

**Powertech Technology Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and 2021 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, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, 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 a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

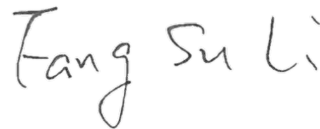
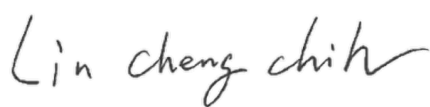
Basis for Qualified Conclusion

As stated in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed, as of and for the nine months ended September 30, 2022 and 2021, which represented total assets of 4.22% \$5,256,694 thousand and 5.00% \$5,674,084 thousand of the consolidated assets, respectively; and total liabilities of 4.23% \$2,537,069 thousand and 5.05% \$2,637,323 thousand of the consolidated liabilities, respectively. These statements also reflected these subsidiaries' comprehensive income of 1.46% \$43,722 thousand, (1.48)% \$(47,802) thousand, (1.06)% \$(98,544) thousand and 2.85% \$229,716 thousand of the consolidated comprehensive income for the three months ended September 30, 2022 and 2021 and nine months ended September 30, 2022 and 2021, respectively. These investment amounts, as well as related information disclosed in Note 31 to the consolidated financial statements, were based on 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 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, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 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 4, 2022

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, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)		LIABILITIES AND EQUITY	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							CURRENT LIABILITIES						
Cash and cash equivalents (Note 6)	\$ 21,616,056	17	\$ 22,614,233	19	\$ 21,107,195	19	Short-term bank loans (Note 17)	\$ 192,942	-	\$ 72,180	-	\$ 208,148	-
Financial assets at fair value through profit or loss - current (Note 7)	1,447	-	105,537	-	79,379	-	Financial liabilities at fair value through profit or loss - current (Note 7)	168,283	-	5,649	-	18,735	-
Financial assets at amortized cost - current (Notes 9 and 28)	145,212	-	455,091	-	425,298	-	Contract liabilities - current (Note 21)	233,343	-	164,824	-	149,211	-
Contract assets - current (Notes 21 and 27)	2,737,162	2	2,418,865	2	2,323,327	2	Notes and accounts payable	7,292,909	6	6,744,452	6	6,254,803	6
Notes and accounts receivable (Notes 10 and 21)	10,529,534	9	11,519,708	10	11,487,171	10	Accounts payable to related parties (Note 27)	157,670	-	154,391	-	166,641	-
Receivables from related parties (Notes 21 and 27)	6,584,058	5	6,455,306	6	6,572,245	6	Bonus to employees and remuneration to directors (Note 22)	2,396,312	2	1,603,752	2	1,934,043	2
Other receivables	446,608	-	382,322	-	380,665	-	Payables to equipment suppliers (Note 27)	3,236,771	3	4,337,945	4	2,667,027	2
Other receivables from related parties (Note 27)	61,939	-	65,347	-	48,018	-	Other payables - related parties (Note 27)	2,194	-	6,184	-	2,278	-
Inventories (Note 11)	10,516,000	8	6,767,994	6	5,731,422	5	Current income tax liabilities (Notes 4 and 23)	863,002	1	1,570,467	1	816,653	1
Prepaid expenses (Note 16)	553,201	1	452,308	-	537,059	1	Lease liabilities - current (Note 14)	60,416	-	63,724	-	66,514	-
Other current assets (Notes 16 and 29)	924,804	1	721,903	1	534,133	-	Accrued expenses and other current liabilities (Note 18)	8,513,439	7	8,474,060	7	7,009,187	6
							Current portion of long-term debts (Notes 17 and 28)	292,064	-	121,503	-	165,555	-
Total current assets	54,116,021	43	51,958,614	44	49,225,912	43	Total current liabilities	23,409,345	19	23,319,131	20	19,458,795	17
NON-CURRENT ASSETS							NON-CURRENT LIABILITIES						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	23,370	-	30,144	-	35,001	-	Long-term debt (Notes 17 and 28)	33,681,039	27	30,012,813	25	30,827,393	27
Financial assets at amortized cost - noncurrent (Notes 9 and 28)	494,184	1	478,535	1	537,885	1	Deferred income tax liabilities (Notes 4 and 23)	395,056	-	192,056	-	132,192	-
Property, plant and equipment (Notes 13, 27 and 28)	66,391,000	53	63,236,697	53	60,899,876	54	Lease liabilities - non-current (Note 14)	1,326,724	1	1,364,825	1	1,382,115	1
Right-of-use assets (Note 14)	1,438,840	1	1,481,957	1	1,501,967	1	Net defined benefit liability - noncurrent (Notes 4 and 19)	281,849	-	368,656	1	386,359	1
Intangible assets (Note 15)	1,038,023	1	982,640	1	985,835	1	Other noncurrent liabilities (Note 18)	814,096	1	23,299	-	31,380	-
Deferred income tax assets (Notes 4 and 23)	164,423	-	86,079	-	126,147	-	Total non-current liabilities	36,498,764	29	31,961,649	27	32,759,439	29
Other noncurrent assets (Notes 16 and 29)	953,606	1	332,356	-	122,908	-	Total liabilities	59,908,109	48	55,280,780	47	52,218,234	46
Total non-current assets	70,503,446	57	66,628,408	56	64,209,619	57	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 20)						
							Capital stock						
							Common stock	7,591,466	6	7,791,466	7	7,791,466	7
							Capital surplus	149,540	-	270,794	-	270,739	-
							Retained earnings						
							Legal reserve	9,181,307	7	8,290,517	7	8,290,517	7
							Special reserve	710,623	1	366,982	-	366,982	-
							Unappropriated earnings	34,292,872	27	34,916,347	30	32,410,386	29
							Total retained earnings	44,184,802	35	43,573,846	37	41,067,885	36
							Other equity	(506,649)	-	(710,623)	(1)	(638,385)	(1)
							Treasury stock	(468,802)	-	(1,418,300)	(1)	(400,134)	-
							Total equity attributable to shareholders of the Parent	50,950,357	41	49,507,183	42	48,091,571	42
							NON-CONTROLLING INTERESTS (Notes 12 and 20)						
								13,761,001	11	13,799,059	11	13,125,726	12
							Total equity	64,711,358	52	63,306,242	53	61,217,297	54
TOTAL	\$ 124,619,467	100	\$ 118,587,022	100	\$ 113,435,531	100	TOTAL	\$ 124,619,467	100	\$ 118,587,022	100	\$ 113,435,531	100

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

(With Deloitte & Touche review report dated November 4, 2022)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
NET SALES (Notes 21 and 27)	\$ 21,430,133	100	\$ 22,320,480	100	\$ 65,524,107	100	\$ 61,370,567	100
OPERATING COSTS (Notes 11, 22 and 27)	<u>17,268,553</u>	<u>81</u>	<u>17,001,182</u>	<u>76</u>	<u>51,318,037</u>	<u>78</u>	<u>47,330,442</u>	<u>77</u>
GROSS PROFIT	<u>4,161,580</u>	<u>19</u>	<u>5,319,298</u>	<u>24</u>	<u>14,206,070</u>	<u>22</u>	<u>14,040,125</u>	<u>23</u>
OPERATING EXPENSES (Notes 22 and 27)								
Marketing	115,606	-	98,159	-	347,514	1	279,725	-
General and administrative	616,760	3	573,025	3	1,636,236	2	1,459,512	2
Research and development	592,249	3	547,769	2	1,899,516	3	1,739,886	3
Expected credit gain (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,037)</u>	<u>-</u>
Total operating expenses	<u>1,324,615</u>	<u>6</u>	<u>1,218,953</u>	<u>5</u>	<u>3,883,266</u>	<u>6</u>	<u>3,428,086</u>	<u>5</u>
OPERATING INCOME	<u>2,836,965</u>	<u>13</u>	<u>4,100,345</u>	<u>19</u>	<u>10,322,804</u>	<u>16</u>	<u>10,612,039</u>	<u>18</u>
NONOPERATING INCOME AND EXPENSES								
Interest income (Note 22)	23,833	-	10,252	-	49,089	-	34,133	-
Other gains and losses (Notes 22 and 27)	(172,037)	(1)	62,457	-	(503,429)	(1)	383,835	-
Other income (Note 22)	17,351	-	20,778	-	55,008	-	67,444	-
Financial costs (Note 22)	(69,960)	-	(54,348)	-	(178,176)	-	(171,977)	-
Foreign exchange gains and (losses), net (Notes 22 and 30)	<u>939,241</u>	<u>5</u>	<u>29,438</u>	<u>-</u>	<u>1,931,768</u>	<u>3</u>	<u>(224,911)</u>	<u>-</u>
Total nonoperating income and expenses	<u>738,428</u>	<u>4</u>	<u>68,577</u>	<u>-</u>	<u>1,354,260</u>	<u>2</u>	<u>88,524</u>	<u>-</u>
INCOME BEFORE INCOME TAX	3,575,393	17	4,168,922	19	11,677,064	18	10,700,563	18
INCOME TAX EXPENSE (Notes 4 and 23)	<u>753,108</u>	<u>4</u>	<u>857,483</u>	<u>4</u>	<u>2,511,536</u>	<u>4</u>	<u>2,203,382</u>	<u>4</u>
NET INCOME	<u>2,822,285</u>	<u>13</u>	<u>3,311,439</u>	<u>15</u>	<u>9,165,528</u>	<u>14</u>	<u>8,497,181</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (Note 20)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investment in equity instruments designated as at fair value through other comprehensive income	(96)	-	(335)	-	(6,774)	-	(287)	-

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ 177,897	1	\$ (91,737)	(1)	\$ 170,979	-	\$ (423,082)	(1)
Total other comprehensive income (loss)	177,801	1	(92,072)	(1)	164,205	-	(423,369)	(1)
TOTAL COMPREHENSIVE INCOME	\$ 3,000,086	14	\$ 3,219,367	14	\$ 9,329,733	14	\$ 8,073,812	13
NET INCOME								
ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 2,394,683	11	\$ 2,470,652	11	\$ 7,337,766	11	\$ 6,401,939	11
Non-controlling interests	427,602	2	840,787	4	1,827,762	3	2,095,242	3
	<u>\$ 2,822,285</u>	<u>13</u>	<u>\$ 3,311,439</u>	<u>15</u>	<u>\$ 9,165,528</u>	<u>14</u>	<u>\$ 8,497,181</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO								
Shareholders of the Parent	\$ 2,581,442	12	\$ 2,445,958	11	\$ 7,541,740	11	\$ 6,130,536	10
Non-controlling interests	418,644	2	773,409	3	1,787,993	3	1,943,276	3
	<u>\$ 3,000,086</u>	<u>14</u>	<u>\$ 3,219,367</u>	<u>14</u>	<u>\$ 9,329,733</u>	<u>14</u>	<u>\$ 8,073,812</u>	<u>13</u>
EARNINGS PER SHARE								
(Note 24)								
Basic	\$ 3.20		\$ 3.20		\$ 9.79		\$ 8.29	
Diluted	\$ 3.18		\$ 3.19		\$ 9.69		\$ 8.24	

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

(With Deloitte & Touche review report dated November 4, 2022)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Corporation											
	Share Capital Issued and Outstanding		Capital Surplus	Retained Earnings			Other Equity		Treasury Share	Total	Non-controlling Interests	Total Equity
	Share (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Investments in Equity Instruments Designated Through Other Comprehensive Income				
BALANCE, JANUARY 1, 2021	779,147	\$ 7,791,466	\$ 231,294	\$ 7,628,495	\$ 324,741	\$ 30,608,443	\$ (352,472)	\$ (14,510)	\$ (229,334)	\$ 45,988,123	\$ 12,416,516	\$ 58,404,639
Appropriation of 2020 earnings												
Legal reserve	-	-	-	662,022	-	(662,022)	-	-	-	-	-	-
Special reserve	-	-	-	-	42,241	(42,241)	-	-	-	-	-	-
Cash dividends distributed by the Parent	-	-	-	-	-	(3,895,733)	-	-	-	(3,895,733)	-	(3,895,733)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,006,823)	(1,006,823)
Net income for the nine months ended September 30, 2021	-	-	-	-	-	6,401,939	-	-	-	6,401,939	2,095,242	8,497,181
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	-	(271,116)	(287)	-	(271,403)	(151,966)	(423,369)
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	6,401,939	(271,116)	(287)	-	6,130,536	1,943,276	8,073,812
The Parent's share held by its subsidiary treated as treasury share	-	-	-	-	-	-	-	-	(170,800)	(170,800)	(227,243)	(398,043)
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	39,445	-	-	-	-	-	-	39,445	-	39,445
BALANCE, SEPTEMBER 30, 2021	<u>779,147</u>	<u>\$ 7,791,466</u>	<u>\$ 270,739</u>	<u>\$ 8,290,517</u>	<u>\$ 366,982</u>	<u>\$ 32,410,386</u>	<u>\$ (623,588)</u>	<u>\$ (14,797)</u>	<u>\$ (400,134)</u>	<u>\$ 48,091,571</u>	<u>\$ 13,125,726</u>	<u>\$ 61,217,297</u>
BALANCE, JANUARY 1, 2022	779,147	\$ 7,791,466	\$ 270,794	\$ 8,290,517	\$ 366,982	\$ 34,916,347	\$ (690,969)	\$ (19,654)	\$ (1,418,300)	\$ 49,507,183	\$ 13,799,059	\$ 63,306,242
Appropriation of 2021 earnings												
Legal reserve	-	-	-	890,790	-	(890,790)	-	-	-	-	-	-
Special reserve	-	-	-	-	343,641	(343,641)	-	-	-	-	-	-
Cash dividends distributed by the Parent	-	-	-	-	-	(5,162,197)	-	-	-	(5,162,197)	-	(5,162,197)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,734,690)	(1,734,690)
Net income for the nine months ended September 30, 2022	-	-	-	-	-	7,337,766	-	-	-	7,337,766	1,827,762	9,165,528
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	210,748	(6,774)	-	203,974	(39,769)	164,205
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	7,337,766	210,748	(6,774)	-	7,541,740	1,787,993	9,329,733
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	(943,589)	(943,589)	-	(943,589)
Cancelation of treasury shares	(20,000)	(200,000)	(197,142)	-	-	(1,564,613)	-	-	1,961,755	-	-	-
The Parent's share held by its subsidiary treated as treasury share	-	-	-	-	-	-	-	-	(68,668)	(68,668)	(91,361)	(160,029)
Adjustment of capital surplus due to dividends distributed to subsidiaries	-	-	75,888	-	-	-	-	-	-	75,888	-	75,888
BALANCE, SEPTEMBER 30, 2022	<u>759,147</u>	<u>\$ 7,591,466</u>	<u>\$ 149,540</u>	<u>\$ 9,181,307</u>	<u>\$ 710,623</u>	<u>\$ 34,292,872</u>	<u>\$ (480,221)</u>	<u>\$ (26,428)</u>	<u>\$ (468,802)</u>	<u>\$ 50,950,357</u>	<u>\$ 13,761,001</u>	<u>\$ 64,711,358</u>

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

(With Deloitte & Touche review report dated November 4, 2022)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 11,677,064	\$ 10,700,563
Adjustments for:		
Depreciation	11,055,397	10,379,285
Amortization	27,992	30,217
Expected credit gain recognized on accounts receivable	-	(51,037)
Net loss (gain) on fair value change of financial assets designated as at fair value through profit	43,448	(2,776)
Financial costs	178,176	171,977
Interest revenue	(49,089)	(34,133)
Net gain on disposal of property, plant and equipment	(145,710)	(400,152)
Property, plant and equipment transfer to expenses	534	13,487
Impairment loss on non-financial assets	207	-
(Gain) loss of foreign currency exchange, net	(530,265)	85,665
Changes in operating assets and liabilities:		
Decrease in financial assets mandatorily classified as at fair value through profit or loss	60,642	92,864
Increase in contract assets	(318,297)	(111,531)
Decrease (increase) in notes and accounts receivable	1,300,133	(2,931,262)
Decrease (increase) in accounts receivable from related parties	192,228	(271,652)
Increase in other receivables	(52,082)	(26,272)
Decrease in other receivables from related parties	3,935	856
Increase in inventories	(3,748,006)	(756,686)
Increase in prepayments	(172,453)	(385,207)
Increase other current assets	(27,639)	(112,735)
Increase in financial liabilities held for trading	162,634	13,300
Increase in contract liabilities	68,519	92,535
Increase in notes and accounts payable	331,839	1,217,885
(Decrease) increase in accounts payable to related parties	(243)	32,480
Increase in bonus to employees and remuneration of directors	792,560	931,359
(Decrease) increase in other payables to related parties	(3,990)	2,278
(Decrease) increase in accrued expenses and other current liabilities	(141,823)	667,998
Decrease in net defined benefit liabilities	(86,807)	(15,425)
Decrease in other payables	(10,422)	(129,344)
Cash generated from operations	20,608,482	19,204,537
Interest received	47,392	33,968
Interest paid	(237,999)	(226,912)
Income tax paid	(3,094,345)	(2,511,982)
Net cash generated from operating activities	<u>17,323,530</u>	<u>16,499,611</u>

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POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	\$ (88,410)	\$ (50,881)
Proceeds from sale of financial assets at amortized cost	364,934	411,484
Acquisition of property, plant and equipment	(15,264,035)	(10,821,060)
Disposal of property, plant and equipment	245,249	1,060,931
Increase in refundable deposits	(593,333)	(10,416)
Increase in intangible assets	(15,173)	(18,110)
Increase in prepayments for equipment	<u>(91,295)</u>	<u>(14,693)</u>
Net cash used in investing activities	<u>(15,442,063)</u>	<u>(9,442,745)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank loans	120,762	11,166
Increase in long-term debts	25,760,216	16,485,494
Decrease in long-term debts	(21,910,898)	(17,837,496)
Increase (decrease) in guarantee deposits	876,472	(1)
Repayment of the principal portion of lease liabilities	(50,576)	(86,463)
Dividends paid to shareholders of the Corporation	(5,086,309)	(3,856,288)
Cost for buy-back of treasury share	(1,103,618)	(398,043)
Dividends paid to non-controlling interests	<u>(1,734,690)</u>	<u>(1,006,823)</u>
Net cash used in financing activities	<u>(3,128,641)</u>	<u>(6,688,454)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>248,997</u>	<u>(281,029)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(998,177)	87,383
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>22,614,233</u>	<u>21,019,812</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 21,616,056</u>	<u>\$ 21,107,195</u>

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

(With Deloitte & Touche review report dated November 4, 2022)

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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 sale 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 is 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 trading 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 are listed on the Taiwan stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on November 4, 2022.

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 "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRSs endorsed by the FSC for application starting from 2023

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
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
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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 12 and 31k 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, 2021.

1) 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.

2) Taxation

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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical 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, 2021.

6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Checking accounts and demand deposits	\$ 21,615,593	\$ 22,613,960	\$ 21,106,993
Cash on hand	<u>463</u>	<u>273</u>	<u>202</u>
	<u>\$ 21,616,056</u>	<u>\$ 22,614,233</u>	<u>\$ 21,107,195</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
Bank deposits	0%-3.24%	0%-2.03%	0%-2.03%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
<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	\$ 1,447	\$ 26,337	\$ 8,729
Non-derivative financial assets			
Mutual funds	<u>-</u>	<u>79,200</u>	<u>70,650</u>
	<u>\$ 1,447</u>	<u>\$ 105,537</u>	<u>\$ 79,379</u>

Financial liabilities at FVTPL - current

Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 168,283</u>	<u>\$ 5,649</u>	<u>\$ 18,735</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, 2022</u>			
Sell forward exchange contracts	USD to NTD	2022.10.03-2022.12.30	USD 110,050
	USD to JPY	2022.10.05-2023.01.30	USD 11,358
	USD to CNY	2022.10.10-2022.10.28	USD 3,259
<u>December 31, 2021</u>			
Sell forward exchange contracts	USD to NTD	2022.01.04-2022.03.31	USD 165,440
	USD to JPY	2022.01.05-2022.04.25	USD 18,372
	USD to CNY	2022.01.14	USD 2,507
<u>September 30, 2021</u>			
Sell forward exchange contracts	USD to NTD	2021-10.01-2021.12.30	USD 144,320
	USD to JPY	2021.10.08-2022.01.25	USD 29,501
	USD to CNY	2021.10.15-2021.12.15	USD 9,258

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, 2022	December 31, 2021	September 30, 2021
<u>Non-current</u>			
Domestic investments			
Listed shares			
Ordinary shares - Solid State System Co., Ltd.	<u>\$ 23,370</u>	<u>\$ 30,144</u>	<u>\$ 35,001</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Domestic investments			
Corporate bonds - P06 Taiwan Power Company 3A Bond	\$ 50,000	\$ 50,000	\$ 50,000
Corporate bonds - P08 Taiwan Power Company 3A Bond	50,000	-	-
Corporate bonds - P06 Taiwan Power Company 1A Bond	-	300,000	300,000
Corporate bonds - P06 FPC 1A Bond	-	50,000	50,000
Pledged time deposits	13,468	25,223	25,298
Restricted deposit	<u>31,744</u>	<u>29,868</u>	<u>-</u>
	<u>\$ 145,212</u>	<u>\$ 455,091</u>	<u>\$ 425,298</u>
<u>Non-current</u>			
Domestic investments			
Corporate bonds - P08 Taiwan Power Company 3A Bond	\$ 50,000	\$ 10,000	\$ 100,001
Corporate bonds - P06 Taiwan Power Company 3A Bond		-	50,000
Time deposits with original maturities of more than 3 months	329,850	264,661	274,010
Pledged time deposits	<u>114,334</u>	<u>113,874</u>	<u>113,874</u>
	<u>\$ 494,184</u>	<u>\$ 478,535</u>	<u>\$ 537,885</u>

On April 21, 2017, the Corporation bought corporate bonds issued by Taiwan Power Company with an effective interest rate of 1.13% at premium value \$300,002 thousand (par value \$300,000 thousand), and a maturity date of April 21, 2022.

On May 19, 2017, the Corporation bought corporate bonds issued by Formosa Plastics Corporation with an effective interest rate of 1.09% at par value \$100,000 thousand, and maturity dates of May 19, 2021 and 2022, at par value of \$50,000 thousand, respectively.

On December 15, 2017, the Corporation bought corporate bonds issued by Taiwan Power Company with an effective interest rate of 0.88% at par value \$100,000 thousand, and maturity dates of December 15, 2021 and 2022, at par value of \$50,000 thousand, respectively.

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.

The ranges of interest rates for time deposits with original maturities of more than 3 months was 0.001%-0.006%, 0.001%-0.002% and 0.001%-0.002% per annum as of September 30, 2022, December 31, 2021 and September 30, 2021.

Refer to Note 26 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

Refer to Note 28 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes receivable</u>			
Notes receivable - operating	\$ 96,396	\$ 155,411	\$ 174,029
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	10,497,908	11,429,067	11,377,912
Less: Allowance for impairment loss	<u>(64,770)</u>	<u>(64,770)</u>	<u>(64,770)</u>
	<u>10,433,138</u>	<u>11,364,297</u>	<u>11,313,142</u>
	<u>\$ 10,529,534</u>	<u>\$ 11,519,708</u>	<u>\$ 11,487,171</u>

At amortized cost

The average credit period of sales of goods was 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, 2022

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$10,477,676	\$ 18,519	\$ 724	\$ 469	\$ 520	\$10,497,908
Loss allowance (Lifetime ECLs)	<u>(46,836)</u>	<u>(16,221)</u>	<u>(724)</u>	<u>(469)</u>	<u>(520)</u>	<u>(64,770)</u>
Amortized cost	<u>\$10,430,840</u>	<u>\$ 2,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,433,138</u>

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$11,374,799	\$ 52,322	\$ 1,411	\$ 535	\$ -	\$11,429,067
Loss allowance (Lifetime ECLs)	<u>(10,502)</u>	<u>(52,322)</u>	<u>(1,411)</u>	<u>(535)</u>	<u>-</u>	<u>(64,770)</u>
Amortized cost	<u>\$11,364,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,364,297</u>

September 30, 2021

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$11,350,996	\$ 22,263	\$ 2,678	\$ 1,793	\$ 182	\$11,377,912
Loss allowance (Lifetime ECLs)	<u>(37,854)</u>	<u>(22,263)</u>	<u>(2,678)</u>	<u>(1,793)</u>	<u>(182)</u>	<u>(64,770)</u>
Amortized cost	<u>\$11,313,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,313,142</u>

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

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ 64,770	\$ 30,526
Add: Amounts recovered	-	85,281
Less: Net remeasurement of loss allowance	<u>-</u>	<u>(51,037)</u>
Balance at September 30	<u>\$ 64,770</u>	<u>\$ 64,770</u>

11. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials	\$ 9,897,130	\$ 6,143,831	\$ 5,171,497
Supplies	<u>618,870</u>	<u>624,163</u>	<u>559,925</u>
	<u>\$ 10,516,000</u>	<u>\$ 6,767,994</u>	<u>\$ 5,731,422</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	
	2022	2021	2022	2021
Cost of inventories sold	<u>\$ 17,268,553</u>	<u>\$ 17,001,182</u>	<u>\$ 51,318,037</u>	<u>\$ 47,330,442</u>
Write-downs (reversal) of inventories	<u>\$ 51,408</u>	<u>\$ (2,533)</u>	<u>\$ 123,730</u>	<u>\$ 57,713</u>
Unallocated production overhead	<u>\$ 1,719,606</u>	<u>\$ 836,142</u>	<u>\$ 4,312,686</u>	<u>\$ 2,471,925</u>
Sales of scrap	<u>\$ 53,782</u>	<u>\$ 46,697</u>	<u>\$ 173,035</u>	<u>\$ 132,645</u>

12. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
Powertech Technology Inc.	POWERTECH HOLDING (BVI) INC.	Investment business	100	100	100	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	Notes 2 and 4
	Powertech Semiconductor (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	36	-
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	9	9	9	-
	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
POWERTECH HOLDING (BVI) INC.	TeraPower Technology Inc.	Wafer probing test services	49	49	49	-
	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	72	72	-
Powertech Technology (Singapore) Pte. Ltd.	Powertech Semiconductor (Xian) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	64	-
	Powertech Technology (Suzhou) Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	19	19	19	-
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Wafer probing test services	49	49	49	Notes 2 and 3
	Powertech Technology Akita Inc.	Semiconductor assembly and testing service	100	100	100	Notes 2 and 4
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	51	-
	Tera Probe Aizu, Inc.	Wafer probing test services	-	100	100	Notes 2 and 5

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, 2022 and 2021 have not been reviewed.

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

Note 4: Due to the adjustment of operational needs, the Corporation scaled down the business operation of Powertech Technology (Singapore) Pte. Ltd. in January 2021, which is mainly engaged in reinvestment business. It is also expected to cease the operation of Powertech Technology Akita Inc.

Note 5: Due to the adjustment of operational needs, the Corporation ceased the operation of Tera Probe Aizu, Inc. in July 2022 and was merged by Tera Probe, Inc. through absorption, with Tera Probe, Inc. as the surviving corporation.

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, 2022	December 31, 2021	September 30, 2021
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, 2022	December 31, 2021	September 30, 2021
	2022	2021	2022	2021			
Greatek Electronics Inc.	\$ 346,343	\$ 777,099	\$ 1,632,779	\$ 1,953,936	\$ 11,351,753	\$ 11,434,242	\$ 10,767,299
Tera Probe, Inc.	\$ 81,259	\$ 63,688	\$ 194,983	\$ 141,306	\$ 2,409,248	\$ 2,364,817	\$ 2,358,427

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, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 9,217,939	\$ 11,353,869	\$ 9,899,521
Non-current assets	16,044,962	15,152,214	14,404,298
Current liabilities	(4,072,120)	(5,411,464)	(4,311,816)
Non-current liabilities	(562,995)	(264,714)	(265,427)
Equity	\$ 20,627,786	\$ 20,829,905	\$ 19,726,576
Equity attributable to:			
Owners of the Parent	\$ 8,850,389	\$ 8,937,109	\$ 8,463,723
Non-controlling interests	11,777,397	11,892,796	11,262,853
	\$ 20,627,786	\$ 20,829,905	\$ 19,726,576

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating revenue	\$ 3,508,793	\$ 5,327,044	\$ 12,912,096	\$ 14,356,240
Net income for the period	\$ 609,807	\$ 1,364,264	\$ 2,869,359	\$ 3,431,856
Other comprehensive income for the period	(121,892)	(29,346)	(227,248)	61,423
Total comprehensive income for the period	\$ 487,915	\$ 1,334,918	\$ 2,642,111	\$ 3,493,279

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Net income attributable to:				
Owners of the Parent	\$ 261,639	\$ 585,341	\$ 1,231,103	\$ 1,472,444
Non-controlling interests	<u>348,168</u>	<u>778,923</u>	<u>1,638,256</u>	<u>1,959,412</u>
	<u>\$ 609,807</u>	<u>\$ 1,364,264</u>	<u>\$ 2,869,359</u>	<u>\$ 3,431,856</u>
Total comprehensive income attributable to:				
Owners of the Parent	\$ 209,341	\$ 572,751	\$ 1,133,602	\$ 1,498,799
Non-controlling interests	<u>278,574</u>	<u>762,167</u>	<u>1,508,509</u>	<u>1,994,480</u>
	<u>\$ 487,915</u>	<u>\$ 1,334,918</u>	<u>\$ 2,642,111</u>	<u>\$ 3,493,279</u>
Net cash inflow (outflow) from:				
Operating activities	\$ 1,704,408	\$ 1,861,536	\$ 5,122,694	\$ 5,221,367
Investing activities	(863,518)	(1,843,950)	(3,242,587)	(4,472,206)
financing activities	<u>(2,762,077)</u>	<u>(1,763,730)</u>	<u>(2,438,345)</u>	<u>(1,764,342)</u>
Net cash inflow	<u>\$ (1,921,187)</u>	<u>\$ (1,746,144)</u>	<u>\$ (558,238)</u>	<u>\$ (1,015,181)</u>

(Concluded)

Tera Probe, Inc.

	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 2,397,920	\$ 2,411,445	\$ 2,494,138
Non-current assets	4,909,089	4,298,508	4,306,945
Current liabilities	(754,851)	(660,346)	(753,528)
Non-current liabilities	<u>(645,386)</u>	<u>(356,467)</u>	<u>(392,297)</u>
Equity	<u>\$ 5,906,772</u>	<u>\$ 5,693,140</u>	<u>\$ 5,655,258</u>
Equity attributable to:			
Owners of the Parent	\$ 3,582,458	\$ 3,452,890	\$ 3,429,914
Non-controlling interests	<u>2,324,314</u>	<u>2,240,250</u>	<u>2,225,344</u>
	<u>\$ 5,906,772</u>	<u>\$ 5,693,140</u>	<u>\$ 5,655,258</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Operating revenue for the period	<u>\$ 405,376</u>	<u>\$ 416,668</u>	<u>\$ 1,233,169</u>	<u>\$ 1,180,110</u>
Net income	\$ 260,047	\$ 142,576	\$ 522,412	\$ 301,285
Other comprehensive income for the period	<u>(19,091)</u>	<u>27,599</u>	<u>230,569</u>	<u>226,384</u>
Total comprehensive income for the period	<u>\$ 240,956</u>	<u>\$ 170,175</u>	<u>\$ 752,981</u>	<u>\$ 527,669</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Net income attributable to:				
Owners of the Parent	\$ 157,715	\$ 86,470	\$ 316,835	\$ 182,725
Non-controlling interests	<u>102,332</u>	<u>56,106</u>	<u>205,577</u>	<u>118,560</u>
	<u>\$ 260,047</u>	<u>\$ 142,576</u>	<u>\$ 522,412</u>	<u>\$ 301,285</u>
Total comprehensive income attributable to:				
Owners of the Parent	\$ 146,137	\$ 103,208	\$ 456,672	\$ 320,022
Non-controlling interests	<u>94,819</u>	<u>66,967</u>	<u>296,309</u>	<u>207,647</u>
	<u>\$ 240,956</u>	<u>\$ 170,175</u>	<u>\$ 752,981</u>	<u>\$ 527,669</u>
Net cash inflow (outflow) from:				
Operating activities	\$ 121,061	\$ (136,392)	\$ 1,032,623	\$ (376,169)
Investing activities	(364,733)	(316,406)	(228,104)	129,756
financing activities	<u>525,793</u>	<u>316,918</u>	<u>79,044</u>	<u>65,980</u>
Net cash inflow (outflow)	<u>\$ 282,121</u>	<u>\$ (135,880)</u>	<u>\$ 883,563</u>	<u>\$ (180,433)</u>

(Concluded)

13. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2022		December 31, 2021		September 30, 2021					
Assets used by the Corporation	<u>\$ 66,391,000</u>		<u>\$ 63,236,697</u>		<u>\$ 60,899,876</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, 2022	\$ 4,174,426	\$ 30,352,530	\$ 106,275,541	\$ 2,469,708	\$ 90,885	\$ 3,767,435	\$ 2,623,038	\$ 6,747,669	\$ 277,057	\$ 156,778,289
Additions	94,973	55,699	522,107	15,949	-	62,859	1,909,962	11,234,133	317,401	14,213,083
Disposals	-	(37,201)	(1,239,308)	(56,029)	-	(139,985)	-	(37,087)	(302,488)	(1,812,098)
Reclassified	134,168	2,786,386	8,450,151	88,601	153	107,335	(1,090,036)	(10,477,251)	-	(493)
Effects of foreign currency exchange differences	89	21,402	341,313	(9,190)	(5,746)	40,226	13,343	(5,004)	-	396,433
Balance at September 30, 2022	<u>4,403,656</u>	<u>33,178,816</u>	<u>114,349,804</u>	<u>2,509,039</u>	<u>85,292</u>	<u>3,837,870</u>	<u>3,456,307</u>	<u>7,462,460</u>	<u>291,970</u>	<u>169,575,214</u>
Accumulated depreciation										
Balance at January 1, 2022	-	13,413,221	73,643,404	1,873,765	4,280	3,414,665	-	-	-	92,349,335
Depreciation expenses	-	1,209,990	9,203,387	152,446	2,377	138,281	-	-	302,488	11,008,969
Disposals	-	(36,541)	(1,177,212)	(28,451)	-	(152,254)	-	-	(302,488)	(1,696,946)
Reclassified	-	-	264	(39)	-	(184)	-	-	-	41
Effects of foreign currency exchange differences	-	22,947	216,656	(6,534)	(745)	38,811	-	-	-	271,135
Balance at September 30, 2022	<u>-</u>	<u>14,609,617</u>	<u>81,886,499</u>	<u>1,991,187</u>	<u>5,912</u>	<u>3,439,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,932,534</u>
Accumulated impairment										
Balance at January 1, 2022	1,523	413,199	581,968	96,761	58,179	-	835	39,792	-	1,192,257
Impairment losses recognized	-	-	87	120	-	-	-	-	-	207
Disposals	-	-	(3,694)	(11,919)	-	-	-	-	-	(15,613)
Reclassified	-	-	-	-	-	-	(792)	792	-	-
Effects of foreign currency exchange differences	(131)	27,521	53,528	2,412	(5,006)	-	(43)	(3,452)	-	74,829
Balance at September 30, 2022	<u>1,392</u>	<u>440,720</u>	<u>631,889</u>	<u>87,374</u>	<u>53,173</u>	<u>-</u>	<u>-</u>	<u>37,132</u>	<u>-</u>	<u>1,251,680</u>
Carrying amount at September 30, 2022	<u>\$ 4,402,264</u>	<u>\$ 18,128,479</u>	<u>\$ 31,831,416</u>	<u>\$ 430,478</u>	<u>\$ 26,207</u>	<u>\$ 398,551</u>	<u>\$ 3,456,307</u>	<u>\$ 7,425,328</u>	<u>\$ 291,970</u>	<u>\$ 66,391,000</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 4,172,903</u>	<u>\$ 16,526,110</u>	<u>\$ 32,050,169</u>	<u>\$ 499,182</u>	<u>\$ 28,426</u>	<u>\$ 352,770</u>	<u>\$ 2,622,203</u>	<u>\$ 6,707,877</u>	<u>\$ 277,057</u>	<u>\$ 63,236,697</u>

(Continued)

	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
Cost										
Balance at January 1, 2021	\$ 3,442,706	\$ 27,495,212	\$ 103,858,997	\$ 2,514,788	\$ 413,336	\$ 3,722,627	\$ 2,294,972	\$ 3,952,441	\$ 203,042	\$ 147,898,121
Additions	559,301	28,028	1,258,590	21,035	-	34,155	2,144,553	7,447,163	-	11,921,605
Disposals	-	(187,314)	(3,029,031)	(153,657)	(310,727)	(90,570)	(535)	-	(395,965)	(4,167,799)
Reclassified	173,806	1,055,814	6,065,074	163,797	5,241	102,349	(755,662)	(6,341,526)	-	468,893
Effects of foreign currency exchange differences	(2,007)	(110,136)	(852,759)	(68,298)	(14,271)	(6,527)	(3,865)	(42,278)	(208)	(1,100,349)
Balance at September 30, 2021	<u>4,173,806</u>	<u>28,281,604</u>	<u>107,300,871</u>	<u>2,477,665</u>	<u>93,579</u>	<u>3,762,034</u>	<u>3,679,463</u>	<u>5,015,800</u>	<u>235,649</u>	<u>155,020,471</u>
Accumulated depreciation										
Balance at January 1, 2021	-	12,275,248	68,685,966	1,878,378	236,089	3,342,692	-	-	13,651	86,432,024
Depreciation expenses	-	1,103,834	8,524,027	151,120	1,485	151,317	-	-	382,523	10,314,306
Disposals	-	(170,209)	(2,401,718)	(130,724)	(220,780)	(89,454)	-	-	(395,965)	(3,408,850)
Reclassified	-	19	365,357	-	-	-	-	-	-	365,376
Effects of foreign currency exchange differences	-	(50,986)	(674,520)	(49,762)	(5,706)	(5,972)	-	-	(209)	(787,155)
Balance at September 30, 2021	<u>-</u>	<u>13,157,906</u>	<u>74,499,112</u>	<u>1,849,012</u>	<u>11,088</u>	<u>3,398,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,915,701</u>
Accumulated impairment										
Balance at January 1, 2021	1,749	425,731	639,988	100,528	141,178	-	-	45,729	-	1,354,903
Disposals	-	-	(24,986)	-	(73,184)	-	-	-	-	(98,170)
Effects of foreign currency exchange differences	(174)	(11,174)	(24,732)	(3,468)	(7,759)	-	-	(4,532)	-	(51,839)
Balance at September 30, 2021	<u>1,575</u>	<u>414,557</u>	<u>590,270</u>	<u>97,060</u>	<u>60,235</u>	<u>-</u>	<u>-</u>	<u>41,197</u>	<u>-</u>	<u>1,204,894</u>
Carrying amount at September 30, 2021	<u>\$ 4,172,231</u>	<u>\$ 14,709,141</u>	<u>\$ 32,211,489</u>	<u>\$ 531,593</u>	<u>\$ 22,256</u>	<u>\$ 363,451</u>	<u>\$ 3,679,463</u>	<u>\$ 4,974,603</u>	<u>\$ 235,649</u>	<u>\$ 60,899,876</u>

(Concluded)

Tera Probe, Inc. expected a decrease in the future cash flows of machinery and equipment and office equipment. Therefore, impairment loss of \$0 thousand and \$207 thousand, which were recognized in other gains and losses during the three months ended September 30, 2022 and nine months ended September 30, 2022, respectively.

Tera Probe, Inc. assessed that the book value of some assets cannot be recovered.

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	2-26 years
Wafer Fab	6-16 years
Fire control equipment	6-26 years
Others	2-51 years
Machinery and equipment	1-15 years
Office equipment	1-15 years
Leasehold improvements	2-50 years
Other equipment	2-16 years
Spare parts	0.5-2 years

Property, plant and equipment pledged as collateral for bank borrowings is set out in Note 28.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Land	\$ 1,353,149	\$ 1,377,512	\$ 1,386,826
Buildings	-	-	1,280
Machinery and equipment	84,101	101,801	110,866
Transportation equipment	<u>1,590</u>	<u>2,644</u>	<u>2,995</u>
	<u>\$ 1,438,840</u>	<u>\$ 1,481,957</u>	<u>\$ 1,501,967</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Additions to right-of-use assets			\$ 9,167	\$ 10,260
Depreciation charge for right-of-use assets				
Land	\$ 9,824	\$ 9,176	\$ 29,442	\$ 27,459
Buildings	-	1,857	-	14,074
Machinery and equipment	5,112	5,783	15,932	22,458
Transportation equipment	<u>351</u>	<u>352</u>	<u>1,054</u>	<u>988</u>
	<u>\$ 15,287</u>	<u>\$ 17,168</u>	<u>\$ 46,428</u>	<u>\$ 64,979</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, 2022 and 2021.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Current	\$ 60,416	\$ 63,724	\$ 66,514
Non-current	\$ 1,326,724	\$ 1,364,825	\$ 1,382,115

Range of discount rate for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Land	0.93%-1.69%	0.93%-1.69%	0.93%-1.69%
Buildings	-	-	0.77%
Machinery and equipment	0.80%-2.30%	0.80%-1.70%	0.80%-1.70%
Transportation equipment	0.92%	0.92%	0.92%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	\$ 6,750	\$ 3,314	\$ 16,378	\$ 11,184
Total cash outflow for leases			\$ (66,954)	\$ (97,647)

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.

15. INTANGIBLE ASSETS

	Computer Software	Goodwill	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 611,572	\$ 979,819	\$ 246,494	\$ 220,775	\$ 9,424	\$ 88,894	\$ 2,156,978
Additions	15,173	-	-	-	-	-	15,173
Disposals	(4,628)	-	-	-	-	-	(4,628)
Effect of foreign currency exchange differences	(13,297)	-	4,807	-	(94)	-	(8,584)
Balance at September 30, 2022	<u>608,820</u>	<u>979,819</u>	<u>251,301</u>	<u>220,775</u>	<u>9,330</u>	<u>88,894</u>	<u>2,158,939</u>
<u>Accumulated amortization</u>							
Balance at January 1, 2022	583,470	-	246,494	220,775	8,664	88,894	1,148,297
Amortization expenses	27,288	-	-	-	704	-	27,992
Disposals	(4,628)	-	-	-	-	-	(4,628)
Reclassified	(71,560)	-	-	-	-	-	(71,560)
Effect of foreign currency exchange differences	(11,132)	-	4,807	-	(89)	-	(6,414)
Balance at September 30, 2022	<u>523,438</u>	<u>-</u>	<u>251,301</u>	<u>220,775</u>	<u>9,279</u>	<u>88,894</u>	<u>1,093,687</u>
<u>Accumulated impairment</u>							
Balance at January 1, 2022	26,041	-	-	-	-	-	26,041
Effect of foreign currency exchange differences	1,188	-	-	-	-	-	1,188
Balance at September 30, 2022	<u>27,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,229</u>
Carrying amount at September 30, 2022	<u>\$ 58,153</u>	<u>\$ 979,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 1,038,023</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 2,061</u>	<u>\$ 979,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760</u>	<u>\$ -</u>	<u>\$ 982,640</u>
<u>Cost</u>							
Balance at January 1, 2021	\$ 632,953	\$ 979,819	\$ 247,464	\$ 220,775	\$ 9,587	\$ 88,894	\$ 2,179,492
Additions	18,110	-	-	-	-	-	18,110
Disposals	(1,454)	-	-	-	-	-	(1,454)
Reclassified	260	-	-	-	-	-	260
Effect of foreign currency exchange differences	(27,271)	-	(761)	-	(124)	-	(28,156)
Balance at September 30, 2021	<u>622,598</u>	<u>979,819</u>	<u>246,703</u>	<u>220,775</u>	<u>9,463</u>	<u>88,894</u>	<u>2,168,252</u>
<u>Accumulated amortization</u>							
Balance at January 1, 2021	585,776	-	247,464	220,775	5,947	88,894	1,148,856
Amortization expenses	28,069	-	-	-	2,148	-	30,217
Disposals	(1,454)	-	-	-	-	-	(1,454)
Effect of foreign currency exchange differences	(20,864)	-	(761)	-	(110)	-	(21,735)
Balance at September 30, 2021	<u>591,527</u>	<u>-</u>	<u>246,703</u>	<u>220,775</u>	<u>7,985</u>	<u>88,894</u>	<u>1,155,884</u>
<u>Accumulated impairment</u>							
Balance at January 1, 2021	28,161	-	-	-	-	-	28,161
Effect of foreign currency exchange differences	(1,628)	-	-	-	-	-	(1,628)
Balance at September 30, 2021	<u>26,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,533</u>
Carrying amount at September 30, 2021	<u>\$ 4,538</u>	<u>\$ 979,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,478</u>	<u>\$ -</u>	<u>\$ 985,835</u>

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

16. OTHER ASSETS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Payment on behalf of others	\$ 416,324	\$ 410,278	\$ 225,203
Tax refund receivables	275,868	263,040	253,288
Refundable deposits	175,262	-	-
Others	<u>57,350</u>	<u>48,585</u>	<u>55,642</u>
	<u>\$ 924,804</u>	<u>\$ 721,903</u>	<u>\$ 534,133</u>
<u>Prepaid expense</u>			
Tax overpaid	\$ 406,410	\$ 330,933	\$ 242,279
Prepaid insurance	41,857	27,588	35,886
Inventory of supplies	31,865	33,381	25,835
Prepaid repairs and maintenance	17,784	26,981	27,785
Prepayment for purchases	4,320	8,055	174,719
Others	<u>50,965</u>	<u>25,370</u>	<u>31,005</u>
	<u>\$ 553,201</u>	<u>\$ 452,308</u>	<u>\$ 537,509</u>
<u>Non-current</u>			
Refundable deposits	\$ 797,540	\$ 267,582	\$ 60,699
Prepayment for equipment	155,144	63,849	61,247
Others	<u>922</u>	<u>925</u>	<u>962</u>
	<u>\$ 953,606</u>	<u>\$ 332,356</u>	<u>\$ 122,908</u>

17. BORROWINGS

a. Short-term bank loans

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Unsecured borrowings</u>			
Working capital loan	<u>\$ 192,942</u>	<u>\$ 72,180</u>	<u>\$ 208,148</u>

The effective interest rate ranges on the working capital loan were 0.68%-2.95%, 0.68% and 0.53%-1.57% as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

b. Long-term debts

	September 30, 2022	December 31, 2021	September 30, 2021
1) Secured Borrowings (Note 28)	\$ 16,331,235	\$ 13,519,457	\$ 13,305,831
2) Unsecured Borrowings	<u>17,641,868</u>	<u>16,614,859</u>	<u>17,687,117</u>
	33,973,103	30,134,316	30,992,948
Less: Current portion	<u>(292,064)</u>	<u>(121,503)</u>	<u>(165,555)</u>
	<u>\$ 33,681,039</u>	<u>\$ 30,012,813</u>	<u>\$ 30,827,393</u>

1. Repayable continually from December 2023 to December 2038; interest rates at 0.90%-1.51% on September 30, 2022, 0.40%-1.01% on December 31, 2021 and 0.40%-1.01% on September 30, 2021.
2. Repayable continually from February 2024 to December 2028; interest rates at 0.60%-4.36% on September 30, 2022, 0.45%-1.00% on December 31, 2021 and 0.60%-1.00% on September 30, 2021.

For PTI's long-term debt, the financing banks required PTI to show compliance with requirements to maintain the current ratio, fixed ratio, liability ratio, financial liability ratio, equity ratio, interest coverage ratio, tangible assets and net asset value as well as the ability to repay the current portion of long-term liabilities in its annual and semiannual consolidated financial statements. As of September 30, 2022, PTI was in compliance with these ratio requirements.

18. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Accrued expenses and other current liabilities			
Salaries and bonus	\$ 3,308,402	\$ 3,503,413	\$ 2,303,963
Agency receipts	408,721	286,840	248,254
Payable for utilities	333,147	210,657	251,776
Payable for insurance	214,316	243,443	211,723
Payable for annual leave	144,892	75,237	150,023
Guarantee deposits (a)	144,332	-	-
Indemnification payable (b)	132,492	133,487	153,987
Payables for treasury stock delivery payments	-	241,156	-
Others	<u>3,827,137</u>	<u>3,779,827</u>	<u>3,689,461</u>
	<u>\$ 8,513,439</u>	<u>\$ 8,474,060</u>	<u>\$ 7,009,187</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits (a)	\$ 802,535	\$ 1,316	\$ 1,344
Others	<u>11,561</u>	<u>21,983</u>	<u>30,036</u>
	<u>\$ 814,096</u>	<u>\$ 23,299</u>	<u>\$ 31,380</u>

- a. Mainly production capacity guarantee deposits.
- b. Indemnification payable are measured at the best estimate 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.

19. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Corporation's defined benefit retirement plans were \$2,185 thousand, \$2,259 thousand, \$6,742 thousand and \$6,881 thousand for the three months and nine months ended September 30, 2022 and 2021, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2022 and 2021.

20. EQUITY

a. Capital stock

1) Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
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>779,147</u>	<u>779,147</u>
Share issued (in thousands of dollars)	<u>\$ 7,591,466</u>	<u>\$ 7,791,466</u>	<u>\$ 7,791,466</u>

Fully paid ordinary shares, which have a par value of \$10, carry 1 vote per share and carry a right to dividends.

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

The change in the Corporation's share capital was mainly due to the board of directors resolved on March 10, 2022 to cancel treasury shares, the base date was set on March 14, 2022 and completed change registration on April 15, 2022.

As of September 30, 2022, 22 units of GDSs of PTI were trading on the Luxembourg Share Exchange. The number of ordinary shares represented by the GDSs was 44 shares (one GDS represents 2 ordinary shares).

b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Share premium	\$ 1,879	\$ 1,929	\$ 1,929
<u>May be used to offset a deficit only</u>			
Arising from treasury share transactions	75,888	197,092	197,092
Changes in percentage of ownership interests in subsidiaries (2)	<u>71,773</u>	<u>71,773</u>	<u>71,718</u>
	<u>\$ 149,540</u>	<u>\$ 270,794</u>	<u>\$ 270,739</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 dividends policy as set forth in the 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 Articles of Incorporation provide that the total cash dividends paid in any given year should be at least 20% of total dividends distributed.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 22(g).

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

The appropriations of earnings for 2021 and 2020 were approved in the shareholders' meeting on May 27, 2022 and July 29, 2021, respectively. The appropriations and dividends per share were as follows:

	For the Year Ended	
	December 31	
	2021	2020
Legal reserve	<u>\$ 890,790</u>	<u>\$ 662,022</u>
Special reserve	<u>\$ 343,641</u>	<u>\$ 42,241</u>
Cash dividends	<u>\$ 5,162,197</u>	<u>\$ 3,895,733</u>
Cash dividends per share (NT\$)	\$ 6.8	\$ 5

d. Others equity items

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

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ (690,969)	\$ (352,472)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	<u>210,748</u>	<u>(271,116)</u>
Other comprehensive loss recognized for the period	<u>210,748</u>	<u>(271,116)</u>
Balance at September 30	<u>\$ (480,221)</u>	<u>\$ (623,588)</u>

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

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ (19,654)	\$ (14,510)
Recognized for the period		
Unrealized (loss) gain - equity instruments	<u>(6,774)</u>	<u>(287)</u>
Other comprehensive income recognized for the period	<u>(6,774)</u>	<u>(287)</u>
Balance at September 30	<u>\$ (26,428)</u>	<u>\$ (14,797)</u>

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2022	2021
Balance at January 1	\$ 13,799,059	\$ 12,416,516
Share in profit for the period	1,827,762	2,095,242
Other comprehensive loss for the period		
Exchange differences on translation of the financial statements of foreign entities	(39,769)	(151,966)
The Parent's shares held by its subsidiaries treated as treasury shares	(91,361)	(227,243)
Cash dividends distributed by subsidiaries	<u>(1,734,690)</u>	<u>(1,006,823)</u>
Balance at September 30	<u>\$ 13,761,001</u>	<u>\$ 13,125,726</u>

f. Treasury share

Purpose of Buy-Back	Shares Cancelled (In Thousands of Shares)	Share Held by Subsidiary (In Thousands of Shares)
Number of shares at January 1, 2021	-	6,170
Increase during the period	<u>-</u>	<u>3,830</u>
Number of shares at September 30, 2021	<u>-</u>	<u>10,000</u>
Number of shares at January 1, 2022	10,412	10,000
Increase during the period	9,588	1,800
Decrease during the period	<u>(20,000)</u>	<u>-</u>
Number of shares at September 30, 2022	<u>-</u>	<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, 2022</u>			
Greatek Electronics Inc.	11,800	\$ 909,780	\$ 909,780
<u>December 31, 2021</u>			
Greatek Electronics Inc.	10,000	\$ 977,000	\$ 977,000
<u>September 30, 2021</u>			
Greatek Electronics Inc.	10,000	\$ 1,045,000	\$ 1,045,000

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. PTI's shares held by its subsidiary are treated as treasury shares.

21. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Revenue from contracts with customers				
Revenue from packaging services	\$ 14,162,345	\$ 15,527,201	\$ 44,327,078	\$ 42,124,976
Revenue from testing services	4,938,102	4,929,308	14,499,303	13,553,622
Revenue from module services	2,310,180	1,842,342	6,652,638	5,642,869
Others	<u>19,506</u>	<u>21,629</u>	<u>45,088</u>	<u>49,100</u>
	<u>\$ 21,430,133</u>	<u>\$ 22,320,480</u>	<u>\$ 65,524,107</u>	<u>\$ 61,370,567</u>

a. Contract information

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

b. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Notes and accounts receivable (including related parties) (Note 10)	<u>\$ 17,113,592</u>	<u>\$ 17,975,014</u>	<u>\$ 18,059,416</u>	<u>\$ 14,766,670</u>
Contract assets				
Revenue from processing services	<u>\$ 2,737,162</u>	<u>\$ 2,418,865</u>	<u>\$ 2,323,327</u>	<u>\$ 2,211,796</u>
Contract liabilities				
Revenue from processing services	<u>\$ 233,343</u>	<u>\$ 164,824</u>	<u>\$ 149,211</u>	<u>\$ 56,676</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	
	2022	2021	2022	2021
From the contract liabilities at the beginning of the year				
Revenue from services	<u>\$ 7,838</u>	<u>\$ 3,864</u>	<u>\$ 136,718</u>	<u>\$ 41,592</u>

c. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
<u>Primary geographical markets</u>				
Japan	\$ 7,486,602	\$ 7,056,662	\$ 20,691,227	\$ 18,883,351
America	3,829,781	3,214,444	11,044,005	9,120,635
Singapore	2,717,877	5,073,417	8,952,146	13,686,855
Taiwan (The principal place of business of the Corporation)	5,847,883	5,113,646	19,898,713	14,508,760

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Europe	\$ 485,624	\$ 616,672	\$ 1,507,231	\$ 1,707,045
China, Hong Kong and Macao	540,841	526,116	1,675,962	1,443,046
Others	<u>521,525</u>	<u>719,523</u>	<u>1,754,823</u>	<u>2,020,875</u>
	<u>\$ 21,430,133</u>	<u>\$ 22,320,480</u>	<u>\$ 65,524,107</u>	<u>\$ 61,370,567</u> (Concluded)

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ (5,167)	\$ 14,592	\$ (39,260)	\$ 127,419
Financial liabilities classified as held for trading	(282,607)	(9,081)	(654,022)	(64,473)
Others	<u>115,737</u>	<u>56,946</u>	<u>189,853</u>	<u>320,889</u>
	<u>\$ (172,037)</u>	<u>\$ 62,457</u>	<u>\$ (503,429)</u>	<u>\$ 383,835</u>

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Bank deposits	\$ 23,541	\$ 8,857	\$ 46,985	\$ 29,274
Financial assets measured at amortized cost	<u>292</u>	<u>1,395</u>	<u>2,104</u>	<u>4,859</u>
	<u>\$ 23,833</u>	<u>\$ 10,252</u>	<u>\$ 49,089</u>	<u>\$ 34,133</u>

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Rental income				
Operating lease rental income	<u>\$ 17,351</u>	<u>\$ 20,778</u>	<u>\$ 55,008</u>	<u>\$ 67,444</u>

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Interest on bank loans	\$ 88,864	\$ 66,925	\$ 225,773	\$ 207,194
Interest on lease liabilities	5,827	6,028	17,596	18,278
Capitalized interest	<u>(24,731)</u>	<u>(18,605)</u>	<u>(65,193)</u>	<u>(53,495)</u>
	<u>\$ 69,960</u>	<u>\$ 54,348</u>	<u>\$ 178,176</u>	<u>\$ 171,977</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Capitalized interest	\$ 24,731	\$ 18,605	\$ 65,193	\$ 53,495
Capitalization rate	0.83%-1.19%	0.86%-0.93%	0.83%-1.19%	0.86%-0.93%

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Property, plant and equipment	\$ 3,777,890	\$ 3,539,670	\$ 11,008,969	\$ 10,314,306
Right-of-use assets	15,287	17,168	46,428	64,979
Intangible assets	<u>8,604</u>	<u>10,155</u>	<u>27,992</u>	<u>30,217</u>
	<u>\$ 3,801,781</u>	<u>\$ 3,566,993</u>	<u>\$ 11,083,389</u>	<u>\$ 10,409,502</u>
An analysis of depreciation by function				
Operating costs	\$ 3,621,395	\$ 3,435,603	\$ 10,595,449	\$ 9,980,032
Operating expenses	<u>171,782</u>	<u>121,235</u>	<u>459,948</u>	<u>399,253</u>
	<u>\$ 3,793,177</u>	<u>\$ 3,556,838</u>	<u>\$ 11,055,397</u>	<u>\$ 10,379,285</u>
An analysis of amortization by function				
Operating costs	\$ 6,328	\$ 6,767	\$ 20,396	\$ 19,895
Marketing	1	21	3	24
General and administrative	789	1,282	2,360	3,939
Research and development	<u>1,486</u>	<u>2,085</u>	<u>5,233</u>	<u>6,359</u>
	<u>\$ 8,604</u>	<u>\$ 10,155</u>	<u>\$ 27,992</u>	<u>\$ 30,217</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Post-employment benefits				
Defined contribution plans	\$ 161,197	\$ 144,954	\$ 476,240	\$ 430,250
Defined benefit plans (Note 19)	<u>2,185</u>	<u>2,259</u>	<u>6,742</u>	<u>6,881</u>
	163,382	147,213	482,982	437,131
Termination benefits	178	364	185	1,079
Other employee benefits	<u>5,081,078</u>	<u>5,105,592</u>	<u>15,132,673</u>	<u>14,222,234</u>
 Total employee benefits expense	 <u>\$ 5,244,638</u>	 <u>\$ 5,253,169</u>	 <u>\$ 15,615,840</u>	 <u>\$ 14,660,534</u>
 An analysis of employee benefits expense by function				
Operating costs	\$ 4,390,119	\$ 4,402,977	\$ 13,085,324	\$ 12,371,615
Operating expenses	<u>854,519</u>	<u>850,192</u>	<u>2,530,516</u>	<u>2,288,919</u>
	<u>\$ 5,244,638</u>	<u>\$ 5,253,169</u>	<u>\$ 15,615,840</u>	<u>\$ 14,660,534</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of PTI, PTI accrues compensation of employees and remuneration of directors at the rates between 5% and 7.5% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if PTI has accumulated deficits (including adjustment of unappropriated earnings), PTI should retain the net profit in advance for deducting accumulated deficits. For the three months and nine months ended September 30, 2022 and 2021, 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	
	2022	2021	2022	2021
Compensation of employees	5.41%	5.40%	5.41%	5.40%
Remuneration of directors	1.08%	1.08%	1.08%	1.08%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
	Cash	Cash	Cash	Cash
Compensation of employees	\$ 161,641	\$ 166,769	\$ 495,299	\$ 432,131
Remuneration of directors	32,328	33,354	99,060	86,426

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 2021 and 2020 that were resolved by the board of directors on March 10, 2022 and March 12, 2021, respectively, are as shown below:

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	\$ 600,642	\$ 449,703
Remuneration of directors	120,128	89,940

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, 2021 and 2020.

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	
	2022	2021	2022	2021
	Foreign exchange gains	\$ 1,406,755	\$ 154,711	\$ 3,008,643
Foreign exchange losses	<u>(467,514)</u>	<u>(125,273)</u>	<u>(1,076,875)</u>	<u>(658,972)</u>
Net gains (losses)	<u>\$ 939,241</u>	<u>\$ 29,438</u>	<u>\$ 1,931,768</u>	<u>\$ (224,911)</u>

23. 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	
	2022	2021	2022	2021
	Current tax			
In respect of the current period	\$ 700,151	\$ 807,366	\$ 2,358,526	\$ 2,020,566
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>28,354</u>	<u>3,077</u>
	700,151	807,366	2,386,880	2,023,643
Deferred tax				
In respect of the current period	<u>52,957</u>	<u>50,117</u>	<u>124,656</u>	<u>179,739</u>
Income tax expense recognized in profit or loss	<u>\$ 753,108</u>	<u>\$ 857,483</u>	<u>\$ 2,511,536</u>	<u>\$ 2,203,382</u>

b. Income tax assessments

Income tax returns through 2020 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Basic earnings per share	\$ 3.20	\$ 3.20	\$ 9.79	\$ 8.29
Diluted earnings per share	\$ 3.18	\$ 3.19	\$ 9.69	\$ 8.24

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	
	2022	2021	2022	2021
Profit of the period attributable to owner of the Parent	\$ 2,394,683	\$ 2,470,652	\$ 7,337,766	\$ 6,401,939
Effect of potentially dilutive ordinary shares:				
Compensation of employees	-	-	-	-
Earnings used in the computation of diluted earnings per share	\$ 2,394,683	\$ 2,470,652	\$ 7,337,766	\$ 6,401,939

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	
	2022	2021	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	747,801	770,969	749,220	772,010
Effect of potentially dilutive ordinary shares:				
Compensation of employees	6,424	3,986	8,014	5,139
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	754,225	774,955	757,234	777,149

If PTI offered to settle compensation paid to employees in cash or shares, PTI assumed the entire amount of the compensation will be settled in shares, and the resulting potential shares were 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.

25. CAPITAL MANAGEMENT

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

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

26. FINANCIAL INSTRUMENTS

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

September 30, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 150,000	\$ -	\$ 150,135	\$ -	\$ 150,135

December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 500,000	\$ -	\$ 501,313	\$ -	\$ 501,313

September 30, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 550,001	\$ -	\$ 552,462	\$ -	\$ 552,462

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, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 1,447</u>	\$ <u> -</u>	\$ <u> 1,447</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> 970</u>	\$ <u> 22,400</u>	\$ <u> -</u>	\$ <u> 23,370</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 168,283</u>	\$ <u> -</u>	\$ <u> 168,283</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 79,200	\$ -	\$ -	\$ 79,200
Derivative instruments	<u> -</u>	<u> 26,337</u>	<u> -</u>	<u> 26,337</u>
	<u>\$ 79,200</u>	<u>\$ 26,337</u>	<u>\$ -</u>	<u>\$ 105,537</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> 1,644</u>	\$ <u> 28,500</u>	\$ <u> -</u>	\$ <u> 30,144</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 5,649</u>	\$ <u> -</u>	\$ <u> 5,649</u>

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 70,650	\$ -	\$ -	\$ 70,650
Derivative instruments	<u> -</u>	<u> 8,729</u>	<u> -</u>	<u> 8,729</u>
	<u>\$ 70,650</u>	<u>\$ 8,729</u>	<u>\$ -</u>	<u>\$ 79,379</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ <u> 1,801</u>	\$ <u> 33,200</u>	\$ <u> -</u>	\$ <u> 35,001</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u> -</u>	\$ <u> 18,735</u>	\$ <u> -</u>	\$ <u> 18,735</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, 2022	December 31, 2021	September 30, 2021
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,447	\$ 105,537	\$ 79,379
Financial assets at amortized cost (Note 1)	40,850,393	42,238,124	40,619,176
Financial assets at FVTOCI			
Equity instruments	23,370	30,144	35,001
<u>Financial liabilities</u>			
FVTPL			
Held for trading	168,283	5,649	18,735
Amortized cost (Note 2)	47,741,492	42,439,510	42,230,008

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), dividends payable, accrued expenses and other current liabilities, long-term debt (including current portion) and guarantee deposits.

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 30.

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	
	2022	2021	2022	2021
Profit or loss	\$ (667,125)	\$ (595,441)	\$ 38,785	\$ 30,289

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, 2022	December 31, 2021	September 30, 2021
Fair value interest rate risk			
Financial assets	\$ 8,086,950	\$ 7,447,832	\$ 5,809,885
Financial liabilities	686,089	317,593	496,482
Cash flow interest rate risk			
Financial assets	14,015,046	15,599,156	15,710,093
Financial liabilities	33,479,956	29,888,903	30,704,614

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, 2022 and 2021 would decrease/increase by \$14,599 thousand and \$11,246 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rate risk on its variable-rate net liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax profit for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$0 thousand and \$3,533 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the

post-tax other comprehensive income for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$1,169 thousand and \$1,750 thousand, respectively, as a result of the changes in fair value of financial assets at 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 counterparties, therefore, the Corporation believes the concentration of credit risk is insignificant for the remaining accounts receivable.

Credit risk management for investments in debt instruments

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

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

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

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash 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, 2022, December 31, 2021 and September 30, 2021, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$4,481,944 thousand, \$6,739,081 thousand and \$7,200,797 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, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Noninterest bearing	\$ 5,318,405	\$ 6,325,731	\$ 1,128,776	\$ 672,601	\$ 129,934
Lease liabilities	7,070	14,001	62,040	200,336	1,590,124
Fixed interest rate liabilities	-	117,647	131,940	436,502	-
Variable interest rate liabilities	-	126,971	108,448	24,165,429	9,079,108
	<u>\$ 5,325,475</u>	<u>\$ 6,584,353</u>	<u>\$ 1,431,204</u>	<u>\$ 25,474,868</u>	<u>\$ 10,799,166</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 83,114</u>	<u>\$ 200,336</u>	<u>\$ 239,242</u>	<u>\$ 236,171</u>	<u>\$ 234,291</u>	<u>\$ 880,420</u>
Variable interest rate	<u>\$ 235,419</u>	<u>\$24,165,429</u>	<u>\$8,618,698</u>	<u>\$ 365,896</u>	<u>\$ 94,514</u>	<u>\$ -</u>

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 4,074,461	\$ 6,465,347	\$ 1,693,206	\$ -	\$ -
Lease liabilities	7,265	14,531	65,252	226,903	1,617,461
Fixed interest rate liabilities	-	105,263	88,421	123,909	-
Variable interest rate liabilities	-	-	-	24,604,646	5,284,257
	<u>\$ 4,081,726</u>	<u>\$ 6,585,141</u>	<u>\$ 1,846,879</u>	<u>\$ 24,955,458</u>	<u>\$ 6,901,718</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 87,048</u>	<u>\$ 226,903</u>	<u>\$ 236,403</u>	<u>\$ 234,088</u>	<u>\$ 233,688</u>	<u>\$ 913,282</u>
Variable interest rate	<u>\$ -</u>	<u>\$24,604,646</u>	<u>\$4,714,859</u>	<u>\$ 418,769</u>	<u>\$ 150,629</u>	<u>\$ -</u>

September 30, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Noninterest bearing	\$ 3,977,650	\$ 5,683,640	\$ 1,367,622	\$ -	\$ -
Lease liabilities	8,329	15,380	66,295	237,577	1,629,527
Fixed interest rate liabilities	132,646	26,156	178,879	158,801	-
Variable interest rate liabilities	<u>-</u>	<u>-</u>	<u>36,022</u>	<u>25,817,581</u>	<u>4,851,011</u>
	<u>\$ 4,118,625</u>	<u>\$ 5,725,176</u>	<u>\$ 1,648,818</u>	<u>\$ 26,213,959</u>	<u>\$ 6,480,538</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 90,004</u>	<u>\$ 237,577</u>	<u>\$ 236,665</u>	<u>\$ 234,208</u>	<u>\$ 233,688</u>	<u>\$ 924,966</u>
Variable interest rate liabilities	<u>\$ 36,022</u>	<u>\$25,817,581</u>	<u>\$2,051,456</u>	<u>\$1,496,984</u>	<u>\$ 835,904</u>	<u>\$ 466,667</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, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,799,921	\$ 1,773,128	\$ 39,691
Outflows	<u>(1,897,404)</u>	<u>(1,841,933)</u>	<u>(40,239)</u>
	<u>\$ (97,483)</u>	<u>\$ (68,805)</u>	<u>\$ (548)</u>

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 1,814,159	\$ 2,972,363	\$ 35,574
Outflows	<u>(1,803,477)</u>	<u>(2,961,903)</u>	<u>(36,028)</u>
	<u>\$ 10,682</u>	<u>\$ 10,460</u>	<u>\$ (454)</u>

September 30, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 2,152,166	\$ 3,185,718	\$ 47,774
Outflows	<u>(2,149,270)</u>	<u>(3,197,716)</u>	<u>(48,678)</u>
	<u>\$ 2,896</u>	<u>\$ (11,998)</u>	<u>\$ (904)</u>
c) Financing facilities			
	September 30, 2022	December 31, 2021	September 30, 2021
Secured bank loan facilities which may be mutually extended			
Amount used	\$ 16,331,235	\$ 13,519,457	\$ 13,305,831
Amount unused	<u>5,400,000</u>	<u>17,175,000</u>	<u>5,681,250</u>
	<u>\$ 21,731,235</u>	<u>\$ 30,694,457</u>	<u>\$ 18,987,081</u>

27. 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 Trading Inc.	Substantial related parties
Toshiba Electronic Devices & Storage Corporation	Substantial related parties
Kingston Technology International Ltd.	Substantial related parties
Kingston Digital International Ltd.	Substantial related parties
Kingston Solution, Inc.	Substantial related parties
Kingston Technology Far East Corp.	Substantial related parties
Solid State Storage Technology Corp.	Substantial related parties
Realtek Singapore Private Limited	Substantial related parties
Realtek Semiconductor Corp.	Substantial related parties
Raymx Microelectronics Corp.	Substantial related parties

b. Sales of goods

Line Items	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2022	2021	2022	2021
Sales of goods	Substantial related parties				
	Kioxia Corporation	\$ 5,830,371	\$ 5,984,246	\$ 16,236,329	\$ 16,105,797
	Others	<u>514,163</u>	<u>506,708</u>	<u>1,538,783</u>	<u>1,676,620</u>
		<u>\$ 6,344,534</u>	<u>\$ 6,490,954</u>	<u>\$ 17,775,112</u>	<u>\$ 17,782,417</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	
	2022	2021	2022	2021
Substantial related parties	<u>\$ 352,232</u>	<u>\$ 246,212</u>	<u>\$1,061,154</u>	<u>\$ 758,728</u>

The purchase prices and payment terms were based on negotiations and thus not comparable with those in the market.

d. Operating costs and expenses

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Substantial related parties	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 198</u>

Operating costs and expenses mainly was occasional fee.

e. Other gains and losses

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Substantial related parties				
Kioxia Corporation	\$ 3,634	\$ 9,347	\$ 7,632	\$ 14,047
Others	<u>-</u>	<u>344</u>	<u>24</u>	<u>1,367</u>
	<u>\$ 3,634</u>	<u>\$ 9,691</u>	<u>\$ 7,656</u>	<u>\$ 15,414</u>

Other gains and losses mainly include the purchase and sales of raw materials and the difference between collections and payment transfers. 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, 2022	December 31, 2021	September 30, 2021
Substantial related parties			
Kioxia Corporation	\$ 923,936	\$ 669,072	\$ 851,010
Others	<u>76,849</u>	<u>84,067</u>	<u>60,772</u>
	<u>\$ 1,000,785</u>	<u>\$ 753,139</u>	<u>\$ 911,782</u>

For the nine months ended September 30, 2022 and 2021, 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 Items	Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable from related parties	Substantial related parties			
	Kioxia Corporation	\$ 6,118,341	\$ 5,984,852	\$ 6,145,207
	Others	<u>465,717</u>	<u>470,454</u>	<u>427,038</u>
		<u>\$ 6,584,058</u>	<u>\$ 6,455,306</u>	<u>\$ 6,572,245</u>

The outstanding accounts receivable from related parties are unsecured. For the nine months ended September 30, 2022 and 2021, no impairment loss was recognized for accounts receivables from related parties.

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

Line Items	Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Accounts payables from related parties	Substantial related parties			
	Solid State Storage Technology Corp.	\$ 82,719	\$ -	\$ -
	Toshiba International Procurement Hong Kong, Ltd.	74,951	154,391	165,019
	Others	<u>-</u>	<u>-</u>	<u>1,622</u>
		<u>\$ 157,670</u>	<u>\$ 154,391</u>	<u>\$ 166,641</u>

The outstanding accounts payable from related parties are unsecured.

i. Payable to equipment suppliers

Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Substantial related party	<u>\$ -</u>	<u>\$ 40,121</u>	<u>\$ 5,634</u>

j. Acquisition of property, plant and equipment

	Purchase Price	
	For the Nine Months Ended	
	September 30	
	2022	2021
Substantial related parties		
Kioxia Corporation	\$ <u>-</u>	\$ <u>5,606</u>

k. Other receivables from related parties

Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Substantial related parties			
Kioxia Corporation	\$ 61,383	\$ 64,766	\$ 34,965
Kingston Solution, Inc.	90	48	10,960
Others	<u>466</u>	<u>533</u>	<u>2,093</u>
	<u>\$ 61,939</u>	<u>\$ 65,347</u>	<u>\$ 48,018</u>

l. Other payables to related parties

Related Party Category/Name	September 30, 2022	December 31, 2021	September 30, 2021
Substantial related parties			
Toshiba Trading Inc.	\$ 2,007	\$ 5,827	\$ 1,759
Others	<u>187</u>	<u>357</u>	<u>519</u>
	<u>\$ 2,194</u>	<u>\$ 6,184</u>	<u>\$ 2,278</u>

m. Compensation of key management personnel

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
Short-term benefits	\$ 154,730	\$ 142,766	\$ 448,461	\$ 373,032
Post-employment benefits	<u>505</u>	<u>541</u>	<u>1,541</u>	<u>1,595</u>
	<u>\$ 155,235</u>	<u>\$ 143,307</u>	<u>\$ 450,002</u>	<u>\$ 374,627</u>

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collateral mainly for long-term debt, guarantee deposits for exports, L/C and bonded inventories.

	September 30, 2022	December 31, 2021	September 30, 2021
Property, plant and equipment	\$ 21,810,214	\$ 18,279,070	\$ 17,414,650
Pledge deposits (classified as financial assets at amortized cost - current)	13,469	25,223	25,298
Restricted deposits (classified as financial assets at amortized cost - current)	31,743	29,868	-
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>114,334</u>	<u>113,874</u>	<u>113,874</u>
	<u>\$ 21,969,760</u>	<u>\$ 18,448,035</u>	<u>\$ 17,553,822</u>

29. 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 February 2021 to October 2021, PTI signed a purchase agreement of equipment worth \$646,433 thousand with Kulicke&Soffa Pte. Ltd. As of September 30, 2022, PTI has paid a total of \$608,873 thousand.
- b. From August 2020 to July 2021, PTI signed a contract worth \$595,845 thousand with Yi-Sheng Systems Integration Co., Ltd. for factory engineering. As of September 30, 2022, PTI has paid a total of \$594,395 thousand.
- c. From June 2021 to August 2021, PTI signed a purchase agreement of equipment worth \$534,275 thousand with Applied Materials South East Asia Pte. Ltd. As of September 30, 2022, PTI has paid a total of \$534,275 thousand.
- d. From December 2020 to December 2021 and December 2021 to August 2022, PTI signed the purchase agreements of equipment worth \$588,119 thousand and \$523,210 thousand, respectively with Disco Hi-Tec Taiwan Co., Ltd. As of September 30, 2022, PTI has paid \$517,251 thousand and \$91,171 thousand, respectively.
- e. From April 2021 to January 2022, PTI signed a purchase agreement of equipment worth \$505,374 thousand with Advantest Corporation. As of September 30, 2022, PTI has paid a total of \$363,413 thousand.
- f. From March 2021 to January 2022, PTI signed a contract worth \$713,114 thousand with Jiu Han Engineering Co., Ltd. to set up clean rooms and factory engineering. As of September 30, 2022, PTI has paid a total of \$654,314 thousand.

- g. From July 2021 to July 2022, PTI signed a contract worth \$728,248 thousand with Jian Ming Contractor Co., Ltd. to new plant construction and factory engineering. As of September 30, 2022, PTI has paid a total of \$108,420 thousand.
- h. As of September 30, 2022, PTI's unused letters of credit for purchases of machinery and equipment amounted to approximately USD\$4,100 thousand.
- i. In November 2021, PTI signed a capacity reservation agreement with Zhen Ding Technology Co., Ltd., and a security deposit of USD35,000 thousand was required, which is to be recovered through fifty-eight installments beginning March 2023. As of September 30, 2022, PTI has paid a total of USD28,000 thousand.
- j. From August 2020 to June 2021, June 2021 to October 2021, October 2021 to January 2022, January 2022 to April 2022 and May 2022 to July 2022, Terapower Technology Inc. signed a purchase agreement of equipment worth \$703,687 thousand, \$501,272 thousand, \$655,415 thousand, \$505,372 thousand and \$649,333 thousand with Advantest Corporation, respectively. As of September 30, 2022, Terapower Technology Inc. has paid \$703,687 thousand, \$501,272 thousand, \$68,250 thousand, \$40,274 thousand, and \$21,150 thousand, respectively.
- k. From December 2020 to September 2021, Terapower Technology Inc. signed a purchase agreement of equipment worth \$521,506 thousand with Accretech Taiwan Co., Ltd.. As of September 30, 2022, Terapower Technology Inc. has paid \$521,506 thousand.
- l. 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, 2022, Tera Probe, Inc. has paid \$182,825 thousand.
- m. In March 2021, Greatek Electronics Inc. signed a contract worth \$510,000 thousand with Jian Ming Contractor Co., Ltd. for the construction of a new plant. As of September 30, 2022, Greatek Electronics Inc. has paid a total of \$474,300 thousand.
- n. In June 2021, Greatek Electronics Inc. signed a contract worth \$980,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems. As of September 30, 2022, Greatek Electronics Inc. has paid a total of \$784,000 thousand.
- o. In July 2021, Greatek Electronics Inc. signed a contract worth \$360,000 thousand with Jiu Han System Technology Co., Ltd. to set up clean rooms and plumbing systems. As of September 30, 2022, Greatek Electronics Inc. has paid a total of \$288,000 thousand.
- p. In September 2021, Greatek Electronics Inc. signed a contract worth \$378,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems. As of September 30, 2022, Greatek Electronics Inc. has paid a total of \$264,600 thousand.
- q. In April 2022, Greatek Electronics Inc. signed a contract worth \$414,000 thousand with Jian Ming Contractor Co., Ltd. to set up a dormitory. As of September 30, 2022, Greatek Electronics Inc. has paid a total of \$186,300 thousand.
- r. In July 2022, Greatek Electronics Inc. signed a contract worth \$418,000 thousand with Jiu Han System Technology Co., Ltd. to set up MEP systems of the dormitory. As of September 30, 2022, Greatek Electronics Inc. has not paid.

30. 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, 2022		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 648,284	31.7430 (USD:NTD)	\$ 20,578,479
USD	9,588	7.0931 (USD:RMB)	304,352
USD	5,498	144.3200(USD:JPY)	174,523
JPY	672,116	0.2199 (JPY:NTD)	147,798
JPY	3,611	0.0491 (JPY:RMB)	794
JPY	225,050	0.0069 (JPY:USD)	49,488
SGD	608	0.6990 (SGD:USD)	13,490
RMB	14,339	0.1410 (RMB:USD)	64,170
RMB	12,367	4.4752 (RMB:NTD)	<u>55,345</u>
			<u>\$ 21,388,439</u>
Non-monetary items			
USD	1	31.7430 (USD:NTD)	\$ 38
JYP	2,766	0.2199 (JPY:NTD)	608
RMB	179	4.4752 (RMB:NTD)	<u>801</u>
			<u>\$ 1,447</u>
<u>Financial liabilities</u>			
Monetary items			
USD	236,849	31.7430 (USD:NTD)	\$ 7,518,298
USD	4,743	7.0931 (USD:RMB)	150,557
USD	1,449	144.3200(USD:JPY)	45,996
EUR	1,463	31.2113 (EUR:NTD)	45,662
JPY	4,176,524	0.2199 (JPY:NTD)	918,418
JPY	96,703	0.0491 (JPY:RMB)	21,265
JPY	155,095	0.0069 (JPY:USD)	34,105
SGD	16	0.6990 (SGD:USD)	355
RMB	16,255	0.1410 (RMB:USD)	<u>72,744</u>
			<u>\$ 8,807,400</u>
Non-monetary items			
USD	4,926	31.7430 (USD:NTD)	\$ 156,302
JPY	48,012	0.2199 (JPY:NTD)	10,558
RMB	318	4.4752 (RMB:NTD)	<u>1,423</u>
			<u>\$ 168,283</u>

December 31, 2021			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 618,833	27.6900 (USD:NTD)	\$ 17,135,486
USD	11,133	6.4496 (USD:RMB)	308,273
USD	9,035	109.9276 (USD:JPY)	250,179
JPY	1,206,718	0.2406 (JPY:NTD)	290,279
JPY	41,210	0.0554 (JPY:RMB)	9,913
JPY	287,651	0.0087 (JPY:USD)	69,195
SGD	1,424	0.7390 (SGD:USD)	29,140
RMB	46,521	0.1568 (RMB:USD)	201,929
RMB	7,906	4.3406 (RMB:NTD)	<u>34,317</u>
			<u>\$ 18,328,711</u>
Non-monetary items			
USD	943	27.6900 (USD:NTD)	\$ 26,110
JPY	699	0.2406 (JPY:NTD)	168
RMB	14	4.3406 (RMB:NTD)	<u>59</u>
			<u>\$ 26,337</u>
<u>Financial liabilities</u>			
Monetary items			
USD	236,249	27.6900 (USD:NTD)	\$ 6,541,735
USD	10,191	6.4496 (USD:RMB)	282,189
USD	8,014	109.9276 (USD:JPY)	221,908
EUR	3,362	31.3382 (EUR:NTD)	105,359
JPY	5,597,312	0.2406 (JPY:NTD)	1,346,447
JPY	874,094	0.0554 (JPY:RMB)	210,226
JPY	116,917	0.0087 (JPY:USD)	28,125
RMB	16,935	0.1568 (RMB:USD)	73,508
SGD	51	0.7390 (SGD:USD)	<u>1,044</u>
			<u>\$ 8,810,581</u>
Non-monetary items			
JPY	23,474	0.2406 (JPY:NTD)	<u>\$ 5,649</u>

September 30, 2021			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 596,153	27.8660 (USD:NTD)	\$ 16,612,399
USD	10,418	6.4626 (USD:RMB)	290,308
USD	9,243	111.8700 (USD:JPY)	257,565
JPY	697,466	0.2491 (JPY:NTD)	173,739

(Continued)

September 30, 2021			
	Foreign Currency	Exchange Rate	Carrying Amount
JPY	\$ 2,722	0.0578 (JPY:RMB)	\$ 678
JPY	294,253	0.0089 (JPY:USD)	73,298
SGD	1,410	0.7348 (SGD:USD)	28,872
RMB	12,077	0.1547 (RMB:USD)	52,075
RMB	7,895	4.3119 (RMB:NTD)	<u>34,042</u>
			<u>\$ 17,522,976</u>
Non-monetary items			
USD	302	27.8660 (USD:NTD)	\$ 8,406
JYP	-	0.2491 (JPY:NTD)	-
RMB	75	4.3119 (RMB:NTD)	<u>323</u>
			<u>\$ 8,729</u>
<u>Financial liabilities</u>			
Monetary items			
USD	176,980	27.8660 (USD:NTD)	\$ 4,931,725
USD	7,633	6.4626 (USD:RMB)	212,701
USD	3,841	111.8700 (USD:JPY)	107,033
EUR	1,254	32.3371 (EUR:NTD)	40,551
JPY	3,201,865	0.2491 (JPY:NTD)	797,585
JPY	15,653	0.0578 (JPY:RMB)	3,899
JPY	208,761	0.0089 (JPY:USD)	52,002
SGD	71	0.7348 (SGD:USD)	1,454
RMB	17,031	0.1547 (RMB:USD)	<u>73,436</u>
			<u>\$ 6,220,386</u>
Non-monetary items			
USD	306	27.8660 (USD:NTD)	\$ 8,530
JPY	38,981	0.2491 (JPY:NTD)	9,710
RMB	115	4.3119 (RMB:NTD)	<u>495</u>
			<u>\$ 18,735</u>
			(Concluded)

For the three and nine months ended September 30, 2022 and 2021, realized and unrealized net foreign exchange gains and (losses) were \$939,241 thousand, \$29,438 thousand, \$1,931,768 thousand and \$(224,911) thousand, 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.

31. 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: Table 3 (attached).
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 4 (attached).
- 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 5 (attached).
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6 (attached).
- i. Derivative transactions: Note 7.
- j. Intercompany relationships and significant intercompany transactions: Table 7 (attached).
- k. Information of investees: Table 8 (attached).
- l. Information on investments in mainland China

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: Table 9 (attached).

Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 7 (attached).

- 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: Table 10 (attached).

32. 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, 2022 and 2021 are shown in the consolidated income statements for the nine months ended September 30, 2022 and 2021. The segment assets as of September 30, 2022, December 31, 2021 and September 30, 2021 are shown in the consolidated balance sheets as of September 30, 2022, December 31, 2021 and September 30, 2021.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limits (Notes 3 and 4)	Note
													Item	Value			
1	Powertech Technology Inc.	Powertech Technology (Suzhou) Ltd.	Other receivables	Note 1	\$ 476,145	\$ 476,145	\$ 63,486	1.0%	For short term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 2,547,517	\$ 5,095,035	-

Note 1: Indirect investments, the Corporation's 100%-owned subsidiary.

Note 2: The amount of financing provided by PTI to any individual shall not exceed five percent of PTI's net worth. The aggregate amount available for financing not exceed ten percent of PTI's net worth.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				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	2,053	\$ 23,370	3	\$ 23,370	Note 3
Greatek Electronics Inc.	<u>Bond</u> P06 Taipower 3A	-	Financial assets at amortized cost - current	50	50,000	-	50,035	Note 2
	P08 Taipower 3A	-	Financial assets at amortized cost - current	50	50,000	-	50,035	Note 2
	P08 Taipower 3A	-	Financial assets at amortized cost - noncurrent	50	50,000	-	50,035	Note 2
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive income - noncurrent	11,800	909,780	2	909,780	Note 1
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - noncurrent	268	-	3	-	Note 4
	Terawins Inc.	-	Financial assets at fair value through profit or loss - noncurrent	643	-	2	-	Note 4
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - noncurrent	93	-	1	-	Note 4

Note 1: The fair value was based on stock closing price as of September 30, 2022.

Note 2: The fair value was based on trading market in hundreds of new Taiwan dollars as of September 30, 2022.

Note 3: The fair value of ordinary shares was based on stock closing price, and the fair value of privately placed shares was determined using valuation techniques as of September 30, 2022.

Note 4: The fair value was based on the carrying value as of September 30, 2022.

Note 5: As of September 30, 2022, the above marketable securities had not been pledged or mortgaged.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Powertech Technology Inc.	Stock Powertech Technology Inc.	Treasury stock	-	The Corporation	10,412	\$ 1,018,166	9,588	\$ 943,589	-	\$ -	\$ -	\$ -	-	\$ -

Note: The treasury stocks purchased by the company have been registered for cancellation of capital reduction on April 15, 2022, and the base date for capital reduction is March 14, 2022.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars)

Buyer	Property	Transaction Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Powertech Technology Inc.	Land	2022.03.17	\$ 745,602	\$ 100,000	Quan Asia Stone Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	After considering the current market price and negotiating with the seller	Plant expansion	None
Greatek Electronics Inc.	Building	2022.04.18	414,000	186,300	Jian Ming Contractor Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	The two side agreed	Dormitory	None
	MEP systems of the dormitory	2022.07.18	418,000	-	Jiu Han System Technology Co., Ltd.	None	Not applicable	Not applicable	Not applicable	Not applicable	The two side agreed	Dormitory	None

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, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Powertech Technology Inc.	Kioxia Corporation Kingston Solutions, Inc.	Corporate director's parent company	Sale	\$ 15,723,767	38	Note 1	\$ -	-	\$ 5,923,525	53	-
		The ultimate parent company of the related party is the juristic - person director of the Corporation.	Sale	340,266	1	Note 1	-	-	84,761	1	-
	Kingston Technology International Ltd.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	180,846	1	Note 1	-	-	66,001	1	-
	Toshiba International Procurement Hong Kong, Ltd.	Corporate director's sister company.	Purchase	846,927	5	Note 1	-	-	(74,951)	(1)	-
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Corporate director's subsidiary Company	Purchase	214,227	1	Note 1	-	-	(82,719)	(1)	-
		Parent company of Greatek Electronics Inc.'s corporate supervisor.	Sale	601,142	5	Net 60 days from monthly closing date	Note 2	quite	192,239	7	-
	Realtek Singapore Private Limited.	Same parent company with Greatek Electronics Inc.'s corporate director.	Sale	292,276	2	Net 60 days from monthly closing date	Note 2	quite	64,239	2	-
TeraPower Technology Inc.	Kioxia Corporation	Parent company of corporate director of TeraPower Technology Inc.'s ultimate parent company.	Sale	512,563	12	Net 90 days from monthly closing date	-	-	194,816	15	-

Note 1: 35 to 90 days after the end of the month of the invoice 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, 2022

(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	\$ 5,923,525	3.56	\$ -	-	\$ 1,968,447	\$ -
Greatek Electronics Inc.	Realtek Semiconductor corp.	Parent company of the corporate director	192,239	3.75	-	-	89,598	-
TeraPower Technology Inc.	Kioxia Corporation	Parent company of corporate director of TeraPower Technology Inc.'s ultimate parent company	194,816	4.08	-	-	49,370	-

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Transaction Flow	Intercompany Transactions			Percentage to Consolidated Total Gross Sales or Total Assets
			Financial Statement Item	Amount	Terms	
Powertech Technology Inc.	Greatek Electronics Inc.	1	Sales	\$ 15,127	Note 3	-
	TeraPower Technology Inc.	1	Sales	24,092	Note 3	-
	Powertech Technology (Suzhou) Ltd.	1	Sales	19,487	Note 3	-
	Tera Probe, Inc.	1	Sales	401	Note 3	-
	Powertech Technology (Suzhou) Ltd.	1	Purchase	19,598	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Purchase	7,580	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Subcontract costs	400,005	Note 2	1%
	Greatek Electronics Inc.	1	Subcontract costs	91,414	Note 2	-
	TeraPower Technology Inc.	1	Subcontract costs	171,196	Note 2	-
	Greatek Electronics Inc.	1	Accounts receivable from related parties	4,972	Note 3	-
	TeraPower Technology Inc.	1	Accounts receivable from related parties	3,319	Note 3	-
	Powertech Semiconductor (Xian) Ltd.	1	Other receivables from related parties	15,940	Note 2	-
	Greatek Electronics Inc.	1	Other receivables from related parties	4,353	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Other receivables from related parties	121,119	Note 2	-
	TeraPower Technology Inc.	1	Other receivables from related parties	536	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Disposal of property, plant and equipment	860	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Purchase of property, plant and equipment	84,453	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Account payables to related parties	1,891	Note 2	-
	Powertech Semiconductor (Xian) Ltd.	1	Account payables to related parties	-	Note 2	-
	Powertech Technology (Suzhou) Ltd.	1	Other payables to related parties	130,390	Note 2	-
	Greatek Electronics Inc.	1	Other payables to related parties	32,895	Note 2	-
	TeraPower Technology Inc.	1	Other payables to related parties	81,423	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Other payables to related parties	14,310	Note 2	-
Powertech Technology Akita Inc.	1	Other payables to related parties	33,402	Note 2	-	
Tera Probe, Inc.	1	Other payables to related parties	2,194	Note 2	-	
Tera Probe, Inc.	TeraPower Technology Inc.	1	Other receivables from related parties	9,980	Note 2	-
	TeraPower Technology Inc.	1	Disposal of property, plant and equipment	63,466	Note 2	-
	TeraPower Technology Inc.	1	Purchase of property, plant and equipment	90,838	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, 2022
 (In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2022			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				September 30, 2022	December 31, 2021	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	\$ 3,167,089	\$ 1,022,611	\$ 522,209	Notes 1 and 2
	Powertech Holding (BVI) Inc.	British Virgin Islands	Investment business	1,679,370	1,679,370	50	100	1,223,800	(687)	2,401	Notes 2 and 3
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing services	6,169,948	6,169,948	244,064	43	9,472,046	2,869,359	1,226,785	Notes 1 and 2
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 69,000	USD 85,000	69,000	100	1,950,446	260,756	261,556	Notes 2 and 3
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	3,121,199	229,213	364,787	Note 3
Powertech Holding (BVI) Inc.	Tera Probe, Inc.	Japan	Wafer probing test services	\$ 230,616	\$ 230,616	1,077	12	405,184	522,412	63,115	Note 3
	PTI Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 37,951	USD 28	USD 28	Note 3
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 90,844	USD 17,699	USD 8,638	Note 3
	Powertech Technology Akita Inc.	Japan	Semiconductor assembly and testing services	USD 58,329	USD 58,329	6	100	USD 8,797	USD (891)	USD (891)	Note 3
Tera Probe, Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	JPY 4,348,056	JPY 4,348,056	76,381	51	JPY 4,348,056	JPY 4,475,967	JPY 2,282,743	Note 1
	Tera Probe Aizu, Inc.	Japan	Wafer probing test services	JPY -	JPY 221,616	-	-	JPY -	JPY (202,081)	JPY (202,081)	Note 3

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

Note 2: Including unrealized intercompany gains (losses).

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
SEPTEMBER 30, 2022

(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, 2022	Investment Flows		Accumulated Outflow of Investments from Taiwan as of September 30, 2022	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of September 30, 2022 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2022	Note
					Outflow	Inflow							
Powertech Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 3,174,300 (US\$ 100,000)	Note 1	\$ 1,618,893 (US\$ 51,000)	\$ -	\$ -	\$ 1,618,893 (US\$ 51,000)	\$ (666) (US\$ 39)	100%	\$ 4,443 (US\$ 213)	\$ 1,736,777 (US\$ 54,714)	\$ -	-
Powertech Semiconductor (Xian) Ltd.	Semiconductor testing and assembly services	2,222,010 (US\$ 70,000)	Note 1	1,923,785 (US\$ 60,605)	-	198,172 (US\$ 6,243)	1,725,613 (US\$ 54,362)	455,063 (US\$ 15,534)	100%	455,063 (US\$ 15,534)	2,985,108 (US\$ 94,040)	496,397 (US\$ 15,638)	-

Investee Company Accounted for Using the Equity Method	Accumulated Investment in Mainland China as of September 30, 2022 (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
Powertech Technology (Suzhou) Ltd	US\$ 51,000	US\$ 79,000	\$ 30,570,214
Powertech Semiconductor (Xian) Ltd	US\$ 54,362	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, 2022.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
China Life Insurance Co., Ltd.	38,975,000	5.13

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.