

**Powertech Technology Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 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 (collectively, the "Corporation"), as of March 31, 2025 and 2024 and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three-months periods then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

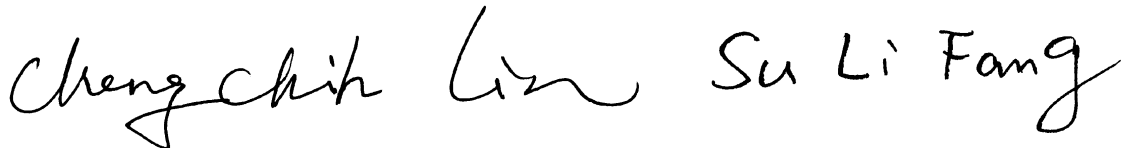
As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2025 and 2024, combined total assets of these non-significant subsidiaries were NT\$9,946,125 thousand and NT\$6,770,023 thousand, representing 9.21% and 6.20%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$2,666,190 thousand and NT\$2,489,466 thousand, respectively, representing 7.57% and 6.57%, respectively, of the consolidated total liabilities; and for the three months ended March 31, 2025 and 2024, the amounts of combined comprehensive income of these subsidiaries were NT\$46,717 thousand and NT\$37,544 thousand, respectively, representing 2.45% and 1.64%, respectively, of the consolidated total comprehensive income. And as disclosed in Note 13 to the consolidated financial statements, the investments accounted for using equity method as of March 31, 2025 and 2024 were NT\$1,187,925 and NT\$1,192,210 thousand, respectively, and the share of loss of associates using the equity method, for the three months ended March 31, 2025 and 2024 was NT\$(14,350) and NT\$(7,792) thousand, respectively, was recognized and disclosed based on the investment financial statements for the same period that

have not been reviewed by Accountant, these investment amounts, as well as related information disclosed in Note 33 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 and Investment as well as related information disclosed referred to in preceding paragraph, were based on unreviewed financial statements of the investees for the same reporting periods as those of the Corporation and subsidiaries, if those consolidated financial statements had been reviewed and any adjustments were determined to be necessary, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of the Corporation as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended March 31, 2025 and 2024 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.

The image shows two handwritten signatures in black ink. The first signature, on the left, is 'Cheng-Chih Lin' and the second, on the right, is 'Su-Li Fang'. Both are written in a cursive, flowing style.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2025

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	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 22,568,801	21	\$ 22,238,335	21	\$ 20,485,994	19
Financial assets at fair value through profit or loss - current (Note 7)	2,979	-	286	-	1,382	-
Financial assets at amortized cost - current (Notes 9 and 30)	33,182	-	32,781	-	217,307	-
Contract assets - current (Notes 23 and 29)	2,252,927	2	2,270,869	2	2,501,177	2
Notes and accounts receivable (Notes 10 and 23)	9,748,383	9	10,168,823	9	11,352,532	11
Receivables from related parties (Notes 23 and 29)	4,917,153	5	5,716,392	5	5,713,482	5
Other receivables	252,004	-	213,298	-	304,950	-
Other receivables from related parties (Note 29)	38,539	-	68,832	-	57,445	-
Inventories (Note 11)	5,652,402	5	5,446,174	5	6,272,636	6
Prepaid expenses (Note 17)	327,452	-	346,948	-	186,468	-
Other current assets (Notes 17 and 31)	422,989	1	483,646	1	554,056	1
Total current assets	46,216,811	43	46,986,384	43	47,647,429	44
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	17,324	-	17,324	-	34,364	-
Financial assets at amortized cost - non-current (Notes 9 and 30)	619,355	1	1,181,975	1	717,551	1
Investments accounted for using the equity method (Note 13)	1,187,925	1	1,180,240	1	1,192,210	1
Property, plant and equipment (Notes 14, 29 and 30)	56,764,344	52	56,588,276	52	56,186,225	51
Right-of-use assets (Note 15)	1,266,441	1	1,271,946	1	1,290,295	1
Intangible assets (Note 16)	1,109,085	1	1,104,434	1	1,104,407	1
Deferred income tax assets (Notes 4 and 25)	123,092	-	121,413	-	198,468	-
Net defined benefit assets - non-current (Notes 4 and 21)	43,089	-	37,778	-	2,643	-
Other non-current assets (Notes 17 and 31)	647,846	1	701,121	1	854,348	1
Total non-current assets	61,778,501	57	62,204,507	57	61,580,511	56
TOTAL	\$ 107,995,312	100	\$ 109,190,891	100	\$ 109,227,940	100

LIABILITIES AND EQUITY	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term bank loans (Note 18)	\$ 66,750	-	\$ -	-	\$ 63,420	-
Financial liabilities at fair value through profit or loss - current (Note 7)	7,236	-	36,965	-	55,107	-
Contract liabilities - current (Note 23)	138,443	-	145,836	-	124,419	-
Notes and accounts payable	4,415,532	4	4,966,910	5	5,450,637	5
Accounts payable to related parties (Note 29)	55,241	-	113,909	-	129,219	-
Bonus to employees and remuneration to directors (Note 24)	1,282,386	1	1,132,586	1	1,457,013	1
Payables to equipment suppliers (Note 29)	2,286,381	2	3,049,495	3	1,634,029	2
Other payables - related parties (Note 29)	83,269	-	56,500	-	93,701	-
Current income tax liabilities (Notes 4 and 25)	1,171,889	1	953,568	1	1,827,168	2
Provisions - current (Notes 4, 5 and 20)	5,852	-	-	-	-	-
Lease liabilities - current (Note 15)	42,967	-	42,570	-	37,577	-
Accrued expenses and other current liabilities (Note 19)	5,854,226	6	6,016,788	5	6,461,990	6
Current portion of long-term debts (Notes 18 and 30)	2,857,308	3	1,840,910	2	120,498	-
Total current liabilities	18,267,480	17	18,356,037	17	17,454,778	16
NON-CURRENT LIABILITIES						
Long-term debt (Notes 18 and 30)	14,746,205	14	16,887,429	15	18,048,954	17
Deferred income tax liabilities (Notes 4 and 25)	307,984	-	316,319	-	462,665	-
Lease liabilities - non-current (Note 15)	1,283,867	1	1,287,776	1	1,304,848	1
Net defined benefit liability - non-current (Notes 4 and 21)	46,648	-	44,322	-	73,417	-
Other non-current liabilities (Note 19)	583,584	1	606,457	1	574,755	1
Total non-current liabilities	16,968,288	16	19,142,303	17	20,464,639	19
Total liabilities	35,235,768	33	37,498,340	34	37,919,417	35
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 22)						
Capital stock						
Common stock	7,591,466	7	7,591,466	7	7,591,466	7
Capital surplus	319,869	-	319,869	-	237,196	-
Retained earnings						
Legal reserve	10,852,212	10	10,852,212	10	10,051,723	9
Special reserve	732,267	1	732,267	1	602,228	1
Unappropriated earnings	39,346,880	36	38,171,664	35	39,324,746	36
Total retained earnings	50,931,359	47	49,756,143	46	49,978,697	46
Other equity	(145,004)	-	(372,090)	-	(521,350)	(1)
Treasury stock	(855,550)	(1)	(533,313)	(1)	(468,802)	-
Equity attributable to shareholders of the Parent	57,842,140	53	56,762,075	52	56,817,207	52
NON-CONTROLLING INTERESTS (Notes 12 and 22)	14,917,404	14	14,930,476	14	14,491,316	13
Total equity	72,759,544	67	71,692,551	66	71,308,523	65
TOTAL	\$ 107,995,312	100	\$ 109,190,891	100	\$ 109,227,940	100

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET SALES (Notes 23 and 29)	\$ 15,493,936	100	\$ 18,328,881	100
COST OF REVENUE (Notes 11, 24 and 29)	<u>12,852,885</u>	<u>83</u>	<u>15,121,828</u>	<u>83</u>
GROSS PROFIT	<u>2,641,051</u>	<u>17</u>	<u>3,207,053</u>	<u>17</u>
OPERATING EXPENSES (Notes 24 and 29)				
Marketing	53,120	-	48,976	-
General and administrative	395,788	3	445,510	2
Research and development	<u>644,879</u>	<u>4</u>	<u>668,002</u>	<u>4</u>
Total operating expenses	<u>1,093,787</u>	<u>7</u>	<u>1,162,488</u>	<u>6</u>
OPERATING INCOME	<u>1,547,264</u>	<u>10</u>	<u>2,044,565</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	99,806	1	111,885	1
Other gains and losses (Notes 24 and 29)	149,228	1	37,799	-
Other income (Note 24)	4,834	-	2,904	-
Financial costs (Note 24)	(62,770)	-	(72,619)	-
Share of loss of associates for using the equity method (Note 13)	(14,350)	-	(7,792)	-
Foreign exchange gain, net (Notes 24 and 32)	<u>79,412</u>	<u>-</u>	<u>602,705</u>	<u>3</u>
Total non-operating income and expenses	<u>256,160</u>	<u>2</u>	<u>674,882</u>	<u>4</u>
INCOME BEFORE INCOME TAX	1,803,424	12	2,719,447	15
INCOME TAX EXPENSE (Notes 4 and 25)	<u>225,016</u>	<u>2</u>	<u>612,727</u>	<u>4</u>
NET INCOME	<u>1,578,408</u>	<u>10</u>	<u>2,106,720</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (Note 22)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized losses on investments in equity instruments designated as at fair value through other comprehensive income	-	-	(298)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	<u>325,265</u>	<u>2</u>	<u>178,175</u>	<u>1</u>
Total other comprehensive income	<u>325,265</u>	<u>2</u>	<u>177,877</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 1,903,673</u>	<u>12</u>	<u>\$ 2,284,597</u>	<u>12</u>

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 1,175,216	7	\$ 1,736,636	9
Non-controlling interests	<u>403,192</u>	<u>3</u>	<u>370,084</u>	<u>2</u>
	<u>\$ 1,578,408</u>	<u>10</u>	<u>\$ 2,106,720</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 1,402,302	9	\$ 1,947,553	10
Non-controlling interests	<u>501,371</u>	<u>3</u>	<u>337,044</u>	<u>2</u>
	<u>\$ 1,903,673</u>	<u>12</u>	<u>\$ 2,284,597</u>	<u>12</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 1.58</u>		<u>\$ 2.32</u>	
Diluted	<u>\$ 1.57</u>		<u>\$ 2.31</u>	

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

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Corporations												
	Capital Stock		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Share	Total	Noncontrolling Interests	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE, JANUARY 1, 2024	759,147	\$ 7,591,466	\$ 237,071	\$ 10,051,723	\$ 602,228	\$ 37,588,110	\$ (717,131)	\$ (15,136)	\$ (732,267)	\$ (468,802)	\$ 54,869,529	\$ 14,236,954	\$ 69,106,483
Appropriation of 2023 earnings													
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(82,494)	(82,494)
Net income for the three months ended March 31, 2024	-	-	-	-	-	1,736,636	-	-	-	-	1,736,636	370,084	2,106,720
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	211,215	(298)	210,917	-	210,917	(33,040)	177,877
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	1,736,636	211,215	(298)	210,917	-	1,947,553	337,044	2,284,597
Changes in percentage of ownership interests in subsidiaries	-	-	125	-	-	-	-	-	-	-	125	(188)	(63)
BALANCE, MARCH 31, 2024	759,147	\$ 7,591,466	\$ 237,196	\$ 10,051,723	\$ 602,228	\$ 39,324,746	\$ (505,916)	\$ (15,434)	\$ (521,350)	\$ (468,802)	\$ 56,817,207	\$ 14,491,316	\$ 71,308,523
BALANCE, JANUARY 1, 2025	759,147	\$ 7,591,466	\$ 319,869	\$ 10,852,212	\$ 732,267	\$ 38,171,664	\$ (341,414)	\$ (30,676)	\$ (372,090)	\$ (533,313)	\$ 56,762,075	\$ 14,930,476	\$ 71,692,551
Appropriation of 2024 earnings													
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(85,722)	(85,722)
Net income for the three months ended March 31, 2025	-	-	-	-	-	1,175,216	-	-	-	-	1,175,216	403,192	1,578,408
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	227,086	-	227,086	-	227,086	98,179	325,265
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	1,175,216	227,086	-	227,086	-	1,402,302	501,371	1,903,673
The Parent's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	-	-	(322,237)	(322,237)	(428,721)	(750,958)
BALANCE, MARCH 31, 2025	759,147	\$ 7,591,466	\$ 319,869	\$ 10,852,212	\$ 732,267	\$ 39,346,880	\$ (114,328)	\$ (30,676)	\$ (145,004)	\$ (855,550)	\$ 57,842,140	\$ 14,917,404	\$ 72,759,544

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Current income before income tax	\$ 1,803,424	\$ 2,719,447
Adjustments for:		
Depreciation	2,966,360	3,196,357
Amortization	6,082	6,315
Net (gain) loss on fair value change of financial assets designated as at fair value through profit or loss	(2,332)	27,277
Financial costs	62,770	72,619
Interest revenue	(99,806)	(111,885)
Share of loss of associate	14,350	7,792
Net gain on disposal of property, plant and equipment	(34,706)	(108,781)
Property, plant and equipment transfer to expenses	169	-
Net loss (gain) on foreign currency exchange, net	101,368	(897,780)
Recognition of provisions	5,852	-
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(1,528)	-
Contract assets	17,942	(137,461)
Notes and accounts receivable	276,456	584,819
Accounts receivable from related parties	756,797	(251,266)
Other receivables	(21,766)	109,472
Other receivables from related parties	29,189	47,809
Inventories	(206,228)	407,918
Prepayments	19,496	85,651
Other current assets	63,608	(127,646)
Net defined benefit assets	(5,311)	-
Financial liability held for trading	(28,562)	54,603
Contract liabilities	(7,393)	(6,687)
Notes and accounts payable	(528,404)	343,471
Accounts payable to related parties	(57,908)	(377)
Bonus to employees and remuneration of directors	149,800	267,300
Other payables to related parties	26,769	(33,013)
Accrued expenses and other current liabilities	(670,812)	(138,065)
Net defined benefit liabilities	2,326	(18,997)
Other payables	<u>2,169</u>	<u>8,521</u>
Cash generated from operations	4,640,171	6,107,413
Interest received	83,035	98,910
Interest paid	(77,085)	(76,657)
Income tax paid	<u>(16,709)</u>	<u>(97,664)</u>
Net cash generated from operating activities	<u>4,629,412</u>	<u>6,032,002</u>

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POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

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

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	\$ (30)	\$ -
Proceeds from sale of financial assets at amortized cost	582,930	61,023
Acquisition of property, plant and equipment	(3,721,020)	(2,024,181)
Disposal of property, plant and equipment	35,769	103,530
Decrease in refundable deposits	50,279	51,520
Increase in intangible assets	(7,925)	(585)
Decrease in finance lease receivable	10,457	7,255
(Increase) decrease in prepayments for equipment	<u>(12,696)</u>	<u>382,671</u>
Net cash used in investing activities	<u>(3,062,236)</u>	<u>(1,418,767)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term bank loans	66,750	(1,770)
Decrease in long-term debt	(1,186,447)	(5,589,287)
Increase in guarantee deposits	38,923	-
Decrease in guarantee deposits	-	(35,522)
Repayment of the principal portion of lease liabilities	(10,583)	(9,594)
Purchase of treasury shares by subsidiary	(269,326)	(63)
Dividends paid to non-controlling interests	<u>(85,722)</u>	<u>(82,494)</u>
Net cash used in financing activities	<u>(1,446,405)</u>	<u>(5,718,730)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>209,695</u>	<u>511,740</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	330,466	(593,755)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>22,238,335</u>	<u>21,079,749</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 22,568,801</u>	<u>\$ 20,485,994</u>

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

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Powertech Technology Inc. (PTI) was incorporated in the Republic of China (ROC) on May 15, 1997 and commenced business on September 3, 1997. PTI is mainly engaged in the manufacturing, packaging, testing, researching and developing, designing, assembling and 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) on November 8, 2004. PTI also issued Global Depositary Shares (GDS), which are listed on the Luxembourg Stock Exchange and traded on the Euro MTF Market. The GDS was accepted for quotation on the International Order Book of the London Stock Exchange. The GDS was de-listed on December 16, 2024.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on May 9, 2025.

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

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

Amendments to IAS 21 "Lack of Exchangeability"

The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date	Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11		January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities		January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"		January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"		To be determined by IASB
IFRS 17 "Insurance Contracts"		January 1, 2023
Amendments to IFRS 17		January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"		January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"		January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"		January 1, 2027

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

1) IFRS 18 "Presentation and Disclosures in Financial Statements"

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

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

the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 assets (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 dates of acquisitions up to the effective dates of disposals, 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 interests 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 33g for the detailed information of subsidiaries (including the percentages of ownership and main business).

d. Other significant accounting policies

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

1) Carbon fee provision

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

2) Retirement benefits

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

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

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

Key Sources of Estimation Uncertainty

a. Carbon fees

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the management recognizes the carbon fee provision based on the estimate of the chargeable emissions and the preferential rate. The estimate may vary as a result of the change in the estimated possibility in the approval for the self-determined reduction plan. Therefore, the estimated amount of provision is subject to a higher degree of estimation uncertainties. The carrying amount of the carbon fee provision as of December 31, was NT\$5,852 thousand, is disclosed in Note 20.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Checking accounts and demand deposits	\$ 22,568,381	\$ 22,238,092	\$ 19,185,047
Cash on hand	420	243	752
Cash equivalents (investments with original maturities of 3 months or less)			
Commercial paper	<u>-</u>	<u>-</u>	<u>1,300,195</u>
	<u>\$ 22,568,801</u>	<u>\$ 22,238,335</u>	<u>\$ 20,485,994</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Bank deposits	0%-4.59%	0%-4.50%	0%-5.72%
Commercial paper	-	-	1.25%-1.28%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 2,979</u>	<u>\$ 286</u>	<u>\$ 1,382</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ 7,236</u>	<u>\$ 36,965</u>	<u>\$ 55,107</u>

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

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>March 31, 2025</u>			
Sell forward exchange contracts	USD to NTD	2025.04.02-2025.07.02	USD 19,703
	USD to JPY	2025.04.30-2025.10.10	USD 6,020
(Continued)			

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2024</u>			
Sell forward exchange contracts	USD to NTD	2025.01.03-2025.04.02	USD 41,870
	USD to JPY	2025.01.31-2025.04.30	USD 5,780
	USD to RMB	2025.02.28	USD 540
<u>March 31, 2024</u>			
Sell forward exchange contracts	USD to NTD	2024.04.02-2024.06.04	USD 90,154
	USD to JPY	2024.04.15-2024.07.31	USD 8,368
	USD to RMB	2024.04.10-2024.04.12	USD 2,777
			(Concluded)

The Corporation entered into foreign exchange forward contracts to manage exposures 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 using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Listed shares			
Common stock - Solid State System Co., Ltd.	\$ 17,324	\$ 17,324	\$ 34,364

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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic investments			
Corporate bonds -P08 Taiwan Power Company 3A Bond	\$ -	\$ -	\$ 50,000
Time deposits with original maturities of more than 3 months	-	-	135,317
Restricted deposit	33,182	32,781	31,990
	<u>\$ 33,182</u>	<u>\$ 32,781</u>	<u>\$ 217,307</u>
			(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investments			
Corporate bonds - P13 Taiwan Power Company 2A Bond	\$ 200,001	\$ 200,001	\$ -
Corporate bonds - P13 Corporation, Taiwan Company 2A Bond	100,000	100,000	-
Time deposits with original maturities of more than 3 months	66,750	629,400	465,080
Pledged time deposits	<u>252,604</u>	<u>252,574</u>	<u>252,471</u>
	<u>\$ 619,355</u>	<u>\$ 1,181,975</u>	<u>\$ 717,551</u>
			(Concluded)

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

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

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

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.230%, 0.210%-0.230% and 0.001%-1.950% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

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

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

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 44,800</u>	<u>\$ 35,648</u>	<u>\$ 24,774</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	9,768,887	10,198,479	11,393,062
Less: Allowance for impairment loss	<u>(65,304)</u>	<u>(65,304)</u>	<u>(65,304)</u>
	<u>9,703,583</u>	<u>10,133,175</u>	<u>11,327,758</u>
	<u>\$ 9,748,383</u>	<u>\$ 10,168,823</u>	<u>\$ 11,352,532</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.

March 31, 2025

	Not Past Due	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$ 9,743,682	\$ 19,751	\$ 559	\$ 263	\$ 4,632	\$ 9,768,887
Loss allowance (Lifetime ECLs)	<u>(40,099)</u>	<u>(19,751)</u>	<u>(559)</u>	<u>(263)</u>	<u>(4,632)</u>	<u>(65,304)</u>
Amortized cost	<u>\$ 9,703,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,703,583</u>

December 31, 2024

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

March 31, 2024

	Not Past Due	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Total
Gross carrying amount	\$11,359,749	\$ 28,076	\$ 533	\$ 170	\$ 4,534	\$11,393,062
Loss allowance (Lifetime ECLs)	<u>(31,991)</u>	<u>(28,076)</u>	<u>(533)</u>	<u>(170)</u>	<u>(4,534)</u>	<u>(65,304)</u>
Amortized cost	<u>\$11,327,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,327,758</u>

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1, 2025 and March 31, 2025	\$ 65,304	\$ 65,304

11. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 5,046,939	\$ 4,811,092	\$ 5,703,773
Supplies	605,463	635,082	568,863
	<u>\$ 5,652,402</u>	<u>\$ 5,446,174</u>	<u>\$ 6,272,636</u>

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

	For the Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 12,852,885	\$ 15,121,828
Write-downs of inventories	18,637	22,257
Sales of scrap	62,024	51,973

12. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			March 31, 2025	December 31, 2024	March 31, 2024	
Powertech Technology Inc.	Powertech Holding (BVI) Inc.	Investment business	100	100	100	Note 2
	Greatek Electronics Inc. ("GEI")	Semiconductor assembly and testing services	43	43	43	Notes 1 and 3
	Powertech Technology (Singapore) Pte. Ltd.	Investment business	100	100	100	Note 2
	Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	36	Note 5
	Powertech Technology Japan Ltd.	Investment business	100	100	100	Note 2
	Tera Probe, Inc.	Wafer probing test services	12	12	12	Notes 2 and 3
	TeraPower Technology Inc.	Wafer probing test services	49	49	49	-
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Investment business	100	100	100	Note 2
Powertech Technology (Singapore) Pte. Ltd.	Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	64	Note 5
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Wafer probing test services	49	49	49	Notes 2 and 3
	Powertech Technology Akita Inc.	Semiconductor assembly and testing service	-	-	100	Notes 2 and 4
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	51	-
Greatek Electronics Inc. ("GEI")	Get-Team Tech Corporation	Metal surface treatment of semiconductor wire frame	97.46	97.46	97.46	Note 2

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

Note 2: It is a non-significant subsidiary, its financial statements for three months ended March 31, 2025 and 2024 have not been reviewed.

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

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

Note 5: On June 27, 2023, the Company's board of directors resolved to sell the fixed assets and inventory of Powertech Semiconductor (Xian) Ltd. to Micron Technology Co., Ltd. The disposal procedure was completed on June 28, 2024, and operations will cease.

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

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Three Months Ended March 31		Accumulated Non-controlling Interests		
	2025	2024	March 31, 2025	December 31, 2024	March 31, 2024
Greatek Electronics Inc. (Excluding non-controlling interests in subsidiary)	\$ 336,553	\$ 296,980	\$ 11,881,614	\$ 11,970,820	\$ 11,740,378
Tera Probe, Inc.	\$ 66,819	\$ 73,210	\$ 3,033,791	\$ 2,957,477	\$ 2,748,405

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

Greatek Electronics Inc. and subsidiary

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 12,043,694	\$ 11,599,623	\$ 10,299,882
Non-current assets	14,995,552	14,471,227	15,314,311
Current liabilities	(3,790,832)	(3,377,680)	(2,539,477)
Non-current liabilities	<u>(304,210)</u>	<u>(309,678)</u>	<u>(316,568)</u>
Equity	<u>\$ 22,944,204</u>	<u>\$ 22,383,492</u>	<u>\$ 22,758,148</u>
Equity attributable to:			
Owners of the Parent	\$ 9,843,395	\$ 9,602,743	\$ 9,763,338
Non-controlling interests	13,098,810	12,778,570	12,992,277
Non-controlling interests from subsidiary	<u>1,999</u>	<u>2,179</u>	<u>2,533</u>
	<u>\$ 22,944,204</u>	<u>\$ 22,383,492</u>	<u>\$ 22,758,148</u>

	For the Three Months Ended March 31	
	2025	2024
Operating revenue	<u>\$ 3,896,438</u>	<u>\$ 3,479,721</u>
Net income for the period	\$ 592,480	\$ 523,243
Other comprehensive (loss) income for the period	<u>(31,768)</u>	<u>702,100</u>
Total comprehensive income for the period	<u>\$ 560,712</u>	<u>\$ 1,225,343</u>
Net income attributable to:		
Owners of the Parent	\$ 254,282	\$ 224,544
Non-controlling interests	338,378	298,805
Non-controlling interests from subsidiary	<u>(180)</u>	<u>(106)</u>
	<u>\$ 592,480</u>	<u>\$ 523,243</u>
Total comprehensive income attributable to:		
Owners of the Parent	\$ 240,652	\$ 525,781
Non-controlling interests	320,240	699,668
Non-controlling interests from subsidiary	<u>(180)</u>	<u>(106)</u>
	<u>\$ 560,712</u>	<u>\$ 1,225,343</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 1,239,979	\$ 1,193,975
Investing activities	(801,375)	(408,874)
Financing activities	<u>(3,015)</u>	<u>(15,597)</u>
Net cash inflow	<u>\$ 435,589</u>	<u>\$ 769,504</u>

Tera Probe, Inc.

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 2,121,393	\$ 1,846,325	\$ 1,816,362
Non-current assets	6,951,691	7,253,950	6,298,554
Current liabilities	(626,383)	(824,246)	(902,308)
Non-current liabilities	<u>(1,050,508)</u>	<u>(1,054,122)</u>	<u>(510,467)</u>
Equity	<u>\$ 7,396,193</u>	<u>\$ 7,221,907</u>	<u>\$ 6,702,141</u>
Equity attributable to:			
Owners of the Parent	\$ 4,485,822	\$ 4,380,117	\$ 4,064,860
Non-controlling interests	<u>3,910,371</u>	<u>2,841,790</u>	<u>2,637,281</u>
	<u>\$ 7,396,193</u>	<u>\$ 7,221,907</u>	<u>\$ 6,702,141</u>

	For the Three Months Ended March 31	
	2025	2024
Operating revenue for the period	<u>\$ 484,230</u>	<u>\$ 475,482</u>
Net income	\$ 177,138	\$ 173,391
Other comprehensive income (loss) for the period	<u>(222,787)</u>	<u>92,812</u>
Total comprehensive income for the period	<u>\$ (45,649)</u>	<u>\$ 266,203</u>
Net income attributable to:		
Owners of the Parent	\$ 107,435	\$ 105,162
Non-controlling interests	<u>69,703</u>	<u>68,229</u>
	<u>\$ 177,138</u>	<u>\$ 173,391</u>
Total comprehensive income attributable to:		
Owners of the Parent	\$ (27,686)	\$ 161,453
Non-controlling interests	<u>(17,963)</u>	<u>104,750</u>
	<u>\$ (45,649)</u>	<u>\$ 266,203</u>
Cash inflow from:		
Operating activities	\$ 231,788	\$ 217,686
Investing activities	187,754	13,111
Financing activities	<u>(171,093)</u>	<u>(254,107)</u>
Net cash inflow (outflow)	<u>\$ 248,449</u>	<u>\$ (23,310)</u>
Dividends paid to non-controlling interests		
Tera Probe, Inc.	<u>\$ 85,722</u>	<u>\$ -</u>

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2025	December 31, 2024
Associates that are not individually material		
Longforce Technology (Suzhou) Ltd.	<u>\$ 1,187,925</u>	<u>\$ 1,192,210</u>

a. Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2025	2024
The Group's share of:		
Loss from continuing operations	<u>\$ (14,350)</u>	<u>\$ (7,792)</u>

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

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2025		December 31, 2024		March 31, 2024					
Assets used by the Corporation	\$ 56,764,344		\$ 56,588,276		\$ 56,186,225					
	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
Cost										
Balance at January 1, 2025	\$ 5,090,276	\$ 36,904,312	\$ 97,663,638	\$ 1,810,863	\$ 77,517	\$ 3,245,696	\$ 468,966	\$ 5,421,158	\$ 310,859	\$150,993,285
Additions	-	24,092	95,209	17,439	-	7,126	70,191	2,603,421	105,635	2,923,113
Disposals	-	(7,521)	(667,131)	(137,982)	-	(66,131)	-	-	(109,382)	(988,147)
Reclassified	-	426,433	2,417,380	31,193	-	28,296	(418,423)	(2,408,526)	(76,353)	-
Effect of foreign currency exchange differences	825	85,507	437,055	28,887	4,329	246	8,707	9,538	-	575,094
Balance at March 31, 2025	5,091,101	37,426,823	99,946,151	1,750,400	81,846	3,215,233	129,441	5,625,591	230,759	153,503,345
Accumulated depreciation										
Balance at January 1, 2025	-	16,281,008	73,494,830	1,551,987	3,327	2,776,965	-	-	-	94,108,117
Depreciation expenses	-	476,534	2,302,479	24,371	72	40,925	-	-	109,382	2,953,763
Disposals	-	(7,521)	(666,068)	(137,982)	-	(66,131)	-	-	(109,382)	(987,084)
Effects of foreign currency exchange differences	-	26,171	297,779	24,547	1,083	101	-	-	-	349,681
Balance at March 31, 2025	-	16,776,192	75,429,020	1,462,923	4,482	2,751,860	-	-	-	96,424,477
Accumulated impairment										
Balance at January 1, 2025	1,329	38,564	114,857	29,553	50,730	-	-	61,859	-	296,892
Recognition of impairment losses	-	-	-	-	-	-	-	169	-	169
Effect of foreign currency exchange differences	80	2,335	6,953	1,274	3,071	-	-	3,750	-	17,463
Balance at March 31, 2025	1,409	40,899	121,810	30,827	53,801	-	-	65,778	-	314,524
Carrying amount at March 31, 2025	\$ 5,089,692	\$ 20,615,732	\$ 24,395,321	\$ 256,650	\$ 23,563	\$ 463,373	\$ 129,441	\$ 5,559,813	\$ 230,759	\$ 56,764,344
Carrying amount at December 31, 2024 and January 1, 2025	\$ 5,088,947	\$ 20,584,740	\$ 24,053,951	\$ 229,323	\$ 23,460	\$ 468,731	\$ 468,966	\$ 5,359,299	\$ 310,859	\$ 56,588,276
Cost										
Balance at January 1, 2024	\$ 4,747,802	\$ 34,616,943	\$105,041,454	\$ 1,941,091	\$ 84,077	\$ 3,450,426	\$ 1,375,779	\$ 2,613,092	\$ 334,257	\$154,204,921
Additions	-	32,222	126,710	2,738	-	17,303	299,933	1,888,263	88,467	2,455,636
Disposals	-	(311,528)	(2,255,369)	(38,989)	-	-	-	(215)	(98,114)	(2,704,215)
Reclassified	371,101	464,171	1,584,472	4,874	-	93,897	(309,824)	2,081,185	-	127,506
Effect of foreign currency exchange differences	(383)	(38,686)	(59,570)	(9,530)	(1,604)	13,166	-	(4,633)	-	(101,240)
Balance at March 31, 2024	5,118,520	34,763,122	104,437,697	1,900,184	82,473	3,574,792	1,365,888	2,415,322	324,610	153,982,608
Accumulated depreciation										
Balance at January 1, 2024	-	14,870,674	76,748,697	1,624,092	7,689	3,019,057	-	-	-	96,270,209
Depreciation expenses	-	434,691	2,571,820	33,441	66	46,494	-	-	98,114	3,184,626
Disposals	-	(118,825)	(1,755,429)	(29,227)	-	-	-	-	(98,114)	(2,001,595)
Reclassified	-	-	89,340	-	-	-	-	-	-	89,340
Effects of foreign currency exchange differences	-	(15,337)	(23,123)	(7,758)	(86)	12,181	-	-	-	(34,123)
Balance at March 31, 2024	-	15,171,203	77,631,305	1,620,548	7,669	3,077,732	-	-	-	97,508,457
Accumulated impairment										
Balance at January 1, 2024	1,376	240,823	617,298	39,739	52,544	-	-	59,229	-	1,011,009
Recognition of impairment losses	-	-	-	-	-	-	-	-	-	-
Disposals	-	(192,703)	(484,146)	(9,763)	-	-	-	-	-	(686,612)
Reclassified	-	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	(37)	(9,262)	(23,601)	(536)	(1,427)	-	-	(1,608)	-	(36,471)
Balance at March 31, 2024	1,339	38,858	109,551	29,440	51,117	-	-	57,621	-	287,926
Carrying amount at March 31, 2024	\$ 5,117,181	\$ 19,553,061	\$ 26,696,841	\$ 250,196	\$ 23,687	\$ 497,060	\$ 1,365,888	\$ 2,357,701	\$ 324,610	\$ 56,186,225

Tera Probe, Inc. expected a decrease in the future cash flows of advance payments, assessed that the book value of some assets cannot be recovered. Therefore, impairment losses of \$169 thousand was recognized in other gains and losses for the years ended March 31, 2025.

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	30-51 years
Mechanical and electrical power equipment	2-20 years
Wafer fab	2-16 years
Fire control equipment	2-20 years
Others	2-51 years
Machinery and equipment	1-15 years
Office equipment	1-15 years
Leasehold improvements	1-50 years
Other equipment	1-16 years
Spare parts	0.5 years

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Land	\$ 1,228,469	\$ 1,230,610	\$ 1,252,812
Buildings	24,544	26,999	24,511
Machinery and equipment	8,867	9,203	10,339
Transportation equipment	<u>4,561</u>	<u>5,134</u>	<u>2,633</u>
	<u>\$ 1,266,441</u>	<u>\$ 1,271,946</u>	<u>\$ 1,290,295</u>
	For the Three Months Ended March 31		
		2025	2024
Additions to right-of-use assets		<u>\$ 25,574</u>	<u>\$ 53</u>
Depreciation charge for right-of-use assets			
Land		\$ 9,213	\$ 9,212
Buildings		2,455	1,751
Machinery and equipment		336	421
Transportation equipment		<u>593</u>	<u>347</u>
		<u>\$ 12,597</u>	<u>\$ 11,731</u>

Except for the additions listed above and recognized depreciation, the Corporation did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Carrying amount</u>			
Current	<u>\$ 42,967</u>	<u>\$ 42,570</u>	<u>\$ 37,577</u>
Non-current	<u>\$ 1,283,867</u>	<u>\$ 1,287,776</u>	<u>\$ 1,304,848</u>

Range of discount rates for lease liabilities was as follows:

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

c. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	\$ 14,540	\$ 2,387
Total cash outflow for leases	\$ (25,123)	\$ (11,981)

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

16. INTANGIBLE ASSETS

	Computer Software	Goodwill	Business Secrets	Core Techniques	Client Relationships	Royalty	Technique Services	Total
<u>Cost</u>								
Balance at January 1, 2025	\$ 508,130	\$ 997,715	\$ 41,383	\$ 212,684	\$ 220,775	\$ 9,283	\$ 88,894	\$ 2,078,864
Additions	7,925	-	-	-	-	-	-	7,925
Disposals	-	-	-	(212,684)	(220,775)	-	(59,004)	(492,463)
Effect of foreign currency exchange differences	14,112	-	-	-	-	57	-	14,169
Balance at March 31, 2025	530,167	997,715	41,383	-	-	9,340	29,890	1,608,495
<u>Accumulated amortization</u>								
Balance at January 1, 2025	423,678	-	9,313	212,684	220,775	9,242	88,894	964,586
Amortization expenses	5,049	-	1,033	-	-	-	-	6,082
Disposals	-	-	-	(212,684)	(220,775)	-	(59,004)	(492,463)
Effect of foreign currency exchange differences	10,710	-	-	-	-	55	-	10,765
Balance at March 31, 2025	439,437	-	10,346	-	-	9,297	29,890	488,910
<u>Accumulated impairment</u>								
Balance at January 1, 2025	9,844	-	-	-	-	-	-	9,844
Effect of foreign currency exchange differences	596	-	-	-	-	-	-	596
Balance at March 31, 2025	10,440	-	-	-	-	-	-	10,440
Carrying amount at March 31, 2025	\$ 80,290	\$ 997,715	\$ 31,037	\$ --	\$ --	\$ 43	\$ --	\$ 1,109,085
Carrying amount at December 31, 2024 and January 1, 2025	\$ 74,608	\$ 997,715	\$ 32,070	\$ --	\$ --	\$ 41	\$ --	\$ 1,104,434
<u>Cost</u>								
Balance at January 1, 2024	\$ 625,715	\$ 997,715	\$ 41,383	\$ 249,135	\$ 220,775	\$ 9,317	\$ 88,894	\$ 2,232,934
Additions	585	-	-	-	-	-	-	585
Disposals	(42,465)	-	-	(37,294)	-	-	-	(79,759)
Reclassified	4,307	-	-	-	-	-	-	4,307
Effect of foreign currency exchange differences	(6,245)	-	-	843	-	(27)	-	(5,429)
Balance at March 31, 2024	581,897	997,715	41,383	212,684	220,775	9,290	88,894	2,152,638
<u>Accumulated amortization</u>								
Balance at January 1, 2024	525,220	-	5,174	249,135	220,775	9,275	88,894	1,098,473
Amortization expenses	5,280	-	1,035	-	-	-	-	6,315
Disposals	(25,274)	-	-	(37,294)	-	-	-	(62,568)
Effect of foreign currency exchange differences	(4,725)	-	-	843	-	(26)	-	(3,908)
Balance at March 31, 2024	500,501	-	6,209	212,684	220,775	9,249	88,894	1,038,312
<u>Accumulated impairment</u>								
Balance at January 1, 2024	27,387	-	-	-	-	-	-	27,387
Disposals	(17,191)	-	-	-	-	-	-	(17,191)
Effect of foreign currency exchange differences	(277)	-	-	-	-	-	-	(277)
Balance at March 31, 2024	9,919	-	-	-	-	-	-	9,919
Carrying amount at March 31, 2024	\$ 71,477	\$ 997,715	\$ 35,174	\$ --	\$ --	\$ 41	\$ --	\$ 1,104,407

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

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

Computer software	2-10 years
Royalty	3-10 years
Technical services	4 years
Business Secrets	10 years

	For the Three Months Ended March 31	
	2025	2024
An analysis of amortization by function		
Cost of revenue	\$ 4,556	\$ 5,072
Selling and marketing expenses	3	4
General and administrative expenses	796	645
Research and development expenses	<u>727</u>	<u>594</u>
	<u>\$ 6,082</u>	<u>\$ 6,315</u>

17. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Refundable deposits (Note 31)	\$ 243,571	\$ 240,620	\$ 231,056
Tax refund receivables	47,341	132,769	202,790
Payment on behalf of others	83,005	57,227	73,258
Temporary payments	42,410	45,323	14,680
Others	<u>6,662</u>	<u>7,707</u>	<u>32,272</u>
	<u>\$ 422,989</u>	<u>\$ 483,646</u>	<u>\$ 554,056</u>
<u>Prepayments</u>			
Excess business tax paid	\$ 134,387	\$ 91,848	\$ 37,166
Prepayments for insurance premiums	47,925	84,348	34,322
Inventory of supplies	45,979	43,624	35,300
Prepayments for repairs	20,861	28,099	17,621
Prepayments for suppliers	12,693	13,549	1,549
Prepayments to electricity	12,103	42,614	31,781
Others	<u>53,504</u>	<u>42,866</u>	<u>28,729</u>
	<u>\$ 327,452</u>	<u>\$ 346,948</u>	<u>\$ 186,468</u>
<u>Non-current</u>			
Refundable deposits (Note 31)	\$ 448,592	\$ 502,687	\$ 663,836
Financial lease receivables	162,653	174,546	144,390
Prepayment for land and equipment	36,584	23,888	46,111
Others	<u>17</u>	<u>-</u>	<u>11</u>
	<u>\$ 647,846</u>	<u>\$ 701,121</u>	<u>\$ 854,348</u>

18. BORROWINGS

a. Short-term bank loans

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Unsecured borrowings</u>			
Working capital loan	\$ 66,750	\$ -	\$ 63,420

The effective interest rate ranges on the working capital loan were 1.14% and 0.69% as of March 31, 2025 and 2024, respectively.

b. Long-term debt

	March 31, 2025	December 31, 2024	March 31, 2024
1) Secured Borrowings (Note 30)	\$ 12,361,587	\$ 12,361,587	\$ 15,573,015
2) Unsecured Borrowings	<u>5,241,926</u>	<u>6,366,752</u>	<u>2,596,437</u>
	17,603,513	18,728,339	18,169,452
Less: Current portion	<u>(2,857,308)</u>	<u>(1,840,910)</u>	<u>(120,498)</u>
	<u>\$ 14,746,205</u>	<u>\$ 16,887,429</u>	<u>\$ 18,048,954</u>

1. Repayable continually from July 2025 to August 2031; interest rates at 1.275%-1.685% on March 31, 2025, 1.275%-1.685% on December 31, 2024 and 1.28%-1.725% on March 31, 2024.
2. Repayable continually from April 2025 to July 2029; interest rates at 0.600%-1.808% on March 31, 2025, 0.600%-1.857% on December 31, 2024 and 0.60%-1.57% on March 31, 2024.

19. OTHER LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Accrued expenses and other current liabilities			
Salaries and bonus	\$ 1,925,268	\$ 2,535,592	\$ 2,273,132
Treasury stock settlement payable	481,632	-	-
Payable for utilities	341,282	338,835	262,646
Payable for insurance	267,512	278,815	242,352
Temporary payments	231,740	222,843	463,650
Agency receipts	200,342	194,855	148,717
Guarantee deposits (a)	175,918	140,968	169,615
Indemnification payable (b)	57,502	57,298	35,664
Payable for annual leave	33,515	17,915	32,490
Others	<u>2,139,515</u>	<u>2,229,667</u>	<u>2,833,724</u>
	<u>\$ 5,854,226</u>	<u>\$ 6,016,788</u>	<u>\$ 6,461,990</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Other liabilities			
Guarantee deposits (a)	\$ 572,231	\$ 597,273	\$ 558,962
Others	<u>11,353</u>	<u>9,184</u>	<u>15,793</u>
	<u>\$ 583,584</u>	<u>\$ 606,457</u>	<u>\$ 574,755</u> (Concluded)

- a. Mainly production capacity guarantee deposits.
- b. Indemnification payables 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.

20. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Carbon fees (Note)	<u>\$ 5,852</u>	<u>\$ -</u>	<u>\$ -</u>

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

21. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Corporation's defined benefit retirement plans were \$1,650 thousand and \$1,850 thousand for the three months ended March 31, 2025 and 2024, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2024 and 2023.

22. EQUITY

- a. Capital stock

- 1) Common stock

	March 31, 2025	December 31, 2024	March 31, 2024
Shares authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Shares authorized (in thousands of dollars)	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>759,147</u>	<u>759,147</u>	<u>759,147</u>
Shares issued (in thousands of dollars)	<u>\$ 7,591,466</u>	<u>\$ 7,591,466</u>	<u>\$ 7,591,466</u>

Fully paid common stock, 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.

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

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)			
Share premium	\$ 1,879	\$ 1,879	\$ 1,879
From treasury share transactions	241,088	241,088	158,488
<u>May be used to offset a deficit only</u>			
Changes in percentage of ownership interests in subsidiaries (2)	72,081	72,081	72,008
Unclaimed dividends after effective period	<u>4,821</u>	<u>4,821</u>	<u>4,821</u>
	<u>\$ 319,869</u>	<u>\$ 319,869</u>	<u>\$ 237,196</u>

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

c. Retained earnings and dividends policy

Under PTI's 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, common stock or a combination of cash and common stock. 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 24(g).

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

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

The appropriations of earnings for 2024 and 2023 were approved in the board of director on February 21, 2025 and in the shareholders' meeting May 30, 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 682,811	\$ 800,489
Special reserve	\$ (360,177)	\$ 130,039
Cash dividends	\$ 5,314,026	\$ 5,314,026
Cash dividends per share (NT\$)	\$ 7	\$ 7

The appropriations of earnings for 2024 are subject to the resolution of the shareholders in the shareholders' meeting to be held on May 28, 2025.

d. Others equity items

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

	For the Three Months Ended	
	March 31	
	2025	2024
Balance at January 1	\$ (341,414)	\$ (717,131)
Recognized for the period		
Exchange differences on translation of the financial		
statements of foreign operations	227,086	211,215
Other comprehensive income recognized for the period	227,086	211,215
Balance at March 31	\$ (114,328)	\$ (505,916)

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

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ (30,676)	\$ (15,136)
Recognized for the period		
Unrealized loss - equity instruments	-	(298)
Other comprehensive loss recognized for the period	-	(298)
Balance at March 31	<u>\$ (30,676)</u>	<u>\$ (15,434)</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 14,930,476	\$ 14,236,954
Share in profit for the period	403,192	370,084
Other comprehensive income (loss) for the period		
Exchange differences on translation of the financial statements of foreign entities	98,179	(33,040)
Subsidiaries purchase treasury shares	-	(188)
The Parent's shares held by its subsidiaries treated as treasury shares	(428,721)	-
Cash dividends to shareholders from subsidiaries	<u>(85,722)</u>	<u>(82,494)</u>
Balance at March 31	<u>\$ 14,917,404</u>	<u>\$ 14,491,316</u>

f. Treasury shares

Purpose of Buy-Back	Share Held by Subsidiary (In Thousands of Shares)
Number of shares at January 1, 2024 and March 31, 2024	<u>11,800</u>
Number of shares at January 1, 2025	13,000
Addition	<u>5,895</u>
Number of shares at March 31, 2025	<u>18,895</u>

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>March 31, 2025</u>			
Greatek Electronics Inc.	18,895	\$2,305,190/122	\$2,305,190/122

(Continued)

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2024</u>			
Greatek Electronics Inc.	13,000	\$1,586,000/122	\$1,586,000/122
<u>March 31, 2024</u>			
Greatek Electronics Inc.	11,800	\$2,365,900/200.5	\$2,365,900/200.5 (Concluded)

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

23. REVENUE

	For the Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Revenue from packaging services	\$ 10,629,940	\$ 12,390,068
Revenue from testing services	3,620,621	3,889,227
Revenue from module services	1,241,406	2,047,065
Others	<u>1,969</u>	<u>2,521</u>
	<u>\$ 15,493,936</u>	<u>\$ 18,328,881</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

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes and accounts receivable (including related parties) (Notes 10 and 29)	<u>\$ 14,665,536</u>	<u>\$ 15,885,215</u>	<u>\$ 17,066,014</u>	<u>\$ 16,678,796</u>
Contract assets				
Revenue from processing services	<u>\$ 2,252,927</u>	<u>\$ 2,270,869</u>	<u>\$ 2,501,177</u>	<u>\$ 2,363,716</u>
Contract liabilities				
Revenue from processing services	<u>\$ 138,443</u>	<u>\$ 145,836</u>	<u>\$ 124,419</u>	<u>\$ 131,106</u>

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

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

		For the Three Months Ended March 31	
		2025	2024
From the contract liabilities at the beginning of the year			
Revenue from processing services		<u>\$ 46,567</u>	<u>\$ 24,551</u>
c. Disaggregation of revenue from contracts with customers			
		For the Three Months Ended March 31	
		2025	2024
<u>Primary geographical markets</u>			
Taiwan (the principal place of business of the Corporation)		\$ 6,527,931	\$ 3,517,556
Japan		4,338,050	5,458,504
America		2,283,914	3,348,274
Singapore		733,236	4,816,684
Europe		731,721	426,067
China, Hong Kong and Macao		404,816	357,902
Others		<u>474,268</u>	<u>403,894</u>
		<u>\$ 15,493,936</u>	<u>\$ 18,328,881</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Other gains and losses

		For the Three Months Ended March 31	
		2025	2024
Fair value changes of financial assets and financial liabilities			
Financial assets mandatorily classified as at FVTPL		\$ 1,165	\$ (10,339)
Impairment loss		(169)	-
Financial liabilities classified as held for trading		1,167	(102,156)
Others		<u>146,896</u>	<u>150,294</u>
		<u>\$ 149,228</u>	<u>\$ 37,799</u>

b. Interest income

		For the Three Months Ended March 31	
		2025	2024
Bank deposits		\$ 96,156	\$ 108,326
Net investment in leases presented		2,395	2,383
Financial assets measured at amortized cost		1,245	88
Commercial paper		-	1,088
Others		<u>10</u>	<u>-</u>
		<u>\$ 99,806</u>	<u>\$ 111,885</u>

c. Other income

	For the Three Months Ended March 31	
	2025	2024
Rental income		
Operating lease rental income	<u>\$ 4,834</u>	<u>\$ 2,904</u>

d. Finance costs

	For the Three Months Ended March 31	
	2025	2024
Interest on bank loans	\$ 69,783	\$ 73,184
Interest on lease liabilities	5,689	5,752
Capitalized interest	<u>(12,702)</u>	<u>(6,317)</u>
	<u>\$ 62,770</u>	<u>\$ 72,619</u>

Information about capitalized interest was as follows:

	For the Three Months Ended March 31	
	2025	2024
Capitalized interest	\$ 12,702	\$ 6,317
Capitalization rate	1.565%-1.583%	1.43%-1.545%

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
Property, plant and equipment	\$ 2,953,763	\$ 3,184,626
Right-of-use assets	12,597	11,731
Intangible assets	<u>6,082</u>	<u>6,315</u>
	<u>\$ 2,972,422</u>	<u>\$ 3,202,672</u>
An analysis of depreciation by function		
Cost of revenue	\$ 2,715,018	\$ 2,957,147
Operating expenses	<u>251,342</u>	<u>239,210</u>
	<u>\$ 2,966,360</u>	<u>\$ 3,196,357</u>
An analysis of amortization by function		
Cost of revenue	\$ 4,556	\$ 5,072
Operating expenses	<u>1,526</u>	<u>1,243</u>
	<u>\$ 6,082</u>	<u>\$ 6,315</u>

Refer to Note 16 for information relating to the line items in which any amortization of intangible assets is included.

f. Employee benefit expense

	For the Three Months Ended March 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 131,243	\$ 143,989
Defined benefit plans (Note 21)	<u>1,650</u>	<u>1,850</u>
	132,893	145,839
Termination benefits	911	168
Other employee benefits	<u>4,019,414</u>	<u>4,422,857</u>
 Total employee benefit expense	 <u>\$ 4,153,218</u>	 <u>\$ 4,568,864</u>
 An analysis of employee benefits expense by function		
Cost of revenue	\$ 3,554,544	\$ 3,888,612
Operating expenses	<u>598,674</u>	<u>680,252</u>
	<u>\$ 4,153,218</u>	<u>\$ 4,568,864</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. In accordance with the amendment to the Securities and Exchange Act in August 2024, PTI plans to pass a resolution at the 2025 shareholders' meeting to amend its Articles of Incorporation, specifying that no less than 60% of the annual employee remuneration allocated shall be distributed to rank-and-file employees. The compensation of employees and remuneration of directors for the three months ended March 31, 2025 and 2024, respectively, were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2025	2024
Compensation of employees	6.18%	5.29%
Remuneration of directors	1.24%	1.06%

Amount

	For the Three Months Ended March 31	
	2025	2024
	Cash	Cash
Compensation of employees	\$ 79,327	\$ 117,223
Remuneration of directors	15,865	23,444

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 2024 and 2023 that were resolved by the board of directors on February 21, 2025 and March 8, 2024, respectively, are as shown below:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 458,231	\$ 540,574
Remuneration of directors	91,646	108,115

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2025	2024
Foreign exchange gains	\$ 217,719	\$ 637,128
Foreign exchange losses	<u>(138,307)</u>	<u>(34,423)</u>
Net gains	<u>\$ 79,412</u>	<u>\$ 602,705</u>

25. INCOME TAXES

a. Major components of tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2025	2024
Current tax		
In respect of the current period	\$ 249,158	\$ 383,976
Adjustments for prior years	(14,128)	-
Deferred tax		
In respect of the current period	<u>(10,014)</u>	<u>228,751</u>
Income tax expense recognized in profit or loss	<u>\$ 225,016</u>	<u>\$ 612,727</u>

b. Income tax assessments

The Corporation's income tax returns through 2022 have been assessed by the tax authorities.

c. The Pillar Two income tax legislation

Tera Probe was incorporated in Japan, where the Pillar Two income tax legislation had been in effect. Under the legislation, Tera Probe will be required to pay, in Japan, a top-up tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. Taiwan is the main jurisdiction

subject to this tax. The effective tax rate is over 15% for the year ended March 31, 2024. The Group's current tax expense related to Pillar Two income taxes for the years ended December 31, 2024 was \$0.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2025	2024
Basic earnings per share	\$ <u>1.58</u>	\$ <u>2.32</u>
Diluted earnings per share	\$ <u>1.57</u>	\$ <u>2.31</u>

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

Net Profit for the Periods

	For the Three Months Ended March 31	
	2025	2024
Profit for the period attributable to owner of the Parent	\$ 1,175,216	\$ 1,736,636
Effect of potentially dilutive common stock:		
Compensation of employees	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	\$ <u>1,175,216</u>	\$ <u>1,736,636</u>

Weighted average number of common stock outstanding (in thousands of shares):

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	745,836	747,347
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>2,617</u>	<u>2,947</u>
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	<u>748,453</u>	<u>750,294</u>

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

27. CAPITAL MANAGEMENT

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

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

28. FINANCIAL INSTRUMENTS

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

March 31, 2025

		March 31, 2023			
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 300,001	\$ -	\$ 299,997	\$ -	\$ 299,997

December 31, 2024

		December 31, 2021			
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost					
Domestic corporate bonds	\$ 300,001	\$ -	\$ 299,991	\$ -	\$ 299,991

March 31, 2024

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

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

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

1) Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 2,979	\$ -	\$ 2,979
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ -	\$ 17,324	\$ -	\$ 17,324
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 7,236	\$ -	\$ 7,236

December 31, 2024

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

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 1,382	\$ -	\$ 1,382
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 1,364	\$ 33,000	\$ -	\$ 34,364
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 55,107	\$ -	\$ 55,107

There were no transfers between Levels 1 and 2 in the current.

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

Financial Instruments	Valuation Techniques and Inputs
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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 2,979	\$ 286	\$ 1,382
Financial assets at amortized cost (Note 1)	39,032,233	40,538,289	39,888,543
Financial assets at FVTOCI			
Equity instruments	17,324	17,324	34,364

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial liabilities</u>			
FVTPL			
Held for trading	\$ 7,236	\$ 36,965	\$ 55,107
Amortized cost (Note 2)	26,452,130	28,958,056	30,740,326 (Concluded)

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

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

For the carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 32.

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 their 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 Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2025	2024	2025	2024
Profit or loss	\$ (428,803)	\$ (472,558)	\$ 9,293	\$ 1,275

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.

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
Financial assets	\$ 8,241,505	\$ 8,648,466	\$ 9,906,177
Financial liabilities	1,109,719	2,385,640	413,815
Cash flow interest rate risk			
Financial assets	14,676,775	14,501,720	11,461,129
Financial liabilities	16,560,544	17,673,044	17,819,057

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 three months ended March 31, 2025 and 2024 would decrease/increase by \$471 thousand and \$1,589 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rate risk on its variable-rate net liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, the Corporation's post-tax other comprehensive income for the three months ended March 31, 2025 and 2024 would have increase/decrease by \$866 thousand and \$1,718 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 March 31, 2025, December 31, 2024 and March 31, 2024, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$542,648 thousand, \$882,788 thousand and \$3,488,216 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 tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables include both interest and principal cash flows.

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

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 3,045,696	\$ 4,123,667	\$ 864,355	\$ -	\$ -
Lease liabilities	5,419	10,839	48,829	217,555	1,478,828
Fixed interest rate liabilities	57,850	85,106	208,594	758,169	-
Variable interest rate liabilities	-	-	2,572,508	13,340,417	647,619
Guarantee deposits	<u>27,388</u>	<u>16,591</u>	<u>131,939</u>	<u>569,757</u>	<u>2,474</u>
	<u>\$ 3,136,353</u>	<u>\$ 4,236,203</u>	<u>\$ 3,826,225</u>	<u>\$ 14,885,898</u>	<u>\$ 2,128,921</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 65,087</u>	<u>\$ 217,555</u>	<u>\$ 239,143</u>	<u>\$ 236,143</u>	<u>\$ 235,503</u>	<u>\$ 768,039</u>
Variable interest rate liabilities	<u>\$ 2,572,508</u>	<u>\$ 13,340,417</u>	<u>\$ 647,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 175,918</u>	<u>\$ 569,757</u>	<u>\$ 2,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 3,553,621	\$ 4,880,409	\$ 1,057,446	\$ -	\$ -
Lease liabilities	5,398	10,795	48,585	220,863	1,482,382
Fixed interest rate liabilities	-	71,857	202,982	780,456	-
Variable interest rate liabilities	-	-	1,566,071	15,345,068	761,905
Guarantee deposits	<u>18,851</u>	<u>-</u>	<u>122,117</u>	<u>595,499</u>	<u>1,774</u>
	<u>\$ 3,577,870</u>	<u>\$ 4,963,061</u>	<u>\$ 2,997,201</u>	<u>\$ 16,941,886</u>	<u>\$ 2,246,061</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 64,778</u>	<u>\$ 220,863</u>	<u>\$ 238,051</u>	<u>\$ 235,051</u>	<u>\$ 234,291</u>	<u>\$ 774,989</u>
Variable interest rate liabilities	<u>\$ 1,566,071</u>	<u>\$ 15,345,068</u>	<u>\$ 761,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 140,968</u>	<u>\$ 595,499</u>	<u>\$ 1,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 2,970,346	\$ 5,819,994	\$ 2,816,360	\$ 172,177	\$ -
Lease liabilities	5,053	10,106	44,862	218,263	1,518,246
Fixed interest rate liabilities	-	93,545	90,373	229,897	-
Variable interest rate liabilities	-	-	-	16,458,866	1,360,191
Guarantee deposits	<u>26,398</u>	<u>15,995</u>	<u>127,223</u>	<u>557,187</u>	<u>1,774</u>
	<u>\$ 3,001,797</u>	<u>\$ 5,939,640</u>	<u>\$ 3,078,818</u>	<u>\$ 17,636,390</u>	<u>\$ 2,880,211</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 60,021</u>	<u>\$ 218,263</u>	<u>\$ 238,412</u>	<u>\$ 235,411</u>	<u>\$ 234,291</u>	<u>\$ 810,132</u>
Variable interest rate liabilities	<u>\$ -</u>	<u>\$ 16,458,866</u>	<u>\$ 1,104,762</u>	<u>\$ 255,429</u>	<u>\$ -</u>	<u>\$ -</u>
Guarantee deposits	<u>\$ 169,616</u>	<u>\$ 557,187</u>	<u>\$ 1,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

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

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

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 446,012	\$ 242,855	\$ 157,633
Outflows	<u>(450,250)</u>	<u>(242,920)</u>	<u>(157,587)</u>
	<u>\$ (4,238)</u>	<u>\$ (65)</u>	<u>\$ 46</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 209,396	\$ 1,249,864	\$ 79,385
Outflows	<u>(216,849)</u>	<u>(1,277,197)</u>	<u>(81,278)</u>
	<u>\$ (7,453)</u>	<u>\$ (27,333)</u>	<u>\$ (1,893)</u>

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year
<u>Gross settled</u>			
Foreign exchange forward contracts			
Inflows	\$ 2,575,212	\$ 439,625	\$ 106,429
Outflows	<u>(2,616,427)</u>	<u>(450,295)</u>	<u>(108,269)</u>
	<u>\$ (41,215)</u>	<u>\$ (10,670)</u>	<u>\$ (1,840)</u>

c) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
Secured bank loan facilities which may be mutually extended			
Amount used	\$ 12,361,587	\$ 12,361,587	\$ 15,573,015
Amount unused	<u>5,500,000</u>	<u>5,500,000</u>	<u>6,812,500</u>
	<u>\$ 17,861,587</u>	<u>\$ 17,861,587</u>	<u>\$ 22,385,515</u>

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related Party Name and Relationship

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

b. Sales of goods

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31</u>	
		<u>2025</u>	<u>2024</u>
Sales of goods	Substantial related parties		
	Kioxia Corporation	\$ 2,958,384	\$ 4,011,362
	Others	<u>499,687</u>	<u>532,087</u>
		3,458,071	4,543,449
	Associates	<u>-</u>	<u>342</u>
		<u>\$ 3,458,071</u>	<u>\$ 4,543,791</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

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Substantial related parties	\$ 93,303	\$ 182,146
Associates	<u>-</u>	<u>141</u>
	<u>\$ 93,303</u>	<u>\$ 182,287</u>

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

d. Cost of revenue

Related Party Category	For the Three Months Ended March 31	
	2025	2024
Associates	<u>\$ 8,451</u>	<u>\$ 56,341</u>

Operating costs mainly was subcontract costs.

e. Operation expense

Related Party Category	For the Three Months Ended March 31	
	2025	2024
Substantial related parties	<u>\$ 3,000</u>	<u>\$ -</u>

Mainly was donation.

f. Other gains and losses

Related Party Category	For the Three Months Ended March 31	
	2025	2024
Substantial related parties		
Kioxia Corporation	\$ 4,190	\$ 9,992
Associates	<u>987</u>	<u>9</u>
	<u>\$ 5,177</u>	<u>\$ 10,001</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.

g. Contract assets

Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Substantial related parties			
Kioxia Corporation	\$ 529,455	\$ 599,350	\$ 903,850
Others	<u>108,351</u>	<u>89,659</u>	<u>82,066</u>
	<u>\$ 637,806</u>	<u>\$ 689,009</u>	<u>\$ 985,916</u>

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

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

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable from related parties	Substantial related parties			
	Kioxia Corporation	\$ 4,495,160	\$ 5,299,648	\$ 5,241,267
	Others	<u>421,993</u>	<u>416,744</u>	<u>472,215</u>
		<u>\$ 4,917,153</u>	<u>\$ 5,716,392</u>	<u>\$ 5,713,482</u>

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

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

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable from related parties	Substantial related parties			
	Solid State Storage Technology Corporation	\$ 55,241	\$ 113,909	\$ 129,111
	Associates	<u>-</u>	<u>-</u>	<u>108</u>
		<u>\$ 55,241</u>	<u>\$ 113,909</u>	<u>\$ 129,219</u>

The outstanding accounts payable from related parties are unsecured.

j. Other receivables from related parties

Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Substantial related parties			
Kioxia Corporation	\$ 35,621	\$ 65,891	\$ 40,052
Others	<u>1,760</u>	<u>1,135</u>	<u>978</u>
	37,381	67,026	41,030
Associates			
Longforce Technology (Suzhou) Ltd.	<u>1,158</u>	<u>1,806</u>	<u>16,415</u>
	<u>\$ 38,539</u>	<u>\$ 68,832</u>	<u>\$ 57,445</u>

k. Other payables from related parties

Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Substantial related parties			
Kioxia Corporation	\$ 75,537	\$ 48,288	\$ 36,260
Associates			
Longforce Technology (Suzhou) Ltd.	<u>7,732</u>	<u>8,212</u>	<u>57,441</u>
	<u>\$ 83,269</u>	<u>\$ 56,500</u>	<u>\$ 93,701</u>

l. Acquisition of property, plant and equipment

Related Party Type	For the Three Months Ended March 31	
	2025	2024
Substantial related party	\$ <u>-</u>	\$ <u>16</u>

m. Compensation of key management personnel

	For the Three Months Ended March 31	
	2025	2024
Short-term benefits	\$ 86,634	\$ 100,229
Post-employment benefits	<u>638</u>	<u>635</u>
	<u>\$ 87,272</u>	<u>\$ 100,864</u>

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	\$ 12,970,488	\$ 13,633,175	\$ 19,339,981
Restricted deposits (classified as financial assets at amortized cost - current)	33,182	32,781	31,990
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>252,604</u>	<u>252,574</u>	<u>252,471</u>
	<u>\$ 13,256,274</u>	<u>\$ 13,918,530</u>	<u>\$ 19,624,442</u>

31. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

a. Significant commitments

- 1) From March 2023 to February 2024 and February 2024 to January 2025, PTI signed purchase agreements of equipment worth \$560,735 thousand and \$512,582 thousand with Disco Hi-Tec Taiwan Co., Ltd. As of March 31, 2025, PTI has paid a total of \$337,198 thousand and \$217,082 thousand.
- 2) From January 2025 to March 2025 and March 2025, PTI signed a purchase agreements for equipment worth \$655,271 thousand and \$561,962 thousand with Disco Hi-Tec Taiwan Co., Ltd. As of March 31, 2025, no payment had been made.

- 3) From December 2024 to April, 2024, PTI signed purchase agreements for equipment worth \$547,973 with Applirf Materials South East Asia. As of March 31, 2025, PTI had paid a total of \$407,781 thousand.
- 4) From March 2024 to December 2024, PTI signed the purchase agreements of equipment worth \$530,538 thousand with Tokyo Electron Limited. As of December 31, 2024, PTI has paid a total of \$228,809 thousand.
- 5) As of March 31, 2025, PTI unused letters of credit for purchases of machinery and equipment amounted to approximately JPY17,055 thousand, US\$13,488 thousand.
- 6) In November 2021, PTI entered into capacity reservation agreements with Zhen Ding Technology Co., Ltd. The deposits in a required aggregate amount of US\$35,000 thousand were paid to suppliers in compliance with the agreements and refunded to PTI when terms set forth in the agreements have been satisfied. According to the agreements, the deposits will be refunded in 58 installments starting from March 2023. As of March 31, 2025, the Corporation has paid a total of recovered US\$15,000 thousand.
- 7) From June 2024 to November 2024, December 2024 and December 2024 to March 2025, the TeraPower Technology Inc. signed a purchase agreement of equipment worth \$500,558 thousand, \$937,715 thousand and \$653,818 thousand with Advantest Taiwan Inc., As of March 31, 2025, the TeraPower Technology Inc. has paid a total of \$460,930 thousand, \$3,956 thousand and \$36,526 thousand.
- 8) From July 2021 to July, 2022, Tera Probe, Inc. signed a purchase agreement of equipment worth \$640,534 thousand with Teradyne Inc. As of March 31, 2025, Tera Probe, Inc. has paid \$609,928 thousand.
- 9) From April 2023 to March, 2024 and March 2024 to March 2025, Tera Probe, Inc. signed a purchase agreement of equipment worth \$558,325 thousand and \$592,414 thousand with Advantest Corporation As of March 31, 2025, Tera Probe, Inc. has paid \$558,325 thousand and \$40,186 thousand.

32. 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:

	March 31, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 515,174	33.1820 (USD:NTD)	\$ 17,094,504
USD	5,391	149.1400 (USD:JPY)	178,884
JPY	1,446,269	0.2225 (JPY:NTD)	321,795
SGD	155	0.7447 (SGD:USD)	3,830
RMB	4,991	0.1360 (RMB:USD)	<u>22,838</u>
			<u>\$ 17,621,851</u>
Non-monetary items			
JPY	13,390	0.2225 (JPY:NTD)	<u>\$ 2,979</u>

(Continued)

March 31, 2025			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 261,997	33.1820 (USD:NTD)	\$ 8,693,584
USD	113	149.1400 (USD:JPY)	3,750
EUR	1,242	35.9427 (EUR:NTD)	44,641
JPY	2,281,554	0.2225 (JPY:NTD)	<u>507,646</u>
			<u>\$ 9,249,621</u>
Non-monetary items			
USD	200	33.1820 (USD:NTD)	\$ 6,628
JPY	2,734	0.2225 (JPY:NTD)	<u>608</u>
			<u>\$ 7,236</u> (Concluded)
December 31, 2024			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 561,199	32.781 (USD:NTD)	\$ 18,396,664
USD	4,793	156.2150 (USD:JPY)	157,119
JPY	1,940,977	0.2098 (JPY:NTD)	407,217
SGD	155	0.7359 (SGD:USD)	3,739
RMB	6,188	0.1370 (RMB:USD)	<u>27,792</u>
			<u>\$ 18,992,531</u>
Non-monetary items			
JPY	1,365	0.2098 (JPY:NTD)	<u>\$ 286</u>
<u>Financial liabilities</u>			
Monetary items			
USD	261,627	32.7810 (USD:NTD)	\$ 8,576,395
USD	157	156.2150 (USD:JPY)	5,147
EUR	9,267	34.1316 (EUR:NTD)	316,298
JPY	2,387,052	0.2098 (JPY:NTD)	<u>500,804</u>
			<u>\$ 9,398,644</u>
Non-monetary items			
USD	802	32.7810 (USD:NTD)	\$ 26,296
JPY	50,804	0.2098 (JPY:NTD)	<u>10,669</u>
			<u>\$ 36,965</u>

March 31, 2024			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 558,229	31.9900 (USD:NTD)	\$ 17,857,746
USD	5,591	151.3400 (USD:JPY)	178,856
JPY	2,262,936	0.2114 (JPY:NTD)	478,385
JPY	127,934	0.0066 (JPY:USD)	27,045
SGD	780	0.7411 (SGD:USD)	18,491
RMB	41,315	0.1384 (RMB:USD)	182,976
			<u>\$ 18,743,499</u>
Non-monetary items			
USD	1	31.9900 (USD:NTD)	\$ 22
JPY	100	0.2114 (JPY:NTD)	21
RMB	302	4.4288 (RMB:NTD)	1,339
			<u>\$ 1,382</u>
<u>Financial liabilities</u>			
Monetary items			
USD	268,231	31.9900 (USD:NTD)	\$ 8,580,710
USD	148	151.3400 (USD:JPY)	4,735
EUR	113	34.4500 (EUR:NTD)	3,893
JPY	2,319,601	0.2114 (JPY:NTD)	490,364
JPY	191,916	0.0066 (JPY:USD)	40,571
RMB	15,932	0.1384 (RMB:USD)	70,560
RMB	10	4.4288 (RMB:NTD)	44
			<u>\$ 9,190,877</u>
Non-monetary items			
USD	1,452	31.9900 (USD:NTD)	\$ 46,457
JPY	40,919	0.2114 (JPY:NTD)	8,650
			<u>\$ 55,107</u>

For the three months ended March 31, 2025 and 2024, realized and unrealized net foreign exchange gains were \$79,412 thousand and \$602,705 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and currencies of the entities in the Corporation.

33. 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.

- Financing provided to others: Table 1 (attached).
- Endorsements/guarantees provided: None.
- Significant marketable securities held: Table 2 (attached).

- d. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Table 3 (attached).
- e. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached).
- f. Intercompany relationships and significant intercompany transactions: Table 5 (attached).
- g. Information of investees: Table 6 (attached).
- h. Information on investments in mainland China: Table 7 (attached).

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investments at the end of the period, repatriations of investment income, and limit on the amount of investments in the mainland China area: Note 33 (f).

34. SEGMENT INFORMATION

The revenue, 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 three months ended March 31, 2025 and 2024 are shown in the consolidated income statements for the three months ended March 31, 2025 and 2024. The segment assets as of March 31, 2025, December 31, 2024 and March 31, 2024 are shown in the consolidated balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024.

TABLE 1**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****LOAN OF FUNDS TO OTHERS****MARCH 31, 2025****(In Thousands of New Taiwan Dollars)**

Lending Company	Loan Recipients	Items	Relationship with the Holding Company	Maximum Balance for the Period	Closing Balance	Closing Balan Actual Expenditurece	Interest Rate (%)	Types of Funding	Amount of Transactions	Reasons for Short-term Funding	Allowance for Doubtful Accounts	Guarantees		Limit on Funding for Individual Targets (Notes 1 and 2)	Capital Loan and Aggregate Limit (Notes 1 and 2)	Notes
												Name	Value			
Powertech Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other trade receivables	Y	\$ 3,251,836	\$ 3,251,836	\$ 3,251,836	2.5	Short-term financing	\$ -	Operating turnover	\$ -	-	\$ -	\$ 3,695,998	\$ 3,695,998	1
PTI Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other trade receivables	Y	2,488,650	-	-	-	Short-term financing	-	Operating turnover	-	-	-	3,803,059	3,803,059	1
Powertech Technology Japan Ltd.	Powertech Technology Inc.	Other receivables	Y	331,820	331,820	315,229	1.45	Short-term financing	-	Operating turnover	-	-	-	2,996,109	2,996,109	1

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD

MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares (In Thousands)	Carrying Value	% of Ownership	Fair Value	
Powertech Technology Inc.	<u>Stock</u> Solid state system Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,333	\$ 17,324	2	\$ 17,324	Note 3
Greatek Electronics Inc.	<u>Bond</u> P13 Taipower 2A	-	Financial assets at amortized cost - non-current	200	200,001	-	199,998	Note 2
	P13 Corporation, Taiwan 2A	-	Financial assets at amortized cost - non-current	100	100,000	-	99,999	Note 2
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive income - noncurrent	18,895	2,305,190	2	2,305,190	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 March 31, 2025.

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

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

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

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	Sale	\$ 2,897,560	29.84	Note 1	\$ -	-	\$ 4,434,397	47.87	-
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of Greatek Electronics Inc.'s corporate director.	Sale	207,819	5	Net 60 days from monthly closing date	Note 2	Quite	208,336	6	-
	Realtek Singapore Private Limited	Same parent company with Greatek Electronics Inc.'s corporate director.	Sale	105,650	3	Net 60 days from monthly closing date	Note 2	Quite	85,854	3	-

Note 1: 35 to 120 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****MARCH 31, 2025****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	\$ 4,434,397	2.40	\$ -	-	\$ 1,194,385	\$ -
Greatek Electronics Inc.	Realtek Semiconductor corp.	Parent company of Greatek Electronics Inc.'s corporate director	208,336	4.01	-	-	53,179	-

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Transaction Flow	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Powertech Technology Inc.	TeraPower Technology Inc.	1	Sales	\$ 3,370	Note 3	-
	Greatek Electronics Inc.	1	Sales	16,897	Note 3	-
	Greatek Electronics Inc.	1	Subcontract costs	29,437	Note 2	-
	TeraPower Technology Inc.	1	Subcontract costs	46,462	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Operating expenses	4	Note 2	-
	TeraPower Technology Inc.	1	Rent	691	Note 2	-
	TeraPower Technology Inc.	1	Other gains and loss	17,508	Note 2	-
	Greatek Electronics Inc.	1	Other gains and loss	25,822	Note 2	-
	Greatek Electronics Inc.	1	Disposal of property, plant and equipment	571	Note 2	-
	TeraPower Technology Inc.	1	Accounts receivable from related parties	94	Note 3	-
	Greatek Electronics Inc.	1	Accounts receivable from related parties	16,964	Note 3	-
	Greatek Electronics Inc.	1	Contract assets	2,605	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Other payables to related parties	7,617	Note 2	-
	TeraPower Technology Inc.	1	Other receivables from related parties	160	Note 2	-
	Greatek Electronics Inc.	1	Other receivables from related parties	1,221	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Short-term borrowings	3,251,836	Note 2	3%
	Powertech Technology (Japan) Ltd.	1	Short-term borrowings	315,229	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Net interest expense	8,893	Note 2	-
	PTI Technology (Singapore) Pte. Ltd.	1	Net interest expense	3,464	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Net interest expense	1,124	Note 2	-
	TeraPower Technology Inc.	1	Other payables to related parties	40,983	Note 2	-
	Greatek Electronics Inc.	1	Other payables to related parties	44,116	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Other payables to related parties	25,429	Note 2	-
Tera Probe, Inc.	TeraPower Technology Inc.	1	Other receivables from related parties	74,196	Note 2	-
Greatek Electronics Inc.	Get-team Tech Corporation	1	Cost of revenue	39,595	Note 2	-
	Get-team Tech Corporation	1	Accounts payable to related parties	15,916	Note 2	-

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

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

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

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

TABLE 6**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****INFORMATION OF INVESTEEES****MARCH 31, 2025****(In Thousands of New Taiwan Dollars)**

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares (In Thousands)	% of Ownership	Carrying Value			
Powertech Technology Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	\$ 1,153,964	\$ 1,153,964	73,386	49	\$ 3,946,521	\$ 313,429	\$ 142,346	Notes 1 and 2
	Powertech Holding (BVI) Inc.	British Virgin Islands	Investment business	1,679,370	1,679,370	50	100	3,844,793	3,407	3,407	Note 3
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing services	6,169,948	6,169,948	244,064	43	9,852,608	592,660	252,842	Note 1
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 69,000	USD 69,000	69,000	100	3,695,998	23,333	23,333	Note 3
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	4,217,688	87,104	87,104	Notes 2 and 3
Greatek Electronics Inc.	Tera Probe, Inc.	Japan	Wafer probing test services	\$ 230,616	\$ 230,616	1,077	12	591,813	177,138	23,304	Notes 2 and 3
	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	171,523	171,523	7,796	97.46	132,227	(5,657)	(6,889)	Note 3
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 114,612	USD 91	USD 91	Note 3
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 108,792	USD 5,385	USD 2,628	Notes 2 and 3
Tera Probe, Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	JPY4,348,056	JPY4,348,056	76,381	51	JPY4,348,056	JPY1,455,159	JPY 742,131	Notes 1 and 2

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

Note 2: Including unrealized intercompany gains (losses).

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

TABLE 7**POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES****INFORMATION ON INVESTMENTS IN MAINLAND CHINA****MARCH 31, 2025****(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, 2025	Investment Flows		Accumulated Outflow of Investments from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of March 31, 2025 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2025	Note
					Outflow	Inflow							
Longforce Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 3,318,200 (USD 100,000)	Note 1	\$ 1,137,313 (USD 34,275)	\$ -	\$ -	\$ 1,137,313 (USD 34,275)	\$ (24,702) (USD (751))	30%	\$ (14,350) (USD (436))	\$ 1,187,925 (USD 35,800)	\$ -	-
Powertech Semiconductor (Xian) Ltd.	Semiconductor testing and assembly services	331,820 (USD 16,619)	Note 1	551,452 (USD 16,619)	-	-	551,452 (USD 16,619)	1,101 (USD 33)	100%	1,101 (USD 33)	811,010 (USD 24,441)	1,060,198 (USD 31,951)	-

Investee Company Accounted for Using the Equity Method	Accumulated Investment in Mainland China as of March 31, 2025 (In Thousands of USD)	Investment Amounts Authorized by the Investment Commission, MOEA (In Thousands of USD)	Ceiling Amount on of the Corporation's Investment in Mainland China
Powertech Technology (Suzhou) Ltd.	US\$34,275	US\$79,000	\$34,705,284
Powertech Semiconductor (Xian) Ltd.	US\$16,619	US\$70,000	

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

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

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