

**Powertech Technology Inc. and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

POWERTECH TECHNOLOGY INC.

By:

TSAI DUH-KUNG
Chairman

February 21, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Powertech Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of Powertech Technology Inc. and its subsidiaries (the "Corporation"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information collectively referred to as the "consolidated financial statements".

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements of the Corporation for the year ended December 31, 2024, are described as follows:

Recognition of Contract Revenue

1. The amount of sales revenue is material to the Corporation. Refer to Note 22 to the accompanying consolidated financial statements for details of sales revenue. The major type of revenue is subcontracting revenue. The types of subcontracting transactions are as follows:
 - 1) Wafer level testing;
 - 2) Wafer level packaging;
 - 3) IC packaging; and
 - 4) IC testing.

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

Other Matter

We have also audited the financial statements of Powertech Technology Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

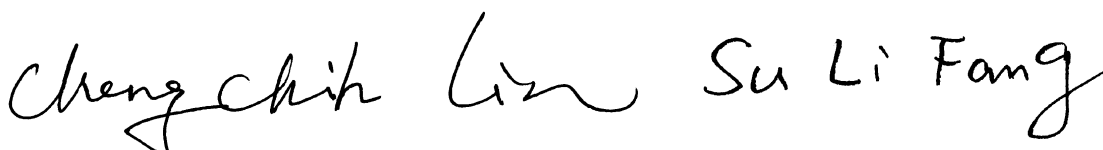
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Deloitte & Touche
Taipei, Taiwan
Republic of China

February 21, 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 audit such consolidated financial statements are those generally applied in the Republic of China.

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023		LIABILITIES AND EQUITY	2024		2023	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents (Notes 4 and 6)	\$ 22,238,335	21	\$ 21,079,749	19	Short-term bank loans (Note 18)	\$ -	-	\$ 65,190	-
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	286	-	28,659	-	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	36,965	-	504	-
Financial assets at amortized cost - current (Notes 4, 9 and 30)	32,781	-	210,744	-	Contract liabilities - current (Note 22)	145,836	-	131,106	-
Contract assets - current (Notes 4, 22 and 29)	2,270,869	2	2,363,716	2	Notes and accounts payable	4,966,910	5	4,952,699	5
Notes and accounts receivable (Notes 4, 10 and 22)	10,168,823	9	11,503,525	10	Accounts payable to related parties (Note 29)	113,909	-	124,111	-
Receivables from related parties (Notes 4, 22 and 29)	5,716,392	5	5,175,271	5	Bonus to employees and remuneration to directors (Note 23)	1,132,586	1	1,189,713	1
Other receivables (Note 4)	213,298	-	362,471	-	Payables to equipment suppliers	3,049,495	3	1,195,261	1
Other receivables from related parties (Notes 4 and 29)	68,832	-	100,338	-	Other payables - related parties (Note 29)	56,500	-	126,714	-
Inventories (Notes 4 and 11)	5,446,174	5	6,680,554	6	Current income tax liabilities (Notes 4 and 24)	953,568	1	1,540,856	1
Prepaid expenses (Note 17)	346,948	-	272,119	-	Lease liabilities - current (Notes 4 and 15)	42,570	-	38,005	-
Other current assets (Notes 4, 17 and 31)	483,646	1	417,137	1	Accrued expenses and other current liabilities (Notes 4 and 19)	6,016,788	5	6,576,059	6
					Current portion of long-term debts (Notes 18 and 30)	1,840,910	2	567,909	1
Total current assets	46,986,384	43	48,194,283	43	Total current liabilities	18,356,037	17	16,508,127	15
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	17,324	-	34,662	-	Long-term debt (Notes 18 and 30)	16,887,429	15	23,197,987	21
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	1,181,975	1	794,154	1	Deferred income tax liabilities (Notes 4 and 24)	316,319	-	354,366	-
Investments accounted for using the equity method (Notes 4 and 13)	1,180,240	1	1,174,347	1	Lease liabilities - non-current (Notes 4 and 15)	1,287,776	1	1,313,961	1
Property, plant and equipment (Notes 4, 14, 29 and 30)	56,588,276	52	56,923,703	51	Net defined benefit liability - non-current (Notes 4 and 20)	44,322	-	92,414	-
Right-of-use assets (Notes 4 and 15)	1,271,946	1	1,348,665	1	Other non-current liabilities (Note 19)	606,457	1	581,227	1
Intangible assets (Notes 4 and 16)	1,104,434	1	1,107,074	1	Total non-current liabilities	19,142,303	17	25,539,955	23
Deferred income tax assets (Notes 4 and 24)	121,413	-	318,920	1	Total liabilities	37,498,340	34	42,048,082	38
Net defined benefit assets - non-current (Notes 4 and 20)	37,778	-	2,643	-	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 4 and 21)				
Other non-current assets (Notes 4, 17 and 31)	701,121	1	1,256,114	1	Capital stock				
Total non-current assets	62,204,507	57	62,960,282	57	Ordinary shares	7,591,466	7	7,591,466	7
					Capital surplus	319,869	-	237,071	-
					Retained earnings				
					Legal reserve	10,852,212	10	10,051,723	9
					Special reserve	732,267	1	602,228	-
					Unappropriated earnings	38,171,664	35	37,588,110	34
					Total retained earnings	49,756,143	46	48,242,061	43
					Other equity	(372,090)	-	(732,267)	(1)
					Treasury stock	(533,313)	(1)	(468,802)	-
					Equity attributable to shareholders of the Parent	56,762,075	52	54,869,529	49
					NON-CONTROLLING INTERESTS (Notes 12 and 21)				
						14,930,476	14	14,236,954	13
					Total equity	71,692,551	66	69,106,483	62
TOTAL	\$ 109,190,891	100	\$ 111,154,565	100	TOTAL	\$ 109,190,891	100	\$ 111,154,565	100

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
NET SALES (Notes 4, 22 and 29)	\$ 73,315,042	100	\$ 70,440,945	100
COST OF REVENUE (Notes 4, 11, 23 and 29)	<u>59,323,602</u>	<u>81</u>	<u>57,831,970</u>	<u>82</u>
GROSS PROFIT	<u>13,991,440</u>	<u>19</u>	<u>12,608,975</u>	<u>18</u>
OPERATING EXPENSES (Notes 23 and 29)				
Marketing	232,611	-	255,725	-
General and administrative	1,567,684	2	1,742,471	2
Research and development	2,808,879	4	2,457,741	4
Expected credit gain (Note 10)	<u>-</u>	<u>-</u>	<u>(528)</u>	<u>-</u>
Total operating expenses	<u>4,609,174</u>	<u>6</u>	<u>4,455,409</u>	<u>6</u>
OPERATING INCOME	<u>9,382,266</u>	<u>13</u>	<u>8,153,566</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 23)	361,468	1	342,068	-
Other gains and losses (Notes 4, 23, 26 and 29)	296,113	-	3,770,231	5
Other income (Notes 4 and 23)	14,241	-	13,642	-
Financial costs (Notes 4 and 23)	(251,318)	-	(326,792)	-
Share of loss of associates for using the equity method (Notes 4 and 13)	(36,651)	-	(21,483)	-
Foreign exchange gains, net (Notes 4 and 23)	<u>911,167</u>	<u>1</u>	<u>111,884</u>	<u>-</u>
Total non-operating income and expenses	<u>1,295,020</u>	<u>2</u>	<u>3,889,550</u>	<u>5</u>
INCOME BEFORE INCOME TAX	10,677,286	15	12,043,116	17
INCOME TAX EXPENSE (Notes 4 and 24)	<u>2,177,879</u>	<u>3</u>	<u>2,533,978</u>	<u>4</u>
NET INCOME	<u>8,499,407</u>	<u>12</u>	<u>9,509,138</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	43,935	-	(2,151)	-
Unrealized (losses) gain on investments in equity instruments designated as at fair value through other comprehensive income	(16,170)	-	17,519	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>335,070</u>	<u>-</u>	<u>(160,748)</u>	<u>-</u>
Total other comprehensive income	<u>362,835</u>	<u>-</u>	<u>(145,380)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 8,862,242</u>	<u>12</u>	<u>\$ 9,363,758</u>	<u>13</u>

(Continued)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 6,788,607	9	\$ 8,008,511	12
Non-controlling interests	<u>1,710,800</u>	<u>3</u>	<u>1,500,627</u>	<u>2</u>
	<u>\$ 8,499,407</u>	<u>12</u>	<u>\$ 9,509,138</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Shareholders of the Parent	\$ 7,188,285	10	\$ 7,807,066	11
Non-controlling interests	<u>1,673,957</u>	<u>2</u>	<u>1,556,692</u>	<u>2</u>
	<u>\$ 8,862,242</u>	<u>12</u>	<u>\$ 9,363,758</u>	<u>13</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 9.09</u>		<u>\$ 10.72</u>	
Diluted	<u>\$ 9.03</u>		<u>\$ 10.64</u>	

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

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Corporation											Noncontrolling Interests	Total Equity	
	Capital Stock		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Total	Treasury Share			Total
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total					
BALANCE, JANUARY 1, 2023	759,147	\$ 7,591,466	\$ 149,540	\$ 9,181,307	\$ 710,623	\$ 35,659,269	\$ (501,790)	\$ (32,655)	\$ (534,445)	\$ (468,802)	\$ 52,288,958	\$ 14,034,080	\$ 66,323,038	
Appropriation of 2022 earnings														
Legal reserve	-	-	-	870,416	-	(870,416)	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	(108,395)	108,395	-	-	-	-	-	-	-	
Cash dividends distributed by the Parent	-	-	-	-	-	(5,314,026)	-	-	-	-	(5,314,026)	-	(5,314,026)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,353,965)	(1,353,965)	
Net income for the year ended December 31, 2023	-	-	-	-	-	8,008,511	-	-	-	-	8,008,511	1,500,627	9,509,138	
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	-	(3,623)	(215,341)	17,519	(197,822)	-	(201,445)	56,065	(145,380)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	8,004,888	(215,341)	17,519	(197,822)	-	7,807,066	1,556,692	9,363,758	
Donations from shareholders	-	-	110	-	-	-	-	-	-	-	110	147	257	
Unclaimed dividends after effective period	-	-	4,821	-	-	-	-	-	-	-	4,821	-	4,821	
Adjustment of capital surplus due to arise dividends distributed paid to subsidiaries	-	-	82,600	-	-	-	-	-	-	-	82,600	-	82,600	
BALANCE, DECEMBER 31, 2023	759,147	7,591,466	237,071	10,051,723	602,228	37,588,110	(717,131)	(15,136)	(732,267)	(468,802)	54,869,529	14,236,954	69,106,483	
Appropriation of 2023 earnings														
Legal reserve	-	-	-	800,489	-	(800,489)	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	130,039	(130,039)	-	-	-	-	-	-	-	
Cash dividends distributed by the Parent	-	-	-	-	-	(5,314,026)	-	-	-	-	(5,314,026)	-	(5,314,026)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(894,448)	(894,448)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(630)	-	630	630	-	-	-	-	
Net income for the year ended December 31, 2024	-	-	-	-	-	6,788,607	-	-	-	-	6,788,607	1,710,800	8,499,407	
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	40,131	375,717	(16,170)	359,547	-	399,678	(36,843)	362,835	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	6,828,738	375,717	(16,170)	359,547	-	7,188,285	1,673,957	8,862,242	
Donations from shareholders	-	-	55	-	-	-	-	-	-	-	55	72	127	
The Parent's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	-	-	(64,511)	(64,511)	(85,829)	(150,340)	
Adjustment of capital surplus due to arise from dividends distributed paid to subsidiaries	-	-	82,600	-	-	-	-	-	-	-	82,600	-	82,600	
Changes in percentage of ownership interests in subsidiaries	-	-	143	-	-	-	-	-	-	-	143	(230)	(87)	
BALANCE, DECEMBER 31, 2024	759,147	\$ 7,591,466	\$ 319,869	\$ 10,852,212	\$ 732,267	\$ 38,171,664	\$ (341,414)	\$ (30,676)	\$ (372,090)	\$ (533,313)	\$ 56,762,075	\$ 14,930,476	\$ 71,692,551	

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 10,677,286	\$ 12,043,116
Adjustments for:		
Depreciation	12,630,320	13,584,794
Amortization	25,227	29,425
Expected credit gain recognized on trade receivables	-	(528)
Net loss (gain) on fair value change of financial assets designated as at fair value through profit or loss	192,578	(16,567)
Financial costs	251,318	326,792
Interest revenue	(361,468)	(342,068)
Share of loss of associate	36,651	21,483
Net (gain) loss on disposal of property, plant and equipment	(233,878)	84,734
Property, plant and equipment transfer to expenses	5,322	9,907
Proceeds from disposal of intangible assets	-	815
Impairment loss on financial assets	-	10,000
Impairment loss on non-financial assets	10,924	21,490
Net (gain) loss on foreign currency exchange	(1,051,992)	465,661
Gain on disposal of subsidiary	-	(3,574,928)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	143,708	54,527
Contract assets	92,847	234,505
Notes and accounts receivable	1,744,681	(2,805,979)
Accounts receivable from related parties	(248,046)	(174,705)
Other receivables	188,419	(28,354)
Other receivables from related parties	36,857	(36,334)
Inventories	1,234,380	4,013,635
Prepayments	(74,829)	145,858
Net defined benefit assets	(1,010)	(104)
Other current assets	(47,672)	279,592
Financial liabilities held for trading	(271,452)	(6,942)
Contract liabilities	14,730	(95,753)
Notes and accounts payable	(137,744)	(428,872)
Accounts payable to related parties	(15,185)	45,300
Bonus to employees and remuneration of directors	(57,127)	(232,688)
Other payables to related parties	(70,214)	115,746
Accrued expenses and other current liabilities	(596,054)	(1,367,929)
Net defined benefit liabilities	(38,282)	(192,159)
Other payables	1,912	(5,327)
Cash generated from operations	24,082,207	22,178,143
Interest received	373,749	320,758
Interest paid	(284,423)	(425,351)
Income tax paid	(2,605,707)	(2,391,969)
Net cash generated from operating activities	<u>21,565,826</u>	<u>19,681,581</u>

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POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of the investment in equity instruments designed as at fair value through other comprehensive income	\$ 1,168	\$ -
Acquisition of financial assets at amortized cost	(669,581)	(558,091)
Proceeds from sale of financial assets at amortized cost	441,630	50,000
Acquisition of associate	-	(1,219,308)
Net cash inflow on disposal of subsidiary	-	5,023,547
Acquisition of property, plant and equipment	(11,379,004)	(8,726,916)
Disposal of property, plant and equipment	1,122,957	225,137
Decrease in refundable deposits	197,966	184,797
Increase in intangible assets	(19,892)	(15,832)
Decrease in finance lease receivable	35,218	7,616
Increase (decrease) in prepayments for equipment	<u>404,894</u>	<u>(273,544)</u>
Net cash used in investing activities	<u>(9,864,644)</u>	<u>(5,302,594)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term bank loans	(65,190)	(4,530)
Increase in long-term debt	4,988,491	6,800,000
Decrease in long-term debt	(9,915,888)	(13,547,209)
Decrease in guarantee deposits	(42,927)	(125,442)
Repayment of the principal portion of lease liabilities	(39,627)	(67,656)
Dividends paid to shareholders of the Corporation	(5,231,426)	(5,231,426)
Payments for buy-back of treasury shares	(150,427)	-
Dividends paid to non-controlling interests	(894,448)	(1,353,965)
Donations from shareholders	<u>127</u>	<u>257</u>
Net cash used in financing activities	<u>(11,351,315)</u>	<u>(13,529,971)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>808,719</u>	<u>(142,691)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,158,586	706,325
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>21,079,749</u>	<u>20,373,424</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 22,238,335</u>	<u>\$ 21,079,749</u>

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

(Concluded)

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

PTI's share was initially listed and started trading on the Taipei Exchange (TPEX) on April 3, 2003, after which PTI's share was transferred for listing and started trading on the Taiwan Stock Exchange (TWSE) on November 8, 2004. PTI also issued Global Depositary Shares (GDS), which are listed on the Luxembourg Stock Exchange and traded on the Euro MTF Market. The GDS was accepted for quotation on the International Order Book of the London Stock Exchange. The GDS was de-listed on December 16, 2024.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on February 21, 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)

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

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

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

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

the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
IFRS Accounting Standards 「Annual Improvements-Volume 11」	January 1, 2026
IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and was published by the International Accounting Standards Board (IASB)	January 1, 2026
Amendments to IFRS 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 published by the International Accounting Standards Board (IASB)	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and

interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

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

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

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

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

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

See Notes 12 and 34k for detailed information on subsidiaries (including the percentage of ownership and main business).

e. Business combinations

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

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

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

f. Foreign currencies

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

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

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

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

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

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

g. Inventories

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

h. Investments in associates

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

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

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

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

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

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

The corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference

between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate . The corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

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

i. Property, plant, and equipment

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

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

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

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

j. Goodwill

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

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

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

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

k. Intangible assets

1) Intangible assets acquired separately

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

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

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

3) Intangible assets acquired in a business combination

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

4) Derecognition of intangible assets

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

l. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill and assets related to contract costs

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

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

Before the Corporation recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories related to the contract shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value. The net gain or loss recognized in profit or loss. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

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

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

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly

since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value. The net gain or loss recognized in profit or loss. Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

n. Revenue recognition

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

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

Revenue from the rendering of services

As the Corporation fulfills the obligations in the contract for testing services, the customer simultaneously receives and consumes the benefits provided by the Corporation. The Corporation has the right to revenue collection for the portion of testing services that have been fulfilled, and the revenue from testing services is recognized over time. The Corporation fulfills the obligations in the contract for packaging services when the customer creates or enhances the goods they have control of. The Corporation has the right to revenue collection for the portion of packaging services that have been fulfilled, and the revenue from packaging services is recognized over time. Contract assets are recognized during the process of semiconductor assembling and testing, and are reclassified to accounts receivable at the point the bills were issued. If the payment exceeds the revenue recognized to date, the Corporation recognizes the difference as a contract liability. It is recognized as contract asset before the Corporation satisfies its performance obligations.

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

o. Leases

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

1) The Corporation as lessor

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

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

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

2) The Corporation as lessee

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

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

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

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

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Borrowing costs

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

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Termination benefits

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

r. Treasury shares

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

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

s. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2024	2023
Checking accounts and demand deposits	\$ 22,238,092	\$ 21,079,526
Cash on hand	<u>243</u>	<u>223</u>
	<u>\$ 22,238,335</u>	<u>\$ 21,079,749</u>

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

	<u>December 31</u>	
	2024	2023
Bank deposits	0%-4.50%	0%-5.72%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2024	2023
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ <u>286</u>	\$ <u>28,659</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>36,965</u>	\$ <u>504</u>

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

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

(Continued)

	Currency	Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2023</u>			
Sell forward exchange contracts	USD to NTD	2024.01.02-2024.04.09	USD 33,635
	USD to JPY	2024.01.15-2024.05.07	USD 9,511
	USD to RMB	2024.01.10-2024.01.29	USD 3,369
			(Concluded)

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	<u>December 31</u>	
	2024	2023
<u>Non-current</u>		
Domestic investments		
Listed shares		
Ordinary shares - Solid State System Co., Ltd.	\$ 17,324	\$ 34,662

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2024	2023
<u>Current</u>		
Domestic investments		
Corporate bonds - P08 Taiwan Power Company 3A Bond	\$ -	\$ 50,000
Restricted deposit	32,781	160,744
	<u>\$ 32,781</u>	<u>\$ 210,744</u>
<u>Non-current</u>		
Domestic investments		
Corporate bonds - P13 Taiwan Power Company 2A Bond	\$ 200,001	\$ -
Corporate bonds - P13 Corporation, Taiwan Company 2A Bond	100,000	-
Time deposits with original maturities of more than 3 months	629,400	586,710
Pledged time deposits	252,574	207,444
	<u>\$ 1,181,975</u>	<u>\$ 794,154</u>

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

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

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

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

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

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

10. NOTES AND ACCOUNTS RECEIVABLE, NET

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Notes receivable</u>		
Notes receivable - operating	\$ 35,648	\$ 16,338
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	10,198,479	11,552,491
Less: Allowance for impairment loss	<u>(65,304)</u>	<u>(65,304)</u>
	<u>10,133,175</u>	<u>11,487,187</u>
	<u>\$ 10,168,823</u>	<u>\$ 11,503,525</u>

At amortized cost

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

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Corporation's historical credit loss

experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation's different customer base.

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

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

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>

December 31, 2023

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

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 65,304	\$ 65,832
Less: Net remeasurement of loss allowance	<u>-</u>	<u>(528)</u>
Balance at December 31	<u>\$ 65,304</u>	<u>\$ 65,304</u>

11. INVENTORIES

	December 31	
	2024	2023
Raw materials	\$ 4,811,092	\$ 6,158,770
Supplies	<u>635,082</u>	<u>521,784</u>
	<u>\$ 5,446,174</u>	<u>\$ 6,680,554</u>

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

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	<u>\$ 59,323,602</u>	<u>\$ 57,831,970</u>
Write-downs of inventories	<u>43,045</u>	<u>89,157</u>
Sales of scrap	<u>\$ 238,559</u>	<u>\$ 170,732</u>

12. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2024	2023	
Powertech Technology Inc.	Powertech Holding (BVI) Inc.	Investment business	100	100	-
	Greatek Electronics Inc. ("GEL")	Semiconductor assembly and testing services	43	43	Notes 1 and 2
	Powertech Technology (Singapore) Pte. Ltd.	Investment business	100	100	-
	Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	36	36	Note 4
	Powertech Technology Japan Ltd.	Investment business	100	100	-
	Tera Probe, Inc.	Wafer probing test services	12	12	Note 2
	TeraPower Technology Inc.	Wafer probing test services	49	49	-
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Investment business	100	100	-
Powertech Technology (Singapore) Pte. Ltd.	Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing design, manufacturing, sales business and assembly services	64	64	Note 4
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Wafer probing test services	49	49	-
	Powertech Technology Akita Inc.	Semiconductor assembly and testing services	-	100	Note 3
Tera Probe, Inc.	TeraPower Technology Inc.	Wafer probing test services	51	51	-
Greatek Electronics Inc. ("GEL")	Get-Team Tech Corporation	Metal surface treatment semiconductor wire frame	97.46	97.46	-

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

Note 2: Subsidiaries that have material non-controlling interests.

Note 3: Due to the adjustment of operational needs, the liquidation procedure of Powertech Technology Akita Inc. was completed on September 30, 2024.

Note 4: 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	
		2024	2023
Greatek Electronics Inc.	Zhunan Township, Miaoli County	57%	57%
Tera Probe, Inc.	Japan	39%	39%

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2024	2023	2024	2023
	Greatek Electronics Inc. (Excluding non-controlling interests in subsidiary)	<u>\$ 1,417,938</u>	<u>\$ 1,132,953</u>	<u>\$ 11,970,820</u>
Tera Probe, Inc.	<u>\$ 293,322</u>	<u>\$ 368,180</u>	<u>\$ 2,957,477</u>	<u>\$ 2,795,830</u>

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

Greatek Electronics Inc. and subsidiary

	December 31	
	2024	2023
Current assets	\$ 11,599,623	\$ 9,472,652
Non-current assets	14,471,227	15,040,004
Current liabilities	(3,377,680)	(2,644,685)
Non-current liabilities	<u>(309,678)</u>	<u>(335,166)</u>
Equity	<u>\$ 22,383,492</u>	<u>\$ 21,532,805</u>
Equity attributable to:		
Owners of the Parent	\$ 9,602,743	\$ 9,237,557
Non-controlling interests	12,778,570	12,292,609
Non-controlling interests from subsidiary	<u>2,179</u>	<u>2,639</u>
	<u>\$ 22,383,492</u>	<u>\$ 21,532,805</u>
	For the Year Ended December 31	
	2024	2023
Operating revenue	<u>\$ 15,213,240</u>	<u>\$ 13,570,076</u>
Net income for the year	\$ 2,495,808	\$ 1,996,618
Other comprehensive (loss) income for the year	<u>(223,133)</u>	<u>731,766</u>
Total comprehensive income for the year	<u>\$ 2,272,675</u>	<u>\$ 2,728,384</u>
Net income attributable to:		
Owners of the Parent	\$ 1,071,028	\$ 856,870
Non-controlling interests	1,425,240	1,140,254
Non-controlling interests from subsidiary	<u>(460)</u>	<u>(506)</u>
	<u>\$ 2,495,808</u>	<u>\$ 1,996,618</u>

(Continued)

	For the Year Ended December 31	
	2024	2023
Total comprehensive income attributable to:		
Owners of the Parent	\$ 975,293	\$ 1,170,835
Non-controlling interests	1,297,842	1,558,055
Non-controlling interests from subsidiary	<u>(460)</u>	<u>(506)</u>
	<u>\$ 2,272,675</u>	<u>\$ 2,728,384</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 5,729,115	\$ 4,520,999
Investing activities	(2,440,887)	(1,462,093)
Financing activities	<u>(1,445,097)</u>	<u>(2,179,821)</u>
Net cash inflow (outflow)	<u>\$ 1,843,131</u>	<u>\$ (879,085)</u>
Dividends paid to non-controlling interests		
Greatek Electronics Inc.	<u>\$ 811,954</u>	<u>\$ 1,201,405</u>
		(Concluded)

Tera Probe, Inc.

	December 31	
	2024	2023
Current assets	\$ 1,846,325	\$ 1,944,557
Non-current assets	7,253,950	6,000,288
Current liabilities	(824,246)	(585,856)
Non-current liabilities	<u>(1,054,122)</u>	<u>(525,330)</u>
Equity	<u>\$ 7,221,907</u>	<u>\$ 6,833,659</u>
Equity attributable to:		
Owners of the Parent	\$ 4,380,117	\$ 4,144,615
Non-controlling interests	<u>2,841,790</u>	<u>2,689,044</u>
	<u>\$ 7,221,907</u>	<u>\$ 6,833,659</u>

	For the Year Ended December 31	
	2024	2023
Operating revenue	<u>\$ 2,022,954</u>	<u>\$ 2,090,922</u>
Net income for the year	\$ 708,138	\$ 908,166
Other comprehensive income for the year	<u>130,634</u>	<u>206,615</u>
Total comprehensive income for the year	<u>\$ 838,772</u>	<u>\$ 1,114,781</u>
Net income attributable to:		
Owners of the Parent	\$ 429,487	\$ 550,788
Non-controlling interests	<u>278,651</u>	<u>357,378</u>
	<u>\$ 708,138</u>	<u>\$ 908,166</u>

(Continued)

	For the Year Ended December 31	
	2024	2023
Total comprehensive income attributable to:		
Owners of the Parent	\$ 508,717	\$ 676,097
Non-controlling interests	<u>330,055</u>	<u>438,684</u>
	<u>\$ 838,772</u>	<u>\$ 1,114,781</u>
Cash flow inflow (outflow) from:		
Operating activities	\$ 751,546	\$ 2,516,490
Investing activities	(1,442,285)	(2,189,916)
Financing activities	<u>388,866</u>	<u>(1,728,451)</u>
Net cash outflow	<u>\$ (301,873)</u>	<u>\$ (1,401,877)</u>
Dividends paid to non-controlling interests		
Tera Probe, Inc.	<u>\$ 82,494</u>	<u>\$ 44,655</u>
		(Concluded)

The share of profit or loss and other comprehensive income of those subsidiaries for the years ended December 31, 2024 and 2023 was based on the subsidiaries' financial statements audited by the auditors for the same years.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2024	2023
Associates that are not individually material		
Longforce Technology (Suzhou) Ltd.	<u>\$ 1,180,240</u>	<u>\$ 1,174,347</u>

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

	For the Year Ended December 31	
	2024	2023
The Group's share of:		
Loss from continuing operations	<u>\$ (36,651)</u>	<u>\$ (21,483)</u>

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

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

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2024	2023
Assets used by the Corporation	<u>\$ 56,588,276</u>	<u>\$ 56,923,703</u>

	Land	Building	Machinery and Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Advance Payments	Spare parts	Total
Cost										
Balance at January 1, 2024	\$ 4,747,802	\$ 34,616,943	\$ 105,041,454	\$ 1,941,091	\$ 84,077	\$ 3,450,426	\$ 1,375,779	\$ 2,613,092	\$ 334,257	\$ 154,204,921
Additions	-	139,719	850,930	17,322	-	70,744	2,222,409	9,600,261	-	13,266,667
Disposals	(28,140)	(513,136)	(14,784,950)	(202,866)	(4,383)	(474,550)	(4,735)	-	(388,680)	(16,401,440)
Reclassified	371,101	2,710,572	6,684,422	68,608	-	186,944	(3,121,170)	(6,787,696)	-	112,781
Effect of foreign currency exchange differences	(487)	(49,786)	(128,218)	(13,292)	(2,177)	12,132	(3,317)	(4,499)	-	(189,644)
Balance at December 31, 2024	<u>5,090,276</u>	<u>36,904,312</u>	<u>97,663,638</u>	<u>1,810,863</u>	<u>77,517</u>	<u>3,245,696</u>	<u>468,966</u>	<u>5,421,158</u>	<u>310,859</u>	<u>150,993,285</u>
Accumulated depreciation										
Balance at January 1, 2024	-	14,870,674	76,748,697	1,624,092	7,689	3,019,057	-	-	-	96,270,209
Depreciation expense	-	1,844,062	10,043,828	130,485	273	174,961	-	-	388,680	12,582,289
Disposals	-	(415,034)	(13,306,607)	(191,339)	(4,383)	(428,366)	-	-	(388,680)	(14,734,409)
Reclassified	-	-	80,737	-	-	-	-	-	-	80,737
Effect of foreign currency exchange differences	-	(18,694)	(71,825)	(11,251)	(252)	11,313	-	-	-	(90,709)
Balance at December 31, 2024	<u>-</u>	<u>16,281,008</u>	<u>73,494,830</u>	<u>1,551,987</u>	<u>3,327</u>	<u>2,776,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,108,117</u>
Accumulated impairment										
Balance at January 1, 2024	1,376	240,823	617,298	39,739	52,544	-	-	59,229	-	1,011,009
Recognition of impairment losses	-	-	6,201	-	-	-	-	4,723	-	10,924
Disposals	-	(192,703)	(484,146)	(9,763)	-	-	-	-	-	(686,612)
Effect of foreign currency exchange differences	(47)	(9,556)	(24,496)	(423)	(1,814)	-	-	(2,093)	-	(38,429)
Balance at December 31, 2024	<u>1,329</u>	<u>38,564</u>	<u>114,857</u>	<u>29,553</u>	<u>50,730</u>	<u>-</u>	<u>-</u>	<u>61,859</u>	<u>-</u>	<u>296,892</u>
Carrying amount at December 31, 2024	<u>\$ 5,088,947</u>	<u>\$ 20,584,740</u>	<u>\$ 24,053,951</u>	<u>\$ 229,322</u>	<u>\$ 23,460</u>	<u>\$ 468,731</u>	<u>\$ 468,966</u>	<u>\$ 5,359,299</u>	<u>\$ 310,859</u>	<u>\$ 56,588,276</u>
Cost										
Balance at January 1, 2023	\$ 4,413,047	\$ 33,893,248	\$ 108,666,245	\$ 2,525,225	\$ 89,217	\$ 3,609,960	\$ 3,029,234	\$ 6,864,129	\$ 334,900	\$ 163,425,205
Additions	-	269,399	297,495	17,125	-	73,142	822,156	5,766,767	337,218	7,583,302
Disposals	(10,951)	(348,738)	(9,717,903)	(92,564)	-	(355,129)	-	(9,077)	(337,861)	(10,872,223)
Reclassified	346,599	3,135,999	8,720,702	46,902	-	122,442	(2,475,611)	(9,907,665)	-	(10,632)
Disposal of subsidiary	-	(2,286,331)	(2,573,155)	(524,720)	-	-	-	(73,513)	-	(5,457,719)
Effect of foreign currency exchange differences	(893)	(46,634)	(351,930)	(30,877)	(5,140)	11	-	(57,549)	-	(463,012)
Balance at December 31, 2023	<u>4,747,802</u>	<u>34,616,943</u>	<u>105,041,454</u>	<u>1,941,091</u>	<u>84,077</u>	<u>3,450,426</u>	<u>1,375,779</u>	<u>2,613,092</u>	<u>334,257</u>	<u>154,204,921</u>
Accumulated depreciation										
Balance at January 1, 2023	-	14,718,850	77,437,263	2,019,828	7,528	3,180,834	-	-	-	97,364,303
Depreciation expense	-	1,862,837	10,958,668	171,742	1,421	184,444	-	-	337,861	13,516,973
Disposals	-	(303,848)	(9,338,517)	(89,771)	-	(346,372)	-	-	(337,861)	(10,416,369)
Reclassified	-	-	(85)	-	-	-	-	-	-	(85)
Disposal of subsidiary	-	(1,390,210)	(2,037,237)	(451,819)	-	-	-	-	-	(3,879,266)
Effect of foreign currency exchange differences	-	(16,955)	(271,395)	(25,888)	(1,260)	151	-	(57,549)	-	(315,347)
Balance at December 31, 2023	<u>-</u>	<u>14,870,674</u>	<u>76,748,697</u>	<u>1,624,092</u>	<u>7,689</u>	<u>3,019,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,270,209</u>
Accumulated impairment										
Balance at January 1, 2023	1,472	433,962	622,603	87,227	56,195	-	1,965	39,242	-	1,242,666
Recognition of impairment losses	-	-	391	-	-	-	-	21,099	-	21,490
Disposals	-	-	(2)	-	-	-	-	-	-	(2)
Reclassified	-	-	-	-	-	-	(1,873)	1,873	-	-
Disposal of subsidiary	-	(200,194)	(22,301)	(46,657)	-	-	-	-	-	(269,152)
Effect of foreign currency exchange differences	(96)	7,055	16,607	(831)	(3,651)	-	(92)	(2,985)	-	16,007
Balance at December 31, 2023	<u>1,376</u>	<u>240,823</u>	<u>617,298</u>	<u>39,739</u>	<u>52,544</u>	<u>-</u>	<u>-</u>	<u>59,229</u>	<u>-</u>	<u>1,011,009</u>
Carrying amount at December 31, 2023	<u>\$ 4,746,426</u>	<u>\$ 19,505,446</u>	<u>\$ 27,675,459</u>	<u>\$ 277,260</u>	<u>\$ 23,844</u>	<u>\$ 431,369</u>	<u>\$ 1,375,779</u>	<u>\$ 2,553,863</u>	<u>\$ 334,257</u>	<u>\$ 56,923,703</u>

Tera Probe, Inc. expected a decrease in the future cash flows of machinery and equipment, office equipment, construction in progress and advance payments, assessed that the book value of some assets cannot be recovered. Therefore, impairment losses of \$10,924 thousand and \$21,490 thousand were recognized in other gains and losses for the years ended December 31, 2024 and 2023, respectively.

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

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

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amount</u>		
Land	\$ 1,230,610	\$ 1,261,971
Buildings	26,999	26,262
Machinery and equipment	9,203	57,924
Transportation equipment	<u>5,134</u>	<u>2,508</u>
	<u>\$ 1,271,946</u>	<u>\$ 1,348,665</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 18,007</u>	<u>\$ 8,158</u>
Depreciation charge for right-of-use assets		
Land	\$ 36,865	\$ 38,284
Buildings	7,707	7,003
Machinery and equipment	1,557	21,168
Transportation equipment	<u>1,902</u>	<u>1,366</u>
	<u>\$ 48,031</u>	<u>\$ 67,821</u>

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amount</u>		
Current	<u>\$ 42,570</u>	<u>\$ 38,005</u>
Non-current	<u>\$ 1,287,776</u>	<u>\$ 1,313,961</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	0.93%-1.69%	0.93%-1.69%
Buildings	2.40%-2.53%	2.53%
Machinery and equipment	1.70%-2.30%	0.80%-2.30%
Transportation equipment	1.59%-2.30%	0.92%-1.59%

c. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 15,009</u>	<u>\$ 13,690</u>
Total cash outflow for leases	<u>\$ (54,636)</u>	<u>\$ (81,346)</u>

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

16. INTANGIBLE ASSETS

	Computer Software	Goodwill	Trade Secrets	Core Techniques	Client Relationships	Royalty	Technical Services	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 625,715	\$ 997,715	\$ 41,383	\$ 249,135	\$ 220,775	\$ 9,317	\$ 88,894	\$ 2,232,934
Additions	19,892	-	-	-	-	-	-	19,892
Disposals	(133,739)	-	-	(37,294)	-	-	-	(171,033)
Reclassified	4,308	-	-	-	-	-	-	4,308
Effect of foreign currency exchange differences	(8,046)	-	-	843	-	(34)	-	(7,237)
Balance at December 31, 2024	<u>508,130</u>	<u>997,715</u>	<u>41,383</u>	<u>212,684</u>	<u>220,775</u>	<u>9,283</u>	<u>88,894</u>	<u>2,078,864</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2024	525,220	-	5,174	249,135	220,775	9,275	88,894	1,098,473
Amortization expense	21,088	-	4,139	-	-	-	-	25,227
Disposals	(116,548)	-	-	(37,294)	-	-	-	(153,842)
Effect of foreign currency exchange differences	(6,082)	-	-	843	-	(33)	-	(5,272)
Balance at December 31, 2024	<u>423,678</u>	<u>-</u>	<u>9,313</u>	<u>212,684</u>	<u>220,775</u>	<u>9,242</u>	<u>88,894</u>	<u>964,586</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2024	27,387	-	-	-	-	-	-	27,387
Disposals	(17,191)	-	-	-	-	-	-	(17,191)
Effect of foreign currency exchange differences	(352)	-	-	-	-	-	-	(352)
Balance at December 31, 2024	<u>9,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,844</u>
Carrying amount at December 31, 2024	<u>\$ 74,608</u>	<u>\$ 997,715</u>	<u>\$ 32,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 1,104,434</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 694,659	\$ 997,715	\$ 41,383	\$ 249,103	\$ 220,775	\$ 9,386	\$ 88,894	\$ 2,301,915
Additions	15,832	-	-	-	-	-	-	15,832
Disposals	(34,980)	-	-	-	-	-	-	(34,980)
Disposal of subsidiary	(36,484)	-	-	-	-	-	-	(36,484)
Effect of foreign currency exchange differences	(13,312)	-	-	32	-	(69)	-	(13,349)
Balance at December 31, 2023	<u>625,715</u>	<u>997,715</u>	<u>41,383</u>	<u>249,135</u>	<u>220,775</u>	<u>9,317</u>	<u>88,894</u>	<u>2,232,934</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2023	579,874	-	1,035	249,103	220,775	9,338	88,894	1,149,019
Amortization expense	25,284	-	4,139	-	-	2	-	29,425
Disposals	(34,165)	-	-	-	-	-	-	(34,165)
Disposal of subsidiary	(35,367)	-	-	-	-	-	-	(35,367)
Effect of foreign currency exchange differences	(10,406)	-	-	32	-	(65)	-	(10,439)
Balance at December 31, 2023	<u>525,220</u>	<u>-</u>	<u>5,174</u>	<u>249,135</u>	<u>220,775</u>	<u>9,275</u>	<u>88,894</u>	<u>1,098,473</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2023	27,264	-	-	-	-	-	-	27,264
Effect of foreign currency exchange differences	123	-	-	-	-	-	-	123
Balance at December 31, 2023	<u>27,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,387</u>
Carrying amount at December 31, 2023	<u>\$ 73,108</u>	<u>\$ 997,715</u>	<u>\$ 36,209</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 1,107,074</u>

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

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

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

	For the Year Ended December 31	
	2024	2023
An analysis of amortization by function		
Cost of revenue	\$ 19,498	\$ 21,111
Selling and marketing expenses	15	4
General and administrative expenses	2,978	3,050
Research and development expenses	<u>2,736</u>	<u>5,260</u>
	<u>\$ 25,227</u>	<u>\$ 29,425</u>

17. OTHER ASSETS

	December 31	
	2024	2023
<u>Current</u>		
Refundable deposits (Note 31)	\$ 240,620	\$ 221,783
Tax refund receivables	132,769	88,565
Payment on behalf of others	57,227	87,084
Temporary payments	45,323	8,004
Others	<u>7,707</u>	<u>11,701</u>
	<u>\$ 483,646</u>	<u>\$ 417,137</u>
<u>Prepayments</u>		
Excess business tax paid	\$ 91,848	\$ 62,992
Prepayments for insurance premiums	84,348	58,375
Inventory of supplies	43,624	38,295
Prepayments to electricity	42,614	32,595
Prepayment for repairs	28,099	22,328
Prepayments for suppliers	13,549	33,671
Others	<u>42,866</u>	<u>23,863</u>
	<u>\$ 346,948</u>	<u>\$ 272,119</u>
<u>Non-current</u>		
Refundable deposits (Note 31)	\$ 502,687	\$ 695,695
Financial lease receivable	174,546	131,632
Prepayments for land and equipment	23,888	428,782
Others	<u>-</u>	<u>5</u>
	<u>\$ 701,121</u>	<u>\$ 1,256,114</u>

18. BORROWINGS

a. Short-term bank loans

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

The effective interest rate range on the working capital loan was 0.53% at December 31 and 2023.

b. Long-term debts

	<u>December 31</u>	
	2024	2023
1) Secured borrowings (Note 30)	\$ 12,361,587	\$ 18,128,714
2) Unsecured borrowings	<u>6,366,752</u>	<u>5,637,182</u>
	18,728,339	23,765,896
Less: Current portion	<u>(1,840,910)</u>	<u>(567,909)</u>
	<u>\$ 16,887,429</u>	<u>\$ 23,197,987</u>

1) Repayable continually from July 2025 to September 2031; interest rates at 1.275%-1.685% on December 31, 2024, 1.15%-1.60% on December 31, 2023.

2) Repayable continually from January 2025 to July 2029; interest rates at 0.600%-1.857% on December 31, 2024, 0.53%-1.65% on December 31, 2023.

For PTI's long-term debt, the financing banks required PTI to show compliance with requirements to maintain the current ratio, fixed ratio, liability ratio, financial liability ratio, equity ratio, interest coverage ratio, tangible assets and net asset value as well as the ability to repay the current portion of long-term liabilities in its annual and semiannual consolidated financial statements. As of December 31, 2024, PTI was in compliance with these ratio requirements.

19. OTHER LIABILITIES

	<u>December 31</u>	
	2024	2023
<u>Current</u>		
Accrued expenses and other current liabilities		
Salaries and bonus	\$ 2,535,592	\$ 2,634,466
Payable for utilities	338,835	250,290
Payable for insurance	278,815	251,730
Temporary payments	222,843	162,343
Agency receipts	194,855	172,518
Guarantee deposits (a)	140,968	162,870
Indemnification payable (b)	57,298	35,664
Payable for annual leave	17,915	15,990
Others	<u>2,229,667</u>	<u>2,890,188</u>
	<u>\$ 6,016,788</u>	<u>\$ 6,576,059</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits (a)	\$ 597,273	\$ 573,955
Others	<u>9,184</u>	<u>7,272</u>
	<u>\$ 606,457</u>	<u>\$ 581,227</u>

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

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plan

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

In February 2023, Greatek reached an agreement with part of its employees for terminating their defined benefit pension plans and to settle its defined benefit obligation by relevant regulations.

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

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 396,104	\$ 422,594
Fair value of plan assets	<u>(389,560)</u>	<u>(332,823)</u>
Net defined benefit liabilities	<u>\$ 6,544</u>	<u>\$ 89,771</u>
Net defined benefit assets	\$ (37,778)	\$ (2,643)
Net defined benefit liabilities	<u>44,322</u>	<u>92,414</u>
	<u>\$ 6,544</u>	<u>\$ 89,771</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	<u>\$ 896,353</u>	<u>\$ (616,470)</u>	<u>\$ 279,883</u>
Service cost			
Current service cost	5,291	-	5,291
Gain on settlements	(79,598)	-	(79,598)
Net interest expense (income)	<u>12,379</u>	<u>(8,669)</u>	<u>3,710</u>
Recognized in profit or loss	<u>(61,928)</u>	<u>(8,669)</u>	<u>(70,597)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,269)	(2,269)
Actuarial loss - changes in demographics assumptions	29	-	29
Actuarial loss - changes in financial assumptions	5,563	-	5,563
Actuarial loss - experience adjustments	(749)	(683)	(1,432)
Others	<u>260</u>	<u>-</u>	<u>260</u>
Recognized in other comprehensive income	<u>5,103</u>	<u>(2,952)</u>	<u>2,151</u>
Contributions from the employer	<u>-</u>	<u>(15,220)</u>	<u>(15,220)</u>
Benefits paid	<u>(314,095)</u>	<u>310,488</u>	<u>(3,607)</u>
Liabilities extinguished on settlement	<u>(99,652)</u>	<u>-</u>	<u>(99,652)</u>
Effects of foreign currency exchange differences	<u>(3,187)</u>	<u>-</u>	<u>(3,187)</u>
Balance at December 31, 2023	<u>422,594</u>	<u>(332,823)</u>	<u>89,771</u>
Service cost			
Current service cost	5,543	-	5,543
Net interest expense (income)	<u>5,179</u>	<u>(4,179)</u>	<u>1,000</u>
Recognized in profit or loss	<u>10,722</u>	<u>(4,179)</u>	<u>6,543</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(29,400)	(29,400)
Actuarial loss - changes in financial assumptions	(16,243)	-	(16,243)
Actuarial loss - experience adjustments	6,495	(4,439)	2,056
Others	<u>(348)</u>	<u>-</u>	<u>(348)</u>
Recognized in other comprehensive income	<u>(10,096)</u>	<u>(33,389)</u>	<u>(43,935)</u>
Contributions from the employer	<u>-</u>	<u>(31,162)</u>	<u>(31,162)</u>
Benefits paid	<u>(15,739)</u>	<u>12,443</u>	<u>(3,296)</u>
Liabilities extinguished on settlement	<u>(9,790)</u>	<u>-</u>	<u>(9,790)</u>
Effects of foreign currency exchange differences	<u>(1,587)</u>	<u>-</u>	<u>(1,587)</u>
Balance at December 31, 2024	<u>\$ 396,104</u>	<u>\$ (389,560)</u>	<u>\$ 6,544</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

- 2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2024	2023
Discount rates	1.50%-1.70%	1.1%-1.3%
Expected rates of salary increase	2.05%-4.00%	2.05%-4.00%
Return on plan assets	1.50%-1.65%	1.1%-1.25%

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

	December 31	
	2024	2023
Discount rate		
0.50% increase	<u>\$ (17,245)</u>	<u>\$ (18,882)</u>
0.50% decrease	<u>\$ 18,563</u>	<u>\$ 20,350</u>
Expected rate of salary increase/decrease		
0.50% increase	<u>\$ 18,293</u>	<u>\$ 19,908</u>
0.50% decrease	<u>\$ (17,163)</u>	<u>\$ (18,659)</u>

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

	December 31	
	2024	2023
Expected contributions to the plan for the next year	<u>\$ 12,176</u>	<u>\$ 12,267</u>
Average duration of the defined benefit obligation	2-13 years	2-14 years

21. EQUITY

a. Capital stock

1) Ordinary shares

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

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

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

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

b. Capital surplus

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)		
Share premium	\$ 1,879	\$ 1,879
From treasury share transactions	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	71,883
Unclaimed dividends after effective period	<u>4,821</u>	<u>4,821</u>
	<u>\$ 319,869</u>	<u>\$ 237,071</u>

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

c. Retained earnings and dividends policy

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

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

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

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 23(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 2023 and 2022 were approved in the shareholders' meetings on May 30, 2024 and May 31, 2023, respectively. The appropriations and dividends per share were as follows:

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

The appropriation of earnings for 2024, which were proposed by PTI's board of directors on February 21, 2025. were as follows:

	For the Year Ended December 31, 2024
Legal reserve	<u>\$ 682,811</u>
Reversals special reserve reversed	<u>\$ (360,177)</u>
Cash dividends	<u>\$ 5,314,026</u>
Cash dividends per share (NT\$)	<u>\$ 7</u>

The appropriation of earnings for 2024 will be resolved by the shareholders in their 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 Year Ended December 31	
	2024	2023
Balance at January 1	<u>\$ (717,131)</u>	<u>\$ (501,790)</u>
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	375,717	(157,027)
Reclassification adjustments		
Disposal of subsidiaries accounted for using the equity method	<u>-</u>	<u>(58,314)</u>
Other comprehensive income (loss) recognized for the year	<u>375,717</u>	<u>(215,341)</u>
Balance at December 31	<u>\$ (341,414)</u>	<u>\$ (717,131)</u>

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (15,136)	\$ (32,655)
Recognized for the year		
Unrealized (loss) gain - equity instruments	(16,170)	17,519
Other comprehensive (loss) income recognized for the year	(16,170)	17,519
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	630	-
Balance at December 31	<u>\$ (30,676)</u>	<u>\$ (15,136)</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 14,236,954	\$ 14,034,080
Share in profit for the year	1,710,800	1,500,627
Other comprehensive (loss) income for the year		
Exchange differences on translation of the financial statements of foreign entities	(40,647)	54,593
Remeasurement on defined benefit plans	3,804	1,472
Donations from shareholders	72	147
Subsidiaries purchase treasury shares	(230)	-
The Parent's shares held by its subsidiaries treated as treasury shares	(85,829)	-
Cash dividends to shareholders from subsidiaries	(894,448)	(1,353,965)
Balance at December 31	<u>\$ 14,930,476</u>	<u>\$ 14,236,954</u>

f. Treasury shares

Purpose of Buy-Back	Shares Held by Subsidiary (In Thousands of Shares)
Number of shares at January 1 and December 31, 2023	<u>11,800</u>
Number of shares at January 1, 2024	11,800
Addition	<u>1,200</u>
Number of shares at December 31, 2024	<u>13,000</u>

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

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

(Continued)

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2023</u>			
Greatek Electronics Inc.	11,800	\$1,663,800/141	\$1,663,800/141 (Concluded)

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

22. REVENUE

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers		
Revenue from packaging services	\$ 49,646,249	\$ 48,615,983
Revenue from testing services	16,224,903	15,830,785
Revenue from module services	7,418,546	5,965,582
Others	<u>25,344</u>	<u>28,595</u>
	<u>\$ 73,315,042</u>	<u>\$ 70,440,945</u>

a. Contact information

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

b. Contract balances

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Notes and accounts receivable (including related parties) (Note 10)	<u>\$ 15,885,215</u>	<u>\$ 16,678,796</u>	<u>\$ 14,346,898</u>
Contract assets			
Revenue from processing services	<u>\$ 2,270,869</u>	<u>\$ 2,363,716</u>	<u>\$ 2,645,344</u>
Contract liabilities			
Revenue from processing services	<u>\$ 145,836</u>	<u>\$ 131,106</u>	<u>\$ 226,859</u>

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

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

	For the Year Ended December 31	
	2024	2023
From the contract liabilities at the beginning of the year		
Revenue from processing services	<u>\$ 55,827</u>	<u>\$ 139,895</u>
c. Disaggregation of revenue		
	For the Year Ended December 31	
	2024	2023
<u>Primary geographical markets</u>		
Japan	\$ 22,691,850	\$ 21,514,180
Singapore	18,360,461	15,689,481
Taiwan (the principal place of business of the Corporation)	14,072,499	18,117,103
America	13,269,647	9,446,028
Europe	1,718,756	1,689,438
China, Hong Kong and Macao	1,571,006	2,038,684
Others	<u>1,630,823</u>	<u>1,946,031</u>
	<u>\$ 73,315,042</u>	<u>\$ 70,440,945</u>

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	\$ 345,409	\$ 337,289
Net investment in leases presented	9,763	4,165
Financial assets measured at amortized cost	3,620	611
Commercial paper	2,646	-
Others	<u>30</u>	<u>3</u>
	<u>\$ 361,468</u>	<u>\$ 342,068</u>

b. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 115,335	\$ 80,343
Financial liabilities classified as held for trading	(307,913)	(280,374)
Impairment loss of non-financial assets	(10,924)	(31,490)
Gain on disposal of subsidiaries	-	3,574,928
Others	<u>499,615</u>	<u>416,824</u>
	<u>\$ 296,113</u>	<u>\$ 3,770,231</u>

c. Other income

For the Year Ended December 31
2024 **2023**

Rental income		
Operating lease rental income	\$ <u>14,241</u>	\$ <u>13,642</u>

d. Finance costs

For the Year Ended December 31
2024 **2023**

Interest on bank loans	\$ 261,376	\$ 398,744
Interest on lease liabilities	22,851	23,523
Capitalized interest	(32,909)	(95,515)
Other	<u>-</u>	<u>40</u>
	<u>\$ 251,318</u>	<u>\$ 326,792</u>

Information about capitalized interest was as follows:

For the Year Ended December 31
2024 **2023**

Capitalized interest	\$ 32,909	\$ 95,515
Capitalization rate	1.430%-1.583%	1.338%-1.471%

e. Depreciation and amortization

For the Year Ended December 31
2024 **2023**

Property, plant and equipment	\$ 12,582,289	\$ 13,516,973
Right-of-use assets	48,031	67,821
Intangible assets	<u>25,227</u>	<u>29,425</u>
Total	<u>\$ 12,655,547</u>	<u>\$ 13,614,219</u>

An analysis of depreciation by function

Cost of revenue	\$ 11,633,532	\$ 12,671,061
Operating expenses	<u>996,788</u>	<u>913,733</u>
	<u>\$ 12,630,320</u>	<u>\$ 13,584,794</u>

An analysis of amortization by function

Cost of revenue	\$ 19,498	\$ 21,111
Operating expenses	<u>5,729</u>	<u>8,314</u>
	<u>\$ 25,227</u>	<u>\$ 29,425</u>

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

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 20)		
Defined contribution plans	\$ 554,217	\$ 599,998
Defined benefit plans	<u>6,543</u>	<u>(70,597)</u>
	560,760	529,401
Termination benefits	1,607	3,287
Other employee benefits	<u>17,311,285</u>	<u>15,522,653</u>
Total employee benefits expense	<u>\$ 17,873,652</u>	<u>\$ 16,055,341</u>
An analysis of employee benefits expense by function		
Cost of revenue	\$ 15,312,094	\$ 13,671,046
Operating expenses	<u>2,561,558</u>	<u>2,384,295</u>
	<u>\$ 17,873,652</u>	<u>\$ 16,055,341</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of PTI, PTI accrues compensation of employees and remuneration of directors at the rates between 5% and 7.5% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if PTI has accumulated deficits (including adjustment of unappropriated earnings), PTI should retain the net profit in advance for deducting accumulated deficits. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which were approved by PTI's board of directors on February 21, 2025 and March 8, 2024, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	5.44%	5.47%
Remuneration of directors	1.09%	1.09%

Amount

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

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

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

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	\$ 1,423,641	\$ 1,445,673
Foreign exchange losses	<u>(512,474)</u>	<u>(1,333,789)</u>
Net gains	<u>\$ 911,167</u>	<u>\$ 111,884</u>

24. INCOME TAXES

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

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 2,081,187	\$ 2,564,895
Income tax on unappropriated earnings	46,892	66,345
Adjustments for prior years	<u>(109,660)</u>	<u>(57,724)</u>
	2,018,419	2,573,516
Deferred tax		
In respect of the current year	<u>159,460</u>	<u>(39,538)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,177,879</u>	<u>\$ 2,533,978</u>

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

	For the Year Ended December 31	
	2024	2023
Profit before income tax	<u>\$ 10,677,286</u>	<u>\$ 12,043,116</u>
Income tax expense calculated at the statutory rate	\$ 2,727,013	\$ 3,140,925
Items that should be reduce	(495,229)	(617,942)
Nondeductible expenses in determining taxable income	1,599	1,581
Income tax on unappropriated earnings	46,892	66,345
Generation of temporary differences	2,279	25,969
Unrecognized loss carryforwards	(41,087)	(57,391)
Adjustments for prior years' tax	(109,660)	(57,724)
Others	<u>46,072</u>	<u>32,215</u>
Income tax expense recognized in profit or loss	<u>\$ 2,177,879</u>	<u>\$ 2,533,978</u>

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

b. Current tax liabilities

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Current tax liabilities		
Tax payable	<u>\$ 953,568</u>	<u>\$ 1,540,856</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

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

For the year ended December 31, 2023

	Balance, Beginning of Year	Movements in the Year	Disposal of Subsidiaries	Balance, End of Year
<u>Deferred tax assets</u>				
Temporary differences	<u>\$ 227,759</u>	<u>\$ 91,578</u>	<u>\$ (417)</u>	<u>\$ 318,920</u>
<u>Deferred tax liabilities</u>				
Temporary differences	<u>\$ 302,326</u>	<u>\$ 52,040</u>	<u>\$ -</u>	<u>\$ 354,366</u>

d. Income tax assessments

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

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Basic earnings per share	<u>\$ 9.09</u>	<u>\$ 10.72</u>
Diluted earnings per share	<u>\$ 9.03</u>	<u>\$ 10.64</u>

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

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Profit for the year attributable to the owner of the Parent	\$ 6,788,607	\$ 8,008,511
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u> -</u>	<u> -</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 6,788,607</u>	<u>\$ 8,008,511</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	747,208	747,347
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u> 4,345</u>	<u> 5,065</u>
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	<u> 751,553</u>	<u> 752,412</u>

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

26. DISPOSAL OF SUBSIDIARIES

On June 27, 2023, the board of directors of the Corporation approved the disposal of 70% shares of Powertech Technology (Suzhou) Ltd. to Shenzhen Longsys Electronics Co., Ltd. On October 1, 2023, the transfer of shares was completed, and control over the subsidiary was lost.

a. Consideration received

	<u>For the Year Ended December 31, 2023</u>
Total consideration received	<u>\$ 5,465,777</u>

b. Analysis of assets and liabilities upon losing control

	For the Year Ended December 31, 2023
CURRENT ASSETS	
Cash and cash equivalents	\$ 442,230
Contract assets	47,123
Accounts receivable (including related parties)	365,660
Other receivables (including related parties)	13,537
Inventories	58,637
Other current assets	13,182
NON-CURRENT ASSETS	
Property, plant and equipment	1,309,301
Right-of-use assets	51,114
Intangible assets	1,117
Deferred income tax assets	417
CURRENT LIABILITIES	
Accounts payable (including related parties)	(88,861)
Payables to equipment suppliers	(72,333)
Other payables (including related parties)	(21,346)
Accrued expenses and other current liabilities	<u>(287,243)</u>
Net assets disposed of subsidiaries	<u>\$ 1,832,535</u>

c. Gain on disposal of subsidiaries

	For the Year Ended December 31, 2023
Consideration received	\$ 5,465,777
Net assets disposed of	(1,832,535)
Reclassification of other comprehensive income in respect of subsidiaries	<u>(58,314)</u>
Gain on disposal of subsidiaries	<u>\$ 3,574,928</u>

d. Net cash inflow from disposal of subsidiaries

	For the Year Ended December 31, 2023
Consideration received in cash and cash equivalents	\$ 5,465,777
Less: Cash and cash equivalent balances disposed of subsidiaries	<u>(442,230)</u>
	<u>\$ 5,023,547</u>

27. CAPITAL MANAGEMENT

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

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

28. FINANCIAL INSTRUMENTS

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

December 31, 2024

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

December 31, 2023

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

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

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

1) Fair value hierarchy

December 31, 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

December 31, 2023

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

There were no transfers between Level 1 and 2 in 2024 and 2023.

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	2024	2023
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 286	\$ 28,659
Financial assets at amortized cost (Note 1)	40,538,289	40,275,362
Financial assets at FVTOCI		
Equity instruments	17,324	34,662
<u>Financial liabilities</u>		
FVTPL		
Held for trading	36,965	504
Amortized cost (Note 2)	28,958,056	31,415,378

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, finance lease receivable and refundable deposits.

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

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

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

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

Sensitivity analysis

The Corporation was mainly exposed to the USD and JPY.

The following table details the Corporation's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusted their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis included cash 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 Year Ended		For the Year Ended	
	December 31		December 31	
	2024	2023	2024	2023
Profit or loss	\$ (498,612)	\$ (874,289)	\$ 4,679	\$ 21,330

b) Interest rate risk

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

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

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 8,648,466	\$ 12,677,621
Financial liabilities	2,385,640	1,808,296
Cash flow interest rate risk		
Financial assets	14,501,720	9,353,831
Financial liabilities	17,673,044	23,374,756

Sensitivity analysis

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

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2024 and 2023 would decrease/increase by \$3,171 thousand and \$14,021 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rate risk on its variable-rate net liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, the Corporation's pre-tax profit for the years ended December 31, 2024 and 2023 would increase/decrease by \$0 thousand and \$0 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the post-tax other comprehensive income for the year ended December 31, 2024 and 2023 would have increase/decrease by \$866 thousand and \$1,733 thousand, respectively, as a result of the changes in fair value of financial instruments classified as FVTOCI.

2) Credit risk

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

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

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

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

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

The Corporation's concentration of credit risk was related to the three largest customers within the Corporation. Besides the aforementioned customers, there was no other customer that accounted for 10% of total gross accounts receivable for the years ended December 31, 2024 and 2023. 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 December 31, 2024 and 2023, the Corporation had available unutilized overdraft and short-term bank loan facilities of approximately \$882,788 thousand and \$3,600,826 thousand, respectively.

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

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

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

December 31, 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>

December 31, 2023

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

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

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

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

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

December 31, 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>

December 31, 2023

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

c) Financing facilities

	December 31	
	2024	2023
Secured bank loan facilities which may be mutually extended		
Amount used	\$ 12,361,587	\$ 18,128,714
Amount unused	<u>5,500,000</u>	<u>6,500,000</u>
	<u>\$ 17,861,587</u>	<u>\$ 24,628,714</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 party
Toshiba International Procurement Hong Kong, Ltd.	Substantial related party
Toshiba Information Systems (Japan) Corporation	Substantial related party
Toshiba Electronic Devices & Storage Corporation	Substantial related party
Kingston Technology International Ltd.	Substantial related party
Kingston Digital International Ltd.	Substantial related party
Longforce Technology (Suzhou) Ltd. (Note)	Associate
Kingston Solution, Inc.	Substantial related party
Kingston Technology Far East Corp.	Substantial related party
Solid State Storage Technology Corporation	Substantial related party
Realtek Singapore Private Limited	Substantial related party
Realtek Semiconductor Corp.	Substantial related party
Raymx Microelectronic Corp.	Substantial related party
KIOXIA Semiconductor Taiwan Corporation	Substantial related party
PTI Education Foundation	Substantial related party

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

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Sales of goods	Substantial related parties		
	Kioxia Corporation	\$ 16,111,879	\$ 14,717,119
	Others	<u>1,984,200</u>	<u>2,229,417</u>
		18,096,079	16,946,536
	Associates	<u>1,173</u>	<u>2,880</u>
		<u>\$ 18,097,252</u>	<u>\$ 16,949,416</u>

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

c. Purchases

Related Party Category	For the Year Ended December 31	
	2024	2023
Substantial related parties	\$ 718,902	\$ 230,023
Associates	<u>168</u>	<u>44</u>
	<u>\$ 719,070</u>	<u>\$ 230,067</u>

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

d. Cost of revenue

Related Party Category	For the Year Ended December 31	
	2024	2023
Associates	<u>\$ 135,358</u>	<u>\$ 90,179</u>

Cost of revenue mainly was subcontract costs.

e. Operation expense

Related Party Category	For the Year Ended December 31	
	2024	2023
Substantial related parties	<u>\$ 3,000</u>	<u>\$ 3,000</u>

Mainly was donation.

f. Other gains and losses

Related Party Category	For the Year Ended December 31	
	2024	2023
Substantial related parties	\$ 27,188	\$ 22,382
Associates	<u>3,902</u>	<u>1,376</u>
	<u>\$ 31,090</u>	<u>\$ 23,758</u>

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

g. Contract assets

Related Party Category/Name	December 31	
	2024	2023
Substantial related parties		
Kioxia Corporation	\$ 599,350	\$ 696,550
Others	<u>89,659</u>	<u>79,121</u>
	<u>\$ 689,009</u>	<u>\$ 775,671</u>

For the years ended December 31, 2024 and 2023, no impairment loss was recognized for contract assets from related parties.

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

Line Item	Related Party Category/Name	December 31	
		2024	2023
Accounts receivable from related parties	Substantial related parties		
	Kioxia Corporation	\$ 5,299,648	\$ 4,645,748
	Others	<u>416,744</u>	<u>529,523</u>
		<u>\$ 5,716,392</u>	<u>\$ 5,175,271</u>

The outstanding accounts receivable from related parties are unsecured. For the years ended December 31, 2024 and 2023, no impairment loss was recognized for accounts receivable from related parties.

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

Line Item	Related Party Category/Name	December 31	
		2024	2023
Accounts payable from related parties	Substantial related parties		
	Solid State Storage Technology Corporation	\$ 113,909	\$ 124,068
	Associates	<u>-</u>	<u>43</u>
		<u>\$ 113,909</u>	<u>\$ 124,111</u>

The outstanding accounts payable from related parties are unsecured.

j. Other receivables from related parties

	Related Party Category/Name	December 31	
		2024	2023
Substantial related parties			
	Kioxia Corporation	\$ 65,891	\$ 26,525
	Others	<u>1,135</u>	<u>-</u>
		67,026	26,525
Associates			
	Longforce Technology (Suzhou) Ltd.	<u>1,806</u>	<u>73,813</u>
		<u>\$ 68,832</u>	<u>\$ 100,338</u>

k. Other payables to related parties

	Related Party Category	December 31	
		2024	2023
Substantial related parties			
	Kioxia Corporation	\$ 48,288	\$ 39,262
Associates			
	Longforce Technology (Suzhou) Ltd.	<u>8,212</u>	<u>87,452</u>
		<u>\$ 56,500</u>	<u>\$ 126,714</u>

l. Acquisition of property, plant and equipment

Related Party Category/Name	Acquisition Price	
	For the Year Ended December 31	
	2024	2023
Substantial related party	\$ <u>16</u>	\$ <u>22,078</u>

m. Disposal of property, plant and equipment

Related Party Category	Proceeds		Gain on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Associates	\$ <u>-</u>	\$ <u>9,601</u>	\$ <u>-</u>	\$ <u>9,601</u>

The sale of property, plant and equipment to related parties and the purchase of property, plant and equipment from related parties were based on negotiations of cooperation agreements for which there were no comparable transactions in the market. The gain on disposal of property, plant and equipment was deferred.

n. Compensation of key management personnel

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Short-term benefits	\$ 460,320	\$ 464,608
Post-employment benefits	<u>2,546</u>	<u>2,115</u>
	\$ <u>462,866</u>	\$ <u>466,723</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	December 31	
	2024	2023
Property, plant and equipment	\$ 13,633,175	\$ 20,335,828
Restricted deposits (classified as financial assets at amortized cost - current)	32,781	160,744
Pledge deposits (classified as financial assets at amortized cost - non-current)	<u>252,574</u>	<u>207,444</u>
	\$ <u>13,918,530</u>	\$ <u>20,704,016</u>

31. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

- a. From March 2023 to February 2024 and February 2024 to January 2025, PTI signed the purchase agreements of equipment worth \$560,735 thousand and \$512,582 thousand with Disco Hi-Tec Taiwan Co., Ltd. As of December 31, 2024, PTI has paid a total of \$280,338 thousand and \$135,342 thousand.
- b. From July 2021 to July 2022, PTI signed a contract worth \$728,248 thousand with Jian Ming Construction Co. Ltd. to set up new plant construction and factory engineering. As of December 31, 2024, PTI had paid a total of \$728,248 thousand.
- c. From February 2024 to April 2024, PTI signed purchase agreements of equipment worth \$547,973 thousand with Applied Materials South East Asia. As of December 31, 2024, PTI had paid a total of \$396,953 thousand.
- d. 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 \$185,225 thousand.
- e. As of December 31, 2024, PTI unused letters of credit for purchases of machinery and equipment amounted to approximately JPY17,055 thousand and US\$5,804 thousand.
- f. In November 2021, PTI entered into capacity reservation agreements with Zhen Ding Technology Co., Ltd. The deposits in a required aggregate amount of US\$35,000 thousand were paid to suppliers in compliance with the agreements and refunded to PTI when terms set forth in the agreements have been satisfied. According to the agreements, the deposits will be refunded in 58 installments starting from March 2023. As of December 31, 2024, the Corporation has recovered US\$13,200 thousand.
- g. From June 2023 to June 2024, June 2024 to November 2024 and December 2024, the TeraPower Technology Inc. signed a purchase agreement of equipment worth \$906,142 thousand, \$500,558 thousand and \$937,715 thousand with Advantest Taiwan Inc., As of December 31, 2024, the TeraPower Technology Inc. has paid a total of \$906,142 thousand, 93,701 thousand and was 0 thousand canceled by negotiation.
- h. From July 2021 to July 2022, Tera Probe, Inc. signed a purchase agreement of equipment worth \$640,534 thousand with Teradyne Inc. As of December 31, 2024, Tera Probe, Inc. has paid \$609,928 thousand.
- i. From April 2023 to March 2024, Tera Probe, Inc. signed contracts with Advantest Corporation for the purchase of equipment for a total amount of \$558,325 thousand, and \$536,961 thousand had been paid as of December 31, 2024.

32. OTHER EVENTS

On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025. Based on the emissions of the Group in 2023, PTI, Greatek Electronics Inc. and TeraPower Technology Inc. expect that they will be subject to carbon fees. The Group will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	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>
	December 31, 2023		
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 705,904	30.7350 (USD:NTD)	\$ 21,695,959
USD	6,745	141.4100 (USD:JPY)	207,308
JPY	173,565	0.2173 (JPY:NTD)	37,716
JPY	189,966	0.0071 (JPY:USD)	41,280
SGD	645	0.7584 (SGD:USD)	15,035
RMB	45,094	0.141 (RMB:USD)	195,428
RMB	12,114	4.3338 (RMB:NTD)	<u>52,500</u>
			<u>\$ 22,245,226</u>

(Continued)

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

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were \$911,167 thousand and \$111,884 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and currencies of the entities in the Corporation.

34. SEPARATELY DISCLOSED ITEMS

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

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

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

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

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

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Capital Tip Customized Taiwan Select High Dividend ETF	71,509,000	9.41

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

35. SEGMENT INFORMATION

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

b. Geographical information

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

	Revenue		Non-current Assets	
	For the Year Ended		December 31	
	2024	2023	2024	2023
Japan	\$ 22,691,850	\$ 21,514,180	\$ 3,416,660	\$ 2,662,729
Singapore	18,360,461	15,689,481	-	-
Taiwan (the principal place of business of PTI)	14,072,499	18,117,103	55,547,996	56,023,567
America	13,269,647	9,446,028	-	-
Europe	1,718,756	1,689,438	-	-
China, Hong Kong and Macao	1,571,006	2,038,684	-	930,485
Others	<u>1,630,823</u>	<u>1,946,031</u>	<u>-</u>	<u>-</u>
	<u>\$ 73,315,042</u>	<u>\$ 70,440,945</u>	<u>\$ 58,964,656</u>	<u>\$ 59,379,442</u>

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

c. Major customers

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

Customer	For the Year Ended December 31			
	2024		2023	
	Amount	% of Total	Amount	% of Total
A	\$ 16,111,879	22	\$ 14,717,119	21
B	15,208,796	21	17,978,222	26
C	8,921,762	12	6,039,665	9

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

DECEMBER 31, 2024

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Powertech Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other receivables	Y	\$ 1,737,393	\$ 1,737,393	\$ 327,810	2.5	Short-term Financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,626,231	\$ 3,626,231	Note 1
2	PTI Technology (Singapore) Pte. Ltd.	Powertech Technology Inc.	Other receivables	Y	2,458,575	2,458,575	1,802,955	2.5	Short-term Financing	-	Operating capital	-	-	-	3,746,482	3,746,482	Note 1
3	Powertech Technology Japan Ltd.	Powertech Technology Inc.	Other receivables	Y	327,810	327,810	311,420	1.45	Short-term Financing	-	Operating capital	-	-	-	2,811,391	2,811,391	Note 1

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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 3A	-	Financial assets at amortized cost - non-current	200	200,001	-	199,994	Note 2
	P13 Corporation, Taiwan 2A	-	Financial assets at amortized cost - non-current	100	100,000	-	99,997	Note 2
	<u>Stock</u> Powertech Technology Inc.	Parent entity	Financial assets at fair value through other comprehensive income - non-current	13,000	1,586,000	2	1,586,000	Note 1
	SAMHOP Microelectronics Corp.	-	Financial assets at fair value through profit or loss - non-current	268	-	3	-	Note 4
	Terawins Inc.	-	Financial assets at fair value through profit or loss - non-current	643	-	2	-	Note 4
	Airwave Technologies Inc.	-	Financial assets at fair value through profit or loss - non-current	93	-	1	-	Note 4

Note 1: The fair value was based on stock closing price as of December 31, 2024.

Note 2: The fair value was based on trading market in hundreds of new Taiwan dollars as of December 31, 2024.

Note 3: The fair value of privately placed shares was determined using valuation techniques as of December 31, 2024.

Note 4: The fair value was based on the carrying value as of December 31, 2024.

Note 5: As of December 31, 2024, the above marketable securities had not been pledged or mortgaged.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Powertech Technology Inc.	Kioxia Corporation Kingston Solution, Inc.	Corporate director's parent company	Sale	\$ 15,801,252	33.4	Note 1	\$ -	-	\$ 5,232,585	48.67	-
		The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	388,623	0.82	Note 1	-	-	45,744	0.43	-
	Kingston Technology International Ltd.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	178,341	0.38	Note 1	-	-	3,728	0.03	-
	Kingston Digital International Ltd.	The ultimate parent company of the related party is the juristic-person director of the Corporation.	Sale	233,094	0.49	Note 1	-	-	58,650	0.55	-
	Solid State Storage Technology Corporation	Corporate director's subsidiaries.	Purchase	718,902	4.24	Note 1	-	-	(113,909)	(2.69)	-
Greatek Electronics Inc.	Realtek Semiconductor Corp.	Parent company of Greatek Electronics Inc.'s corporate director.	Sale	824,738	5	Net 60 days from monthly closing date	Note 2	Equivalent	206,624	7	-
	Realtek Singapore Private Limited	Same parent company with Greatek Electronics Inc.'s corporate director.	Sale	354,017	2	Net 60 days from monthly closing date	Note 2	Equivalent	99,837	3	-
TeraPower Technology Inc.	Kioxia Corporation	Parent company of corporate director of TeraPower Technology Inc.'s ultimate parent company.	Sale	310,626	5.37	Net 90 days from monthly closing date	-	-	67,063	5.23	-

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

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
Powertech Technology Inc.	Kioxia Corporation	Corporate director's parent company	\$ 5,232,585	3.23	\$ -	-	\$ 1,219,444	\$ -
Greatek Electronics Inc.	Realtek Semiconductor corp.	Parent company of Greatek Electronics Inc.'s corporate director	206,624	3.22	-	-	131,436	-

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Transaction Flow	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage to Consolidated Total Gross Sales or Total Assets
Powertech Technology Inc.	Greatek Electronics Inc.	1	Sales	\$ 56,836	Note 3	-
	TeraPower Technology Inc.	1	Sales	33,250	Note 3	-
	Tera Probe, Inc.	1	Sales	256	Note 3	-
	TeraPower Technology Inc.	1	Subcontract costs	198,919	Note 2	-
	Greatek Electronics Inc.	1	Subcontract costs	99,322	Note 2	-
	Powertech Semiconductor (Xian) Co., Ltd.	1	Purchase	9,581	Note 2	-
	Tera Probe, Inc.	1	Operating expenses	3,591	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Operating expenses	1,526	Note 2	-
	TeraPower Technology Inc.	1	Production overhead	600	Note 2	-
	Greatek Electronics Inc.	1	Production overhead	40	Note 2	-
	TeraPower Technology Inc.	1	Rent	3,405	Note 2	-
	TeraPower Technology Inc.	1	Other gains and losses	7,425	Note 2	-
	Tera Probe, Inc.	1	Other gains and losses	525	Note 2	-
	Greatek Electronics Inc.	1	Other gains and losses	51,388	Note 2	-
	Powertech Semiconductor (Xian) Co., Ltd.	1	Other gains and losses	81	Note 2	-
	Greatek Electronics Inc.	1	Accounts receivable from related parties	37,228	Note 3	-
	TeraPower Technology Inc.	1	Accounts receivable from related parties	5,545	Note 3	-
	TeraPower Technology Inc.	1	Other receivables from related parties	85	Note 2	-
	Greatek Electronics Inc.	1	Other receivables from related parties	9	Note 2	-
	TeraPower Technology Inc.	1	Contract assets	1,073	Note 2	-
	Greatek Electronics Inc.	1	Contract assets	2,146	Note 2	-
	Powertech Semiconductor (Xian) Co., Ltd.	1	Purchase of property, plant and equipment	4,219	Note 2	-
	Tera Probe, Inc.	1	Purchase of property, plant and equipment	2,561	Note 2	-
	TeraPower Technology Inc.	1	Purchase of property, plant and equipment	4,662	Note 2	-
	Tera Probe, Inc.	1	Other payables to related parties	484	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Other payables to related parties	820	Note 2	-
	PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Other payables to related parties	1,452	Note 2	-
	Greatek Electronics Inc.	1	Other payables to related parties	36,711	Note 2	-
	TeraPower Technology Inc.	1	Other payables to related parties	47,905	Note 2	-
	Powertech Technology (Japan) Ltd.	1	Other payables to related parties	25,171	Note 2	-
	Powertech Technology (Singapore) Pte. Ltd.	1	Short-term bank loans	327,810	Note 2	-
	PTI TECHNOLOGY (SINGAPORE) PTD. LTD.	1	Short-term bank loans	1,802,955	Note 2	2%
	Powertech Technology (Japan) Ltd.	1	Short-term bank loans	311,420	Note 2	-
Powertech Technology (Singapore) Pte. Ltd.	1	Net interest expense	28,315	Note 2	-	
PTI TECHNOLOGY (SINGAPORE) PTE. LTD.	1	Net interest expense	47,515	Note 2	-	
Powertech Technology (Japan) Ltd.	1	Net interest expense	1,593	Note 2	-	
TeraPower Technology Inc.	1	Other receivables from related parties	77,703	Note 2	-	
Greatek Electronics Inc.	1	Cost of revenue	148,183	Note 2	-	
Greatek Electronics Inc.	1	Accounts payable to related parties	31,656	Note 2	-	

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

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

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

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION OF INVESTEEES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares (In Thousands)	% of Ownership	Carrying Value			
Powertech Technology Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	\$ 1,153,964	\$ 1,153,964	73,386	49	\$ 3,804,175	\$ 1,118,554	\$ 566,453	Notes 1 and 2
	Powertech Holding (BVI) Inc.	British Virgin Islands	Investment business	1,679,370	1,679,370	50	100	3,787,304	38,980	38,980	Note 1
	Greatek Electronics Inc.	Miaoli	Semiconductor assembly and testing services	6,169,948	6,169,948	244,064	43	9,923,115	2,496,268	1,065,271	Note 1
	Powertech Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 69,000	USD 69,000	69,000	100	3,626,231	239,847	239,847	Note 1
	Powertech Technology Japan Ltd.	Japan	Investment business	USD 103,052	USD 103,052	-	100	4,032,969	366,713	380,682	Notes 1 and 2
Greatek Electronics Inc.	Tera Probe, Inc.	Japan	Wafer probing test services	230,616	230,616	1,077	12	568,847	708,138	103,939	Notes 1 and 2
	Get-Team Tech Corporation	Hsinchu	Metal plating on semiconductor lead frame	171,523	171,523	7,796	97.46	127,410	(11,783)	(17,609)	Note 1
Powertech Holding (BVI) Inc.	PTI Technology (Singapore) Pte. Ltd.	Singapore	Investment business	USD 51,000	USD 51,000	103	100	USD 114,288	USD 1,196	USD 1,196	Note 1
Powertech Technology Japan Ltd.	Tera Probe, Inc.	Japan	Wafer probing test services	USD 43,963	USD 43,963	4,440	49	USD 107,556	USD 22,049	USD 10,762	Note 1
	Powertech Technology Akita Inc.	Japan	Semiconductor assembly and testing services	USD -	USD 58,329	-	-	USD -	USD 496	USD 496	Notes 1 and 3
Tera Probe, Inc.	TeraPower Technology Inc.	Hsinchu	Wafer probing test services	JPY 4,348,056	JPY 4,348,056	76,381	51	JPY 4,348,056	JPY 5,284,274	JPY 2,694,980	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: The liquidation has been completed on September 30, 2024.

POWERTECH TECHNOLOGY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

DECEMBER 31, 2024

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

Investee Company Accounted for Using the Equity Method	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investments from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investments from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2024 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2024	Note
					Outflow	Inflow							
Longforce Technology (Suzhou) Ltd.	Semiconductor testing and assembly services	\$ 3,278,100 (US\$ 100,000)	Note 1	\$ 1,123,569 (US\$ 34,275)	\$ -	\$ -	\$ 1,123,569 (US\$ 34,275)	\$ (24,722) (US\$ (770))	30%	\$ (36,651) (US\$ (1,140))	\$ 1,180,240 (US\$ 36,004)	\$ -	-
Powertech Semiconductor (Xian) Co., Ltd.	Semiconductor testing and assembly services	327,810 (US\$ 10,000)	Note 1	1,548,837 (US\$ 47,248)	-	1,004,050 (US\$ 30,629)	544,787 (US\$ 16,619)	349,110 (US\$ 10,925)	100%	349,110 (US\$ 10,925)	800,112 (US\$ 24,408)	1,047,386 (US\$ 31,951)	-

Investee Company Accounted for Using the Equity Method	Accumulated Investment in Mainland China as of December 31, 2024 (In Thousands of USD)	Investment Amounts Authorized by the Investment Commission, MOEA (In Thousands of USD)	Ceiling Amount on of the Corporation's Investment in Mainland China
Longforce Technology (Suzhou) Ltd Powertech Semiconductor (Xian) Co., Ltd	US\$34,275 US\$16,619	US\$79,000 US\$70,000	\$34,057,245

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 December 31, 2024.