sale	-	(200,194)	(22,301)	(46,657)	-	-	-	-	-	(269,152)
Effects of foreign currency exchange differences	(103)	6,834	15,994	(439)	(3,941)	-	(73)	(2,817)	-	15,455
Balance at September 30, 2023	<u>1,369</u>	<u>240,602</u>	<u>616,294</u>	<u>40,131</u>	<u>52,254</u>	<u>-</u>	<u>-</u>	<u>38,317</u>	<u>-</u>	<u>988,967</u>
Carrying amount at September 30, 2023	<u>\$ 4,399,756</u>	<u>\$ 19,375,685</u>	<u>\$ 28,498,714</u>	<u>\$ 307,448</u>	<u>\$ 23,907</u>	<u>\$ 448,063</u>	<u>\$ 1,559,454</u>	<u>\$ 3,386,347</u>	<u>\$ 330,176</u>	<u>\$ 58,329,550</u>

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

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Land	\$ 1,234,375	\$ 1,261,971	\$ 1,271,183
Buildings	21,010	26,262	28,013
Machinery and equipment	9,581	57,924	62,837
Transportation equipment	<u>5,748</u>	<u>2,508</u>	<u>2,820</u>
	<u>\$ 1,270,714</u>	<u>\$ 1,348,665</u>	<u>\$ 1,364,853</u>
	For the Three Months Ended September 30	For the Nine Months Ended September 30	
	2024	2023	2024
	2023	2024	2023
Additions to right-of-use assets			<u>\$ 4,113</u>
			<u>\$ 8,158</u>
Depreciation charge for right-of-use assets			
Land	\$ 9,217	\$ 9,212	\$ 27,650
Buildings	1,750	1,751	5,252
Machinery and equipment	379	5,228	1,179
Transportation equipment	<u>591</u>	<u>351</u>	<u>1,309</u>
	<u>\$ 11,937</u>	<u>\$ 16,542</u>	<u>\$ 35,390</u>
			<u>\$ 51,405</u>

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

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	\$ 38,280	\$ 38,005	\$ 42,692
Non-current	\$ 1,288,770	\$ 1,313,961	\$ 1,323,382

Range of discount rates for lease liabilities was as follows:

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

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 3,795	\$ 2,774	\$ 8,523	\$ 10,291
Total cash outflow for leases			\$ (37,552)	\$ (63,839)

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

17. INTANGIBLE ASSETS

	Computer Software	Goodwill	Business Secrets	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 625,715	\$ 997,715	\$ 41,383	\$ 249,135	\$ 220,775	\$ 9,317	\$ 88,894	\$ 2,232,934
Additions	13,044	-	-	-	-	-	-	13,044
Disposals	(113,497)	-	-	(37,294)	-	-	-	(150,791)
Reclassified	4,308	-	-	-	-	-	-	4,308
Effects of foreign currency exchange differences	5,564	-	-	843	-	23	-	6,430
Balance at September 30, 2024	<u>535,134</u>	<u>997,715</u>	<u>41,383</u>	<u>212,684</u>	<u>220,775</u>	<u>9,340</u>	<u>88,894</u>	<u>2,105,925</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2024	525,220	-	5,174	249,135	220,775	9,275	88,894	1,098,473
Amortization expenses	15,801	-	3,105	-	-	-	-	18,906
Disposals	(96,306)	-	-	(37,294)	-	-	-	(133,600)
Effect of foreign currency exchange differences	4,289	-	-	843	-	22	-	5,154
Balance at September 30, 2024	<u>449,004</u>	<u>-</u>	<u>8,279</u>	<u>212,684</u>	<u>220,775</u>	<u>9,297</u>	<u>88,894</u>	<u>988,933</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	235	-	-	-	-	-	-	235
Balance at September 30, 2024	<u>10,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,431</u>
Carrying amount at September 30, 2024	<u>\$ 75,699</u>	<u>\$ 997,715</u>	<u>\$ 33,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ 1,106,561</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 73,108</u>	<u>\$ 997,715</u>	<u>\$ 36,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 1,107,074</u>

(Continued)

	Computer Software	Goodwill	Business Secrets	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 694,659	\$ 997,715	\$ 41,383	\$ 249,103	\$ 220,775	\$ 9,386	\$ 88,894	\$ 2,301,915
Additions	12,949	-	-	-	-	-	-	12,949
Disposals	(2,632)	-	-	-	-	-	-	(2,632)
Reclassified as held for sale	(36,484)	-	-	-	-	-	-	(36,484)
Effect of foreign currency exchange differences	(14,689)	-	-	1,850	-	(74)	-	(12,913)
Balance at September 30, 2023	<u>653,803</u>	<u>997,715</u>	<u>41,383</u>	<u>250,953</u>	<u>220,775</u>	<u>9,312</u>	<u>88,894</u>	<u>2,262,835</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2023	579,874	-	1,035	249,103	220,775	9,338	88,894	1,149,019
Amortization expenses	19,944	-	3,104	-	-	1	-	23,049
Disposals	(1,982)	-	-	-	-	-	-	(1,982)
Reclassified as held for sale	(35,201)	-	-	-	-	-	-	(35,201)
Effect of foreign currency exchange differences	(11,376)	-	-	1,850	-	(71)	-	(9,597)
Balance at September 30, 2023	<u>551,259</u>	<u>-</u>	<u>4,139</u>	<u>250,953</u>	<u>220,775</u>	<u>9,268</u>	<u>88,894</u>	<u>1,125,288</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2023	27,264	-	-	-	-	-	-	27,264
Effect of foreign currency exchange differences	66	-	-	-	-	-	-	66
Balance at September 30, 2023	<u>27,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,330</u>
Carrying amount at September 30, 2023	<u>\$ 75,214</u>	<u>\$ 997,715</u>	<u>\$ 37,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 1,110,217</u>

(Concluded)

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

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

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

	For the Three Months Ended September 30		For the Six Months Ended September 30	
	2024	2023	2024	2023

An analysis of amortization by function

Cost of revenue	\$ 4,759	\$ 5,129	\$ 14,820	\$ 16,118
Selling and marketing expenses	4	1	11	3
General and administrative expenses	786	756	2,149	2,280
Research and development expenses	<u>770</u>	<u>1,538</u>	<u>1,926</u>	<u>4,648</u>
	<u>\$ 6,319</u>	<u>\$ 7,424</u>	<u>\$ 18,906</u>	<u>\$ 23,049</u>

18. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Tax refund receivables	\$ 256,337	\$ 88,565	\$ 117,241
Refundable deposits (Note 31)	232,441	221,783	232,581

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Payment on behalf of others	\$ 74,012	\$ 87,084	\$ 113,517
Others	<u>46,028</u>	<u>19,705</u>	<u>33,917</u>
	<u>\$ 608,818</u>	<u>\$ 417,137</u>	<u>\$ 497,256</u>
<u>Prepaid expense</u>			
Excess business tax paid	\$ 92,841	\$ 62,992	\$ 125,852
Prepayments for utilities	45,114	32,595	-
Inventory of supplies	44,139	38,295	41,651
Prepayments for repairs	37,197	22,328	27,542
Prepayments for insurance premiums	32,055	58,375	74,704
Prepayments for purchase	21,268	33,671	1,640
Others	<u>39,029</u>	<u>23,863</u>	<u>70,532</u>
	<u>\$ 311,643</u>	<u>\$ 272,119</u>	<u>\$ 341,921</u>
<u>Non-current</u>			
Refundable deposits (Note 31)	\$ 543,634	\$ 695,695	\$ 791,981
Financial lease receivables	165,825	131,632	-
Prepayment for land and equipment	83,236	428,782	132,878
Others	<u>11</u>	<u>5</u>	<u>45,262</u>
	<u>\$ 792,706</u>	<u>\$ 1,256,114</u>	<u>\$ 970,121</u> (Concluded)

19. BORROWINGS

a. Short-term bank loans

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>			
Working capital loan	<u>\$ 66,690</u>	<u>\$ 65,190</u>	<u>\$ 64,830</u>

The effective interest rate ranges on the working capital loan were 0.85%, 0.53% and 0.53% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

b. Long-term debts

	September 30, 2024	December 31, 2023	September 30, 2023
1) Secured Borrowings (Note 30)	\$ 12,361,586	\$ 18,128,714	\$ 18,548,198
2) Unsecured Borrowings	<u>6,497,432</u>	<u>5,637,182</u>	<u>7,618,959</u>
	18,859,018	23,765,896	26,167,157
Less: Current portion	<u>(1,185,085)</u>	<u>(567,909)</u>	<u>(271,499)</u>
	<u>\$ 17,673,933</u>	<u>\$ 23,197,987</u>	<u>\$ 25,895,658</u>

- 1) Repayable continually from June 2025 to September 2031; interest rates at 1.28%-1.69% on September 30, 2024, 1.15%-1.60% on December 31, 2023 and 1.15%-1.60% on September 30, 2023.
- 2) Repayable continually from July 2024 to December 2028; interest rates at 0.60%-1.83% on September 30, 2024, 0.53%-1.65% on December 31, 2023 and 0.60%-1.65% on September 30, 2023.

20. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Accrued expenses and other current liabilities			
Salaries and bonus	\$ 2,706,338	\$ 2,634,466	\$ 2,812,119
Payable for utilities	381,140	250,290	319,577
Provisional receipts	321,117	162,343	344,245
Payable for insurance	281,626	251,730	232,941
Agency receipts	199,574	172,518	212,361
Guarantee deposits (a)	112,359	162,870	170,955
Payable for annual leave	65,490	15,990	55,997
Indemnification payable (b)	35,664	35,664	15,664
Advance receipts from disposal of subsidiaries	-	-	1,894,346
Others	<u>2,417,143</u>	<u>2,890,188</u>	<u>2,935,981</u>
	<u>\$ 6,520,450</u>	<u>\$ 6,576,059</u>	<u>\$ 8,994,186</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits (a)	\$ 600,444	\$ 573,955	\$ 644,779
Others	<u>9,084</u>	<u>7,272</u>	<u>6,859</u>
	<u>\$ 609,528</u>	<u>\$ 581,227</u>	<u>\$ 651,638</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. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Corporation's defined benefit retirement plans were \$1,885 thousand, \$2,455 thousand, \$5,558 thousand and \$7,465 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023.

22. EQUITY

a. Capital stock

1) Ordinary shares

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

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

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

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

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 Depositary Receipts (GDRs) on the Luxembourg Stock Exchange. The delisting process is expected to be completed by December 16, 2024.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Share premium	\$ 1,879	\$ 1,879	\$ 1,879
Arising from treasury share transactions	241,088	158,488	158,488
<u>May be used to offset a deficit only</u>			
Changes in percentage of ownership interests in subsidiaries (2)	72,008	71,883	71,829
Unclaimed dividends after effective period	<u>4,821</u>	<u>4,821</u>	<u>-</u>
	<u>\$ 319,796</u>	<u>\$ 237,071</u>	<u>\$ 232,196</u>

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

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

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

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

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

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

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

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

d. Others equity items

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ (717,131)	\$ (501,790)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	<u>282,572</u>	<u>(8,781)</u>
Other comprehensive (loss) income recognized for the period	<u>282,572</u>	<u>(8,781)</u>
Reclassification adjustments		
Equity directly associated with disposal groups held for sale	<u>-</u>	<u>44,344</u>
Balance at September 30	<u>\$ (434,559)</u>	<u>\$ (466,227)</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ (15,136)	\$ (32,655)
Recognized for the period		
Unrealized (loss) gain - equity instruments	<u>(8,041)</u>	<u>13,579</u>
Other comprehensive income recognized for the period	<u>(8,041)</u>	<u>13,579</u>
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>630</u>	<u>-</u>
Balance at September 30	<u>\$ (22,547)</u>	<u>\$ (19,076)</u>

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 14,236,954	\$ 14,034,080
Share in profit for the period	1,306,970	1,112,623
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign entities	49,319	46,389
Donations from shareholders	-	74
Subsidiaries purchase treasury shares	(188)	-
Cash dividends distributed by subsidiaries	<u>(894,448)</u>	<u>(1,353,965)</u>
Balance at September 30	<u>\$ 14,698,607</u>	<u>\$ 13,839,201</u>

f. Treasury share

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

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

Name of Subsidiary	Number of Share Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>September 30, 2024</u>			
Greatek Electronics Inc.	11,800	\$ 1,616,600	\$ 1,616,600
<u>December 31, 2023</u>			
Greatek Electronics Inc.	11,800	\$ 1,663,800	\$ 1,663,800
<u>September 30, 2023</u>			
Greatek Electronics Inc.	11,800	\$ 1,197,700	\$ 1,197,700

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

23. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from packaging services	\$ 12,260,016	\$ 12,570,137	\$ 38,259,401	\$ 35,578,952
Revenue from testing services	4,212,529	4,171,444	12,343,282	11,943,614
Revenue from module services	1,821,892	1,703,009	5,600,399	3,862,077
Others	<u>7,815</u>	<u>4,381</u>	<u>14,531</u>	<u>22,450</u>
	<u>\$ 18,302,252</u>	<u>\$ 18,448,971</u>	<u>\$ 56,217,613</u>	<u>\$ 51,407,093</u>

a. Contract information

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

Corporation has the right to revenue collection for the portion of packaging services that have been fulfilled, and the revenue from packaging services is recognized over time.

b. Contact balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes and accounts receivable (including related parties) (Note 10)	<u>\$ 17,248,967</u>	<u>\$ 16,678,796</u>	<u>\$ 17,687,790</u>	<u>\$ 14,346,898</u>
Contract assets				
Revenue from processing services	<u>\$ 2,426,685</u>	<u>\$ 2,363,716</u>	<u>\$ 2,313,199</u>	<u>\$ 2,645,344</u>
Contract liabilities				
Revenue from processing services	<u>\$ 132,796</u>	<u>\$ 131,106</u>	<u>\$ 140,778</u>	<u>\$ 226,859</u>

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
From the contract liabilities at the beginning of the year				
Revenue from processing services	<u>\$ 11,349</u>	<u>\$ 13,669</u>	<u>\$ 49,680</u>	<u>\$ 127,133</u>

c. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Primary geographical markets</u>				
Japan	\$ 6,092,508	\$ 5,477,771	\$ 17,582,264	\$ 16,369,868
Singapore	4,278,476	5,434,974	14,411,472	10,003,857
Taiwan (The principal place of business of the Corporation)	3,469,024	3,502,983	10,804,361	14,562,303
America	3,401,127	2,471,046	9,963,861	6,076,463
Europe	393,936	419,384	1,254,249	1,300,863
China, Hong Kong and Macao	344,091	623,476	1,101,939	1,655,212
Others	<u>323,090</u>	<u>519,337</u>	<u>1,099,467</u>	<u>1,438,527</u>
	<u>\$ 18,302,252</u>	<u>\$ 18,448,971</u>	<u>\$ 56,217,613</u>	<u>\$ 51,407,093</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ 75,226	\$ 63,007	\$ 252,551	\$ 197,403
Net investment in leases presented	2,463	1,978	7,275	1,978
Commercial paper	-	-	2,646	-
Financial assets measured at amortized cost	<u>1,356</u>	<u>164</u>	<u>2,357</u>	<u>521</u>
	<u>\$ 79,045</u>	<u>\$ 65,149</u>	<u>\$ 264,829</u>	<u>\$ 199,902</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 145,233	\$ (3,012)	\$ 163,134	\$ 35,872
Financial liabilities classified as held for trading	(9,935)	(90,581)	(198,569)	(289,757)
Others	<u>95,470</u>	<u>12,276</u>	<u>437,135</u>	<u>321,281</u>
	<u>\$ 230,768</u>	<u>\$ (81,317)</u>	<u>\$ 401,700</u>	<u>\$ 67,396</u>

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income				
Operating lease rental income	<u>\$ 4,053</u>	<u>\$ 3,645</u>	<u>\$ 10,317</u>	<u>\$ 9,546</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 60,077	\$ 101,516	\$ 189,360	\$ 306,232
Interest on lease liabilities	5,688	6,057	17,155	18,169
Capitalized interest	<u>(7,078)</u>	<u>(20,456)</u>	<u>(19,930)</u>	<u>(74,953)</u>
	<u>\$ 58,687</u>	<u>\$ 87,117</u>	<u>\$ 186,585</u>	<u>\$ 249,448</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Capitalized interest	\$ 7,078	\$ 20,456	\$ 19,930	\$ 74,953
Capitalization rate	1.43%-1.56%	1.34%-1.47%	1.43%-1.56%	1.34%-1.47%

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 3,183,058	\$ 3,426,453	\$ 9,539,670	\$ 10,227,379
Right-of-use assets	11,937	16,542	35,390	51,405
Intangible assets	<u>6,319</u>	<u>7,424</u>	<u>18,906</u>	<u>23,049</u>
	<u>\$ 3,201,314</u>	<u>\$ 3,450,419</u>	<u>\$ 9,593,966</u>	<u>\$ 10,301,833</u>

An analysis of depreciation by function

Cost of revenue	\$ 2,941,256	\$ 3,202,448	\$ 8,833,048	\$ 9,611,084
Operating expenses	<u>253,739</u>	<u>240,547</u>	<u>742,012</u>	<u>667,700</u>
	<u>\$ 3,194,995</u>	<u>\$ 3,442,995</u>	<u>\$ 9,575,060</u>	<u>\$ 10,278,784</u>

An analysis of amortization by function

Cost of revenue	\$ 4,759	\$ 5,129	\$ 14,820	\$ 16,118
Operating expenses	<u>1,560</u>	<u>2,295</u>	<u>4,086</u>	<u>6,931</u>
	<u>\$ 6,319</u>	<u>\$ 7,424</u>	<u>\$ 18,906</u>	<u>\$ 23,049</u>

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

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 88,258	\$ 149,453	\$ 420,887	\$ 455,804
Defined benefit plans (Note 21)	<u>1,885</u>	<u>2,455</u>	<u>5,558</u>	<u>7,465</u>
	90,143	151,908	426,445	463,269
Termination benefits	238	365	1,133	2,465
Other employee benefits	<u>4,011,038</u>	<u>4,139,055</u>	<u>13,255,547</u>	<u>11,494,431</u>
Total employee benefits expense	<u>\$ 4,101,419</u>	<u>\$ 4,291,328</u>	<u>\$ 13,683,125</u>	<u>\$ 11,960,165</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of employee benefits expense by function				
Cost of revenue	\$ 3,487,250	\$ 3,605,525	\$ 11,736,433	\$ 10,337,960
Operating expenses	<u>614,169</u>	<u>685,803</u>	<u>1,946,692</u>	<u>1,622,205</u>
	<u>\$ 4,101,419</u>	<u>\$ 4,291,328</u>	<u>\$ 13,683,125</u>	<u>\$ 11,960,165</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. For the nine months ended September 30, 2024 and 2023, respectively, the compensation of employees and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Compensation of employees	5.41%	5.56%	5.41%	5.56%
Remuneration of directors	1.08%	1.11%	1.08%	1.11%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
	Cash	Cash	Cash	Cash
Compensation of employees	\$ 114,770	\$ 106,182	\$ 355,402	\$ 272,942
Remuneration of directors	22,954	21,236	71,080	54,588

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

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

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

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

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ (32,584)	\$ 695,742	\$ 852,899	\$ 1,678,009
Foreign exchange losses	<u>(271,375)</u>	<u>(21,892)</u>	<u>(362,351)</u>	<u>(712,836)</u>
Net gains	<u>\$ (303,959)</u>	<u>\$ 673,850</u>	<u>\$ 490,548</u>	<u>\$ 965,173</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 571,666	\$ 559,524	\$ 1,694,364	\$ 1,250,940
Income tax on unappropriated earnings	-	11,250	13,389	11,250
Adjustments for prior year	<u>(2,096)</u>	<u>-</u>	<u>(87,760)</u>	<u>(29,609)</u>
	569,570	570,774	1,619,993	1,232,581
Deferred tax				
In respect of the current period	<u>(17,400)</u>	<u>27,067</u>	<u>156,368</u>	<u>173,456</u>
Income tax expense recognized in profit or loss	<u>\$ 552,170</u>	<u>\$ 597,841</u>	<u>\$ 1,776,361</u>	<u>\$ 1,406,037</u>

b. Income tax assessments

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

c. Pillar 2 Income Tax Act

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

Under the legislation above subsidiaries will be required to pay top-up tax on profit of Tera Probe and its subsidiaries that are taxed at an effective tax rate of less than 15% in their registration. The main jurisdictions in which exposures to this tax may exist in Japan. Approximately 13.02% of the Company's annual profits which are currently taxed at the average effective tax rate applicable to those

profits of 19.88% may be subject to the tax. This information is based on the profits and tax expense determined as part of the preparation of the Company's consolidated financial statements. The Company is continuing to assess the impact of the pillar two income taxes legislation on its future financial performance.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share	\$ 2.28	\$ 2.10	\$ 7.05	\$ 5.41
Diluted earnings per share	\$ 2.27	\$ 2.10	\$ 7.01	\$ 5.38

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

Net Profit for the Periods

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit of the period attributable to owner of the Parent	\$ 1,700,289	\$ 1,573,066	\$ 5,265,208	\$ 4,043,580
Effect of potentially dilutive ordinary shares:				
Compensation of employees	-	-	-	-
Earnings used in the computation of diluted earnings per share	\$ 1,700,289	\$ 1,573,066	\$ 5,265,208	\$ 4,043,580

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	747,347	747,347	747,347	747,347
Effect of potentially dilutive ordinary shares:				
Compensation of employees	2,594	2,689	3,378	4,335
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	749,941	750,036	750,725	751,682

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

27. CAPITAL MANAGEMENT

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

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

28. FINANCIAL INSTRUMENTS

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

September 30, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 300,001	\$ -	\$ 299,990	\$ -	\$ 299,990

December 31, 2023

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

September 30, 2023

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

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

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 50,857</u>	\$ <u> -</u>	\$ <u> 50,857</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> -</u>	\$ <u> 25,453</u>	\$ <u> -</u>	\$ <u> 25,453</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 212</u>	\$ <u> -</u>	\$ <u> 212</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 28,659</u>	\$ <u> -</u>	\$ <u> 28,659</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> 1,662</u>	\$ <u> 33,000</u>	\$ <u> -</u>	\$ <u> 34,662</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 504</u>	\$ <u> -</u>	\$ <u> 504</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 3,482</u>	\$ <u> -</u>	\$ <u> 3,482</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> 1,422</u>	\$ <u> 29,300</u>	\$ <u> -</u>	\$ <u> 30,722</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 25,874</u>	\$ <u> -</u>	\$ <u> 25,874</u>

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

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

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

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 50,857	\$ 28,659	\$ 3,482
Financial assets at amortized cost (Note 1)	39,177,796	40,275,362	38,022,235
Financial assets at FVTOCI			
Equity instruments	25,453	34,662	30,722
<u>Financial liabilities</u>			
FVTPL			
Held for trading	212	504	25,874
Amortized cost (Note 2)	28,803,384	31,415,378	35,362,294

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

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

d. Financial risk management objectives and policies

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

The Corporation sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Corporation's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest

rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Corporation did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

1) Market risk

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

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

a) Foreign currency risk

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

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

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

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

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

Sensitivity analysis

The Corporation was mainly exposed to the USD and JPY.

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

	USD Impact		JPY Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Profit or loss	\$ (514,565)	\$ (814,701)	\$ (5,976)	\$ 21,461

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.

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 10,668,036	\$ 12,677,621	\$ 6,557,264
Financial liabilities	1,260,997	456,330	493,789
Cash flow interest rate risk			
Financial assets	9,709,704	9,353,831	11,549,208
Financial liabilities	17,664,712	23,374,756	25,738,198

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 nine months ended September 30, 2024 and 2023 would decrease/increase by \$5,966 thousand and \$10,642 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rate risk on its variable-rate net liabilities.

c) Other price risk

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

Sensitivity analysis

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

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5% higher/lower, the Corporation's pre-tax profit for the nine months ended September 30, 2024 and 2023 would increase/decrease

by \$1,273 thousand and \$1,536 thousand, respectively, as a result of the changes in fair value of financial instruments classified as FVTOCI.

2) Credit risk

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

In order to minimize credit risk, the management of the Corporation has set up an approach for credit and accounts receivable management to ensure that follow-up action is taken to recover overdue debt. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

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

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

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

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

Credit risk management for investments in debt instruments

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

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

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

3) Liquidity risk

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

The Corporation relies on bank borrowings as a significant source of liquidity. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$893,694 thousand, \$3,600,826 thousand and \$3,532,887 thousand, respectively.

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

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables include both interest and principal cash flows.

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

September 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 3,293,357	\$ 4,649,803	\$ 1,221,713	\$ -	\$ -
Lease liabilities	5,169	10,196	45,075	215,155	1,494,337
Fixed interest rate liabilities	-	142,828	221,744	896,425	-
Variable interest rate liabilities	-	-	887,203	15,901,318	876,190
Guarantee deposits	<u>18,199</u>	<u>-</u>	<u>94,160</u>	<u>598,670</u>	<u>1,774</u>
	<u>\$ 3,316,725</u>	<u>\$ 4,802,827</u>	<u>\$ 2,469,895</u>	<u>\$ 17,611,568</u>	<u>\$ 2,372,301</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 60,440</u>	<u>\$ 215,155</u>	<u>\$ 238,171</u>	<u>\$ 235,171</u>	<u>\$ 234,291</u>	<u>\$ 786,704</u>
Variable interest rate	<u>\$ 887,203</u>	<u>\$ 15,901,318</u>	<u>\$ 876,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 112,359</u>	<u>\$ 598,670</u>	<u>\$ 1,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

December 31, 2023

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

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

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 2,989,371	\$ 4,013,110	\$ 1,312,092	\$ -	\$ -
Lease liabilities	7,660	12,218	45,603	224,015	1,542,155
Fixed interest rate liabilities	-	104,809	92,383	296,597	-
Variable interest rate liabilities	-	-	139,137	22,922,307	2,676,754
Guarantee deposits	<u>26,594</u>	<u>16,134</u>	<u>128,227</u>	<u>643,305</u>	<u>1,474</u>
	<u>\$ 3,023,625</u>	<u>\$ 4,146,271</u>	<u>\$ 1,717,442</u>	<u>\$ 24,086,224</u>	<u>\$ 4,220,383</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>\$ 65,481</u>	<u>\$ 224,015</u>	<u>\$ 238,652</u>	<u>\$ 235,651</u>	<u>\$ 234,291</u>	<u>\$ 833,561</u>
Variable interest rate	<u>\$ 139,137</u>	<u>\$ 22,922,307</u>	<u>\$ 2,287,995</u>	<u>\$ 369,757</u>	<u>\$ 19,002</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 170,955</u>	<u>\$ 643,305</u>	<u>\$ 1,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

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.

September 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,844,533	\$ 1,499,886	\$ 670,261
Outflows	<u>(1,817,106)</u>	<u>(1,485,035)</u>	<u>(661,894)</u>
	<u>\$ 27,427</u>	<u>\$ 14,851</u>	<u>\$ 8,367</u>

December 31, 2023

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 801,417	\$ 198,652	\$ 58,404
Outflows	<u>(815,606)</u>	<u>(205,979)</u>	<u>(59,280)</u>
	<u>\$ (14,189)</u>	<u>\$ (7,327)</u>	<u>\$ (876)</u>
c) Financing facilities			
	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loan facilities which may be mutually extended			
Amount used	\$ 12,361,586	\$ 18,128,714	\$ 18,548,198
Amount unused	<u>5,500,000</u>	<u>6,500,000</u>	<u>6,500,000</u>
	<u>\$ 17,861,586</u>	<u>\$ 24,628,714</u>	<u>\$ 25,048,198</u>

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related Party Name and Relationship

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

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

b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales of goods	Substantial related parties				
	Kioxia Corporation	\$ 4,294,206	\$ 3,809,697	\$ 12,535,048	\$ 11,121,047
	Others	<u>515,349</u>	<u>650,325</u>	<u>1,532,253</u>	<u>1,640,167</u>
		4,809,555	4,460,022	14,067,301	12,761,214
	Associate	<u>-</u>	<u>-</u>	<u>1,152</u>	<u>-</u>
		<u>\$ 4,809,555</u>	<u>\$ 4,460,022</u>	<u>\$ 14,068,453</u>	<u>\$ 12,761,214</u>

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

c. Purchases

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Substantial related parties	\$ 142,535	\$ 57,961	\$ 549,503	\$ 86,870
Associate	<u>-</u>	<u>-</u>	<u>168</u>	<u>-</u>
	<u>\$ 142,535</u>	<u>\$ 57,961</u>	<u>\$ 549,671</u>	<u>\$ 86,870</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 and expenses

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Substantial related parties	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Associate	<u>24,754</u>	<u>-</u>	<u>127,210</u>	<u>-</u>
	<u>\$ 27,754</u>	<u>\$ 3,000</u>	<u>\$ 130,210</u>	<u>\$ 3,000</u>

Operating costs mainly was donation and subcontract costs.

e. Other gains and losses

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Substantial related parties				
Kioxia Corporation	\$ 7,127	\$ (402)	\$ 21,324	\$ 24,265
Others	<u>468</u>	<u>(1,220)</u>	<u>468</u>	<u>(1,159)</u>
	7,595	(1,622)	21,792	23,106
Associate	<u>1,056</u>	<u>-</u>	<u>2,980</u>	<u>-</u>
	<u>\$ 8,651</u>	<u>\$ (1,622)</u>	<u>\$ 24,772</u>	<u>\$ 23,106</u>

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

f. Contract assets

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related parties			
Kioxia Corporation	\$ 806,427	\$ 696,550	\$ 729,857
Others	<u>97,312</u>	<u>79,121</u>	<u>89,002</u>
	<u>\$ 903,739</u>	<u>\$ 775,671</u>	<u>\$ 818,859</u>

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

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

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable from related parties	Substantial related parties			
	Kioxia Corporation	\$ 5,704,947	\$ 4,645,748	\$ 5,235,818
	Others	<u>446,759</u>	<u>529,523</u>	<u>599,251</u>
		<u>\$ 6,151,706</u>	<u>\$ 5,175,271</u>	<u>\$ 5,835,069</u>

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

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

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payables from related parties	Substantial related parties			
	Solid State Storage Technology Corporation	\$ 96,684	\$ 124,068	\$ 23,556
	Others	<u>-</u>	<u>-</u>	<u>1,097</u>
		96,684	124,068	24,653
	Associate	<u>-</u>	<u>43</u>	<u>-</u>
		<u>\$ 96,684</u>	<u>\$ 124,111</u>	<u>\$ 24,653</u>

The outstanding accounts payable from related parties are unsecured.

i. Other receivables from related parties

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related parties			
Kioxia Corporation	\$ 70,824	\$ 26,525	\$ 16,101
Others	<u>2,962</u>	<u>-</u>	<u>773</u>
	73,786	26,525	16,874
Associates			
Longforce Technology (Suzhou) Ltd.	<u>5,880</u>	<u>73,813</u>	<u>-</u>
	<u>\$ 79,666</u>	<u>\$ 100,338</u>	<u>\$ 16,874</u>

j. Other payables to related parties

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Substantial related parties			
Kioxia Corporation	\$ 62,612	\$ 39,262	\$ 39,351
Others	<u>-</u>	<u>-</u>	<u>15</u>
	62,612	39,262	39,366
Associates			
Longforce Technology (Suzhou) Ltd.	<u>24,132</u>	<u>87,452</u>	<u>-</u>
	<u>\$ 86,744</u>	<u>\$ 126,714</u>	<u>\$ 39,366</u>

k. Acquisition of property, plant and equipment

Related Party Type	For the Nine Months Ended September 30	
	2024	2023
Substantial related party	<u>\$ 16</u>	<u>\$ 22,078</u>

l. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term benefits	\$ 121,181	\$ 123,960	\$ 350,412	\$ 290,365
Post-employment benefits	<u>637</u>	<u>508</u>	<u>1,909</u>	<u>1,522</u>
	<u>\$ 121,818</u>	<u>\$ 124,468</u>	<u>\$ 352,321</u>	<u>\$ 291,887</u>

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 14,423,785	\$ 20,335,828	\$ 21,589,271
Pledge deposits (classified as financial assets at amortized cost - current)	-	-	18,510
Restricted deposits (classified as financial assets at amortized cost - current)	31,651	160,744	32,268
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>252,575</u>	<u>207,444</u>	<u>148,934</u>
	<u>\$ 14,708,011</u>	<u>\$ 20,704,016</u>	<u>\$ 21,788,983</u>

31. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

- a. From March 2023 to February 2024, PTI signed the purchase agreements of equipment worth \$560,735 thousand with Disco Hi-Tec Taiwan Co., Ltd. As of September 30, 2024, PTI has paid a total of \$177,236 thousand.
- b. From July 2021 to July 2022, PTI signed a contract worth \$728,248 thousand with Jian Ming Construction Co. Ltd. to set up new plant construction and factory engineering. As of September 30, 2024, PTI has paid a total of \$674,948 thousand.
- c. PTI signed contracts with Applied Materials South East Asia for the purchase of machinery and equipment for a total amount of \$547,973 thousand between February 2024 and April 2024, and has paid \$282,084 thousand as of September 2024.
- d. As of September 30, 2024, PTI unused letters of credit for purchases of machinery and equipment amounted to approximately JPY\$142,950 thousand and US\$5,143 thousand.
- e. In November 2021, PTI entered into capacity reservation agreements with Zhen Ding Technology Co., Ltd. The deposits in a required aggregate amount of US\$35,000 thousand were paid to suppliers in compliance with the agreements and refunded to PTI when terms set forth in the agreements have been satisfied. According to the agreements, the deposits will be refunded in 58 installments starting from March 2023. As of September 30, 2024, the Corporation has paid a total of US\$35,000 thousand, and recovered US\$11,400 thousand.
- f. From June, 2023 to June, 2024, the TeraPower Technology Inc. signed a purchase agreement of equipment worth \$906,142 thousand with Advantest Taiwan Inc., As of September 30, 2024, the TeraPower Technology Inc. has paid a total of \$880,021 thousand.
- g. From July 2021 to July 2022, Tera Probe, Inc. signed a purchase agreement of equipment worth \$640,534 thousand with Teradyne Inc. As of September 30, 2024, Tera Probe, Inc. has paid \$609,928 thousand.
- h. Between April 2023 and March 2024, Tera Probe, Inc. signed contracts with Advantest Corporation for the purchase of machinery and equipment for a total amount of \$558,325 thousand, and \$128,779 thousand had been paid as of the end of September 2024.

32. OTHER EVENTS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

Based on the emissions of the Group in 2023, PTI, Greatek Electronics Inc. and TeraPower Technology Inc. expects that it will be the entity subject to carbon fees. The Group will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

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:

	September 30, 2024		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 606,084	31.651 (USD:NTD)	\$ 19,183,165
USD	3,874	142.36 (USD:JPY)	122,616
JPY	2,643,667	0.2223 (JPY:NTD)	587,687
SGD	160	0.7807 (SGD:USD)	3,953
RMB	6,149	0.1425 (RMB:USD)	27,741
RMB	2	4.5115 (RMB:NTD)	<u>9</u>
			<u>\$ 19,925,171</u>
Non-monetary items			
USD	1,075	31.651 (USD:NTD)	\$ 34,009
JYP	75,790	0.2223 (JPY:NTD)	<u>16,848</u>
			<u>\$ 50,857</u>
<u>Financial liabilities</u>			
Monetary items			
USD	284,704	31.651 (USD:NTD)	\$ 9,011,166
USD	105	142.36 (USD:JPY)	3,323
EUR	3,886	35.3621 (EUR:NTD)	137,417
JPY	2,106,023	0.2223 (JPY:NTD)	<u>468,169</u>
			<u>\$ 9,620,075</u>
Non-monetary items			
USD	3	31.651 (USD:NTD)	\$ 80
JPY	596	0.2223 (JPY:NTD)	<u>132</u>
			<u>\$ 212</u>

December 31, 2023			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 705,904	30.7350 (USD:NTD)	\$ 21,695,959
USD	6,745	141.4100 (USD:RMB)	207,308
JPY	173,565	0.2173 (JPY:NTD)	37,716
JPY	189,966	0.0071 (JPY:USD)	41,280
SGD	645	0.7584 (SGD:USD)	15,035
RMB	45,094	0.141 (RMB:USD)	195,428
RMB	12,114	4.3338 (RMB:NTD)	<u>52,500</u>
			<u>\$ 22,245,226</u>
Non-monetary items			
USD	607	30.7350 (USD:NTD)	\$ 18,651
JPY	43,219	0.2173 (JPY:NTD)	9,392
RMB	142	4.3338 (RMB:NTD)	<u>616</u>
			<u>\$ 28,659</u>
<u>Financial liabilities</u>			
Monetary items			
USD	143,379	30.7350 (USD:NTD)	\$ 4,406,754
USD	349	141.4100 (USD:JPY)	10,727
EUR	41	34.0114 (EUR:NTD)	1,394
JPY	1,958,664	0.2173 (JPY:NTD)	425,618
JPY	368,038	0.0071 (JPY:USD)	79,975
RMB	12,081	4.3338 (RMB:NTD)	<u>52,357</u>
			<u>\$ 4,976,825</u>
Non-monetary items			
USD	16	30.7350 (USD:NTD)	<u>\$ 504</u>

September 30, 2023			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 636,874	32.2680 (USD:NTD)	\$ 20,550,650
USD	7,254	7.3001 (USD:RMB)	234,072
USD	6,351	149.3200 (USD:JPY)	204,934
JPY	311,729	0.2161 (JPY:NTD)	67,365
JPY	445	0.0489 (JPY:RMB)	96
JPY	152,544	0.0067 (JPY:USD)	32,965
SGD	644	0.7291 (SGD:USD)	15,150
RMB	38,227	0.1370 (RMB:USD)	168,971
RMB	17,112	4.4202 (RMB:NTD)	<u>75,638</u>
			<u>\$ 21,349,841</u>

(Continued)

	September 30, 2023		
	Foreign Currency	Exchange Rate	Carrying Amount
Non-monetary items			
JYP	\$ 9,555	0.2161 (JPY:NTD)	\$ 2,065
RMB	321	4.4202 (RMB:NTD)	<u>1,417</u>
			<u>\$ 3,482</u>
<u>Financial liabilities</u>			
Monetary items			
USD	140,961	32.2680 (USD:NTD)	\$ 4,548,530
USD	2,480	7.3001 (USD:RMB)	80,025
USD	2,079	149.3200 (USD:JPY)	67,085
EUR	75	33.9104 (EUR:NTD)	2,543
JPY	2,194,183	0.2161 (JPY:NTD)	474,163
JPY	5,744	0.0489 (JPY:RMB)	1,241
JPY	251,005	0.0067 (JPY:USD)	54,242
RMB	17,868	0.1370 (RMB:USD)	<u>78,980</u>
			<u>\$ 5,306,809</u>
Non-monetary items			
USD	405	32.2680 (USD:NTD)	\$ 13,078
JPY	54,367	0.2161 (JPY:NTD)	11,749
RMB	237	4.4202 (RMB:NTD)	<u>1,047</u>
			<u>\$ 25,874</u>
			(Concluded)

Realized and unrealized net foreign exchange (losses) gains were \$(303,959) thousand, \$673,850 thousand, \$490,548 thousand and \$965,173 thousand for the three and nine months ended September 30, 2024 and 2023, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and currencies of the entities in the Corporation.

34. SEPARATELY DISCLOSED ITEMS

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

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

- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital:None.
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached).
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached).
- i. Derivative transactions: Note 7.
- j. Intercompany relationships and significant intercompany transactions: Table 5 (attached).
- k. Information of investees: Table 6 (attached).
- l. Information on investment in mainland China: Table 7 (attached).

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

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

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Capital Tip Customized Taiwan Select High Dividend ETF	68,094,000	8.96
Taipei Fubon Commercial Bank Co., Ltd. is entrusted with the special account of Fuhua Taiwan Technology Premium Interest ETF Securities Investment Trust	40,656,000	5.35

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

35. SEGMENT INFORMATION

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

TABLE 1**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****LOAN OF FUNDS TO OTHERS****SEPTEMBER 30, 2024****(In Thousands of New Taiwan Dollars)**

Lending Company	Loan Recipients	Items	Relationship with the Holding Company	Maximum Balance for the Period	Closing Balance	Closing Balance Actual Expenditure	Interest Rate (%)	Types of Funding	Amount of Transactions	Reasons for Short-term Funding	Allowance for Doubtful Accounts	Guarantees		Limit on Funding for Individual Targets (Notes 1 and 2)	Capital Loan and Aggregate Limit (Notes 1 and 2)	Notes
												Name	Value			
Powertech Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other trade receivables	Parent company	\$ 1,677,503	\$ 1,677,503	\$ 1,677,503	2.5	Short-term financing	\$ -	Operating turnover	\$ -	-	\$ -	\$ 3,481,949	\$ 3,481,949	1
PTI Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other trade receivables	Ultimate parent company	2,373,825	2,373,825	2,373,825	2.5	Short-term financing	-	Operating turnover	-	-	-	3,659,930	3,659,930	1
Powertech Technology (Japan) Ltd.	Powertech Technology Inc.	Other trade receivables	Parent company	316,510	316,510	300,685	1.45	Short-term financing	-	Operating turnover	-	-	-	2,847,631	2,847,631	1

Note 1: Foreign subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company as a lender, or on loans granted to the Company by such foreign companies is 100% of their net asset value, 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

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Value	% of Ownership	Fair Value	
Powertech Technology Inc.	<u>Stock</u> Solid state system Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,333	\$ 25,453	2	\$ 25,453	Note 3
Greatek Electronics Inc.	<u>Bond</u> P13 Taipower 3A	-	Financial assets at amortized cost - non-current	200	200,001	-	199,993	Note 2
	P13 Corporation, Taiwan 2A	-	Financial assets at amortized cost - non-current	100	100,000	-	99,997	Note 2
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	11,800	1,616,600	2	1,616,600	Note 1
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - non-current	268	-	3	-	Note 4
	Terawins Inc.	-	Financial assets at fair value through profit or loss - non-current	643	-	2	-	Note 4
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - non-current	93	-	1	-	Note 4

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

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

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

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	Sale	\$ 12,289,369	34	Note 1	\$ -	-	\$ 5,654,276	48	-
	Kingston Technology International Ltd	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	168,342	0.47	Note 1	-	-	17,780	0.15	-
	Kingston Solution, Inc.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	316,360	0.88	Note 1	-	-	55,929	0.47	-
	Kingston Digital International Ltd.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	138,863	0.39	Note 1	-	-	28,768	0.24	-
	Solid State Storage Technology Corporation	Corporate director's subsidiaries.	Purchase	549,503	4.28	Note 1	-	-	96,684	2.27	-
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of Greatek Electronics Inc.'s corporate supervisor.	Sale	643,964	6	Net 60 days from monthly closing date	Note 2	Equivalent	249,100	8	-
	Realtek Singapore Private Limited	Same parent company as the director of Greatek Electronics Inc.	Sale	261,179	2	Net 60 days from monthly closing date	Note 2	Equivalent	94,443	3	-
TeraPower Technology Inc.	Kioxia Corporation	Parent company of corporate director of TeraPower Technology Inc.'s ultimate parent company.	Sale	245,679	5.58	Net 90 days from monthly closing date	-	-	50,671	3.49	-

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	\$ 5,654,276	3.21	\$ -	-	\$ 1,332,665	\$ -
Greatek Electronics Inc.	Realtek Semiconductor corp.	Parent company of Greatek Electronics Inc.'s corporate director	249,100	3.10	-	-	87,858	-

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

Company Name	Counterparty	Transaction Flow	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Powertech Technology Inc.	Greatek Electronics Inc.	1	Sales	\$ 23,375	Note 3	-
	TeraPower Technology Inc.	1	Sales	24,391	Note 3	-
	Tera Probe, Inc.	1	Sales	256	Note 3	-
	TeraPower Technology Inc.	1	Subcontract costs	153,115	Note 2	-
	Greatek Electronics Inc.	1	Subcontract costs	73,556	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Purchase	9,580	Note 2	-
	Tera Probe, Inc.	1	Operating expenses	2,570	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Operating expenses	1,516	Note 2	-
	TeraPower Technology Inc.	1	Production overhead	600	Note 2	-
	Greatek Electronics Inc.	1	Production overhead	42	Note 2	-
	TeraPower Technology Inc.	1	Rent	2,626	Note 2	-
	TeraPower Technology Inc.	1	Other gains and losses	7,243	Note 2	-
	Tera Probe, Inc.	1	Other gains and losses	525	Note 2	-
	Greatek Electronics Inc.	1	Other gains and losses	51,388	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Other gains and losses	81	Note 2	-
	Greatek Electronics Inc.	1	Accounts receivable from related parties	18,817	Note 3	-
	TeraPower Technology Inc.	1	Accounts receivable from related parties	3,306	Note 3	-
	TeraPower Technology Inc.	1	Other receivables from related parties	21	Note 2	-
	Greatek Electronics Inc.	1	Other receivables from related parties	1	Note 2	-
	TeraPower Technology Inc.	1	Contract Assets	798	Note 2	-
	Greatek Electronics Inc.	1	Contract Assets	3,640	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Purchase of property, plant and equipment	4,219	Note 2	-
	Tera Probe, Inc.	1	Purchase of property, plant and equipment	2,561	Note 2	-
	TeraPower Technology Inc.	1	Purchase of property, plant and equipment	4,670	Note 2	-
	Tera Probe, Inc.	1	Other payables from related parties	498	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Other payables from related parties	3,778	Note 2	-
	PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Other payables from related parties	2,209	Note 2	-
	Greatek Electronics Inc.	1	Other payables from related parties	36,611	Note 2	-
	TeraPower Technology Inc.	1	Other payables from related parties	51,577	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Other payables from related parties	25,397	Note 2	-
	TeraPower Technology Inc.	1	Payable to equipment suppliers	2,532	Note 2	-
	Tera Probe, Inc.	1	Payable to equipment suppliers	2,532	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Short-term borrowings	1,677,503	Note 2	2%
PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	1	Short-term borrowings	2,373,825	Note 2	2%	
Powertech Technology (Japan) Ltd.	1	Short-term borrowings	300,685	Note 2	-	
Powertech Technology (Singapore) Pte. Ltd.	1	Interest expense	21,439	Note 2	-	
PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Interest expense	33,077	Note 2	-	
Powertech Technology (Japan) Ltd.	1	Interest expense	424	Note 2	-	
Tera Probe, Inc.	1	Other receivables from related parties	67,848	Note 2	-	
Greatek Electronics Inc.	1	Cost of revenue	107,356	Note 2	-	
	1	Accounts payable to related parties	29,514	Note 2	-	

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

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION OF INVESTEEES
 SEPTEMBER 30, 2024
 (In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares (In Thousands)	% of Ownership	Carrying Value			
Powertech Technology Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	\$ 1,153,964	\$ 1,153,964	73,386	49	\$ 3,676,300	\$ 871,189	\$ 439,056	Notes 1 and 2
	Powertech Holding (BVI) Inc.	British Virgin Islands	Investment business	1,679,370	1,679,370	50	100	3,698,971	34,709	34,709	Note 3
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing services	6,169,948	6,169,948	244,064	43	9,738,959	1,918,475	818,807	Note 1
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 69,000	USD 69,000	69,000	100	3,481,9494	225,523	225,523	Note 3
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	4,069,210	275,797	289,749	Notes 2 and 3
Greatek Electronics Inc.	Tera Probe, Inc.	Japan	Wafer probing test services	\$ 230,616	\$ 230,616	1,077	12	569,848	525,221	80,011	Notes 2 and 3
	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	171,523	171,523	7,796	97.46	132,227	(8,411)	(12,792)	Note 3
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 115,634	USD 1,076	USD 1,076	Note 3
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 111,814	USD 16,395	USD 8,002	Notes 2 and 3
	Powertech Technology Akita Inc.	Japan	Semiconductor assembly and testing services	USD -	USD 58,329	-	-	USD -	USD 496	USD 496	Notes 3 and 4
Tera Probe, Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	JPY 4,348,056	JPY 4,348,056	76,381	51	JPY 4,348,056	JPY 4,118,981	JPY 2,100,680	Notes 1 and 2

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

Note 2: Including unrealized intercompany gains (losses).

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

Note 4: The liquidation has been completed on September 30, 2024.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

SEPTEMBER 30, 2024

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

Investee Company Accounted for Using the Equity Method	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investments from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of September 30, 2024 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2024	Note
					Outflow	Inflow							
Longforce Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 3,165,100 (US\$ 100,000)	Note 1	\$ 1,084,838 (US\$ 34,275)	\$ -	\$ -	\$ 1,084,838 (US\$ 34,275)	\$ (3,677) (US\$ (199))	30%	\$ (21,137) (US\$ (661))	\$ 1,201,131 (US\$ 37,949)	\$ -	-
Powertech Semiconductor (Xian) Ltd.	Semiconductor testing and assembly services	2,215,570 (US\$ 70,000)	Note 1	1,495,446 (US\$ 47,248)	-	189,779 (US\$ 5,996)	1,305,667 (US\$ 41,252)	333,243 (US\$ 10,434)	100%	333,243 (US\$ 10,434)	2,939,991 (US\$ 92,888)	909,903 (US\$ 28,748)	-

Investee Company Accounted for Using the Equity Method	Accumulated Investment in Mainland China as of September 30, 2024 (In Thousands of USD)	Investment Amounts Authorized by the Investment Commission, MOEA (In Thousands of USD)	Ceiling Amount on of the Corporation's Investment in Mainland China
Longforce Technology (Suzhou) Ltd	US\$ 34,275	US\$ 79,000	\$ 33,106,780
Powertech Semiconductor (Xian) Ltd	US\$ 41,252	US\$ 70,000	

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

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

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